

UFLEX/SEC/2016/

August 4, 2016

The National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No.C/I, G-Block  
Bandra-Kurla Complex  
Bandra (E),  
Mumbai – 400051

The BSE Limited  
Corporate Relationships Department  
1st Floor, New Trading Ring,  
Rotunda Building, P J Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

**Scrip Code : UFLEX**

**Scrip Code : 500148**

**Subject : Submission of Annual Report 2015–2016 under Regulation 34 of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sirs,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith the Annual Report of the Company for the Financial Year 2015-2016 approved and adopted by the Members as per the Provisions of the Companies Act, 2013, at the 27<sup>th</sup> Annual General Meeting of the Company held on Tuesday, 2<sup>nd</sup> August, 2016 at 10:00 AM at Air Force Auditorium, Subroto Park, New Delhi – 110 010.

The same is also uploaded on the Company's website.

Thanking you,

Yours faithfully,  
For UFLEX LIMITED



(Ajay Krishna)  
Sr. Vice President (Legal) &  
Company Secretary

Encl : As above

TWENTY SEVENTH  
**ANNUAL REPORT 2015-2016**



**UFLEX LIMITED**



'A part of your daily life'

# UFLEX LIMITED

CIN: L74899DL1988PLC032166

## TWENTY SEVENTH ANNUAL REPORT 2015-2016

### BOARD OF DIRECTORS

ASHOK CHATURVEDI  
*Chairman & Managing Director*  
RAVI KATHPALIA (upto 16/12/2015)  
M. G. GUPTA  
ACHINTYA KARATI  
VIJAY KUMAR GUPTA  
*Nominee IFCI*  
S.K KAUSHIK (upto 02.02.2016)  
*Whole-time Director*  
TARA SANKAR SUDHIR BHATTACHARYA  
INDU LIBERHAN  
AMITAVA RAY (w.e.f. 02.02.2016)  
*Whole-time Director*

### SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

AJAY KRISHNA

### AUDITORS

#### Statutory Auditors

M/s Vijay Sehgal & Co.  
100, New Rajdhani Enclave  
Delhi - 110 092

#### Internal Auditors

M/s Jain Singhal & Associates  
2nd Floor, M - 6, M Block Market  
Greater Kailash - II, New Delhi - 110 048

#### Cost Auditors

M/s Jitender, Navneet & Co.  
Cost Accountants  
2-D, OCS Apartments, Mayur Vihar,  
Phase-I, Delhi - 110 091

#### Secretarial Auditors

M/s Mahesh Gupta & Co.  
110, Wadhwa Complex  
D 288/10, Laxmi Nagar, Delhi-110 092

### REGISTERED OFFICE

305, Third Floor, Bhanot Corner,  
Pamposh Enclave, Greater Kailash - I,  
NEW DELHI-110 048  
Phone Nos.:  
91-11-26440917, 26440925  
Fax No. : 91-11-26216922  
E-mail : flexsec@vsnl.net

### CORPORATE OFFICE

A - 107-108, Sector - IV,  
NOIDA-201 301 (U.P.)  
Phone No.: 91-120-4012345  
Fax No. : 91-120-2556040

### SUBSIDIARY COMPANIES

UFlex Packaging Inc., USA  
Flex Films (USA) Inc., Kentucky, USA  
UFlex Europe Limited, UK  
Flex Middle East FZE, UAE  
Flex P. Films (Egypt) S.A.E., Egypt  
Flex Films Europa Sp.oz.o., Poland  
Flex P Films (Brasil) Comercio De Films  
Plasticos Ltda, Brazil

UPET Holdings Ltd., Mauritius  
UPET (Singapore) Pte. Ltd., Singapore  
Flex Americas S.A. de C.V., Mexico  
UTech Developers Limited  
SD Buildwell Pvt. Ltd.  
USC Holograms Pvt. Ltd.  
Flex Industries Pvt. Ltd. (upto 14.01.2016)

### BANKERS

#### UFLEX Ltd., India - Bankers

Canara Bank  
Bank of Baroda  
Punjab National Bank  
State Bank of India  
Bank of India  
Allahabad Bank  
Oriental Bank of Commerce  
Corporation Bank  
The Jammu & Kashmir Bank Ltd.  
Syndicate Bank  
CTBC Bank Co. Ltd.

#### Flex Middle East FZE, Dubai - Bankers

United Arab Bank, Dubai  
National Bank of Oman, Dubai  
Al Khaliji Bank, Dubai

#### Flex Americas S.A. de C.V., Mexico - Bankers

KFW IPEX Bank, Germany  
KBC Bank Deutschland AG, Germany  
DZ Bank AG Deutsche Zentral-  
Genossenschaftsbank, Germany  
State Bank of India, New York

#### Flex P. Films (Egypt) S.A.E., Egypt - Bankers

KFW IPEX Bank, Germany  
Qatar National Bank Alahli, S.A.E., Egypt  
National Bank for Development, Egypt  
National Bank of Abu Dhabi, Egypt

#### Flex Films Europa Sp.oz.o., Poland - Bankers

KFW IPEX Bank, GmbH - Germany  
PKO Bank Polski, Poznan

#### Flex Films (USA) Inc., Kentucky, USA - Bankers

Bremer Kredit Bank AG  
JP Morgan Chase Bank N.A., USA

### REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services  
Pvt. Ltd.  
Beetal House, 3rd Floor,  
99, Madangir, Behind Local  
Shopping Centre  
Near Dada Harsukh Dass Mandir  
New Delhi - 110062  
Phone No. : 011-29961281-83  
Fax No. : 011 - 29961284  
E-mail : beetal@beetalfinancial.com

### WORKS

#### India

A-1, Sector-60, NOIDA (U.P.)  
A-2, Sector-60, NOIDA (U.P.)  
C-5-8, 17, 18, Sector 57, NOIDA (UP)  
D-1-2, 15-16, Sector - 59, NOIDA (U.P.)  
29-A, B, Malanpur Industrial Area,  
Distt. Bhind (M.P.)  
L-1, Industrial Area, Ghirongi (Malanpur),  
Distt. Bhind (M.P.)  
Unit-I, Lane No. 3, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu  
Unit-II, Lane No. 2, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu  
Unit-III, Lane No. 3, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu  
SM8 + SM10, Sanand, Gujarat

#### Dubai

P.O. Box No. 17930, Near Round About  
12, Jebel Ali Free Zone Area, Dubai  
United Arab Emirates

#### Mexico

Boulevard De Los Rios  
#5680 Zona Puerto Industrial, C.P. 89603  
Altamira, Tamaulipas, Mexico

#### Egypt

R 2 Plot No. 3, Engineering Square,  
North Extension of Industrial Zones  
6th of October City, Arab Republic of  
Egypt

#### Poland

62-300 Wrzesnia, ul. Gen. Wladyslawa  
Sikorskiego 48, Poland

#### USA

1221, North Black Branch Road,  
Elizabethtown, KY 42701

### ZONAL OFFICES

#### Mumbai

Unit No. 402, IVth Floor, Naman Center,  
Block-G, Bandra Kurla Complex, Plot No.  
C-31, Bandra, Mumbai-400051

#### Kolkata

A-16, FMC Fortuna,  
234/3A (2nd Floor),  
Acharya Jagdish Chandra Bose Road,  
Kolkata - 700 020

#### Bengaluru

443, 2nd Floor, 7th Block,  
Koramangala,  
Bengaluru - 560 095



## NOTICE

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of UFLEX Limited will be held on Tuesday, 2<sup>nd</sup> August, 2016 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) Audited Financial Statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and the Auditors thereon; and
  - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016.
2. To declare the dividend for the year 2015-2016 on the equity shares of the Company.
3. To appoint a Director in place of Shri Ashok Chaturvedi (DIN: 00023452), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the Appointment of Statutory Auditors.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Vijay Sehgal & Co., Chartered Accountants (Firm Registration No. 000374N), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors."

### SPECIAL BUSINESS:

5. Ratification of Remuneration to the Cost Auditors
- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014,

M/s Jitender, Navneet & Co., Cost Accountants appointed as the Cost Auditors of the Company by the Board of Directors, for the conduct of the audit of the cost records of the Company for the financial year 2016-17 at a remuneration of Rs.16.70 Lacs excluding service tax, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

By Order of the Board

**AJAY KRISHNA**

Sr. Vice President (Legal) &  
Company Secretary  
ACS No. 3296

Place : NOIDA

Date : 27.05.2016

### Regd. Office:

305, 3<sup>rd</sup> Floor, Bhanot Corner,  
Pamposh Enclave,  
Greater Kailash-I,  
New Delhi-110048

### IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26.07.2016 to 02.08.2016 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.

The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

5. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs. 20,01,476/- (Rupees Twenty Lac One Thousand Four Hundred Seventy Six only) being the unpaid and unclaimed dividend amount pertaining to Dividend, 2007-08 to the Investor Education and Protection Fund of the Central Government.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Electronic copy of the Annual Report of the 27<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 Notice of the 27<sup>th</sup> Annual General Meeting of the Company

inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.

9. The Company has paid the Annual Listing Fees for the year 2016-2017 to the following Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.

#### 10. Unclaimed/Undelivered Share Certificates

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly unclaimed shares lying with the Company have been transferred and dematerialized in an 'Unclaimed Suspense Account' of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.

It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

Shareholders, who have not yet claimed their shares are requested to immediately approach the Registrar & Transfer Agents of the Company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card & proof of address, and for delivery in demat form, a copy of Demat Account – Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

#### 11. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing the shareholders facility to exercise

their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).

- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

**The process & manner for e-voting are as under:**

- i) The voting period begins on **30<sup>th</sup> July, 2016 (9:00 AM)** and ends on **1<sup>st</sup> August, 2016 (5:00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **26<sup>th</sup> July, 2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders." Tab.
- iv) 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.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) 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.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for **UFLEX LIMITED** on which you choose to vote.
- xii) 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.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) 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.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) 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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
12. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the *cut-off date* i.e. **26<sup>th</sup> July, 2016**
13. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the *cut-off date* only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
14. Mr. Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
15. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" or "polling paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
16. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
17. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.uflexltd.com](http://www.uflexltd.com) and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.



18. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5**

The Board of Directors on the recommendation of Audit Committee re-appointed M/s. Jitender, Navneet & Co., Delhi, Cost Auditors, (Firm Registration No.00119) for the Financial Year 2016-17. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. The Board accordingly recommends the Ordinary

resolution set out at Item No. 5 of the accompanying notice for the approval of the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested financial or otherwise in the said Ordinary Resolution except to the extent of their shareholding in the Company

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

By Order of the Board

**AJAY KRISHNA**

Sr. Vice President (Legal) &  
Company Secretary  
ACS No. 3296

Place : NOIDA  
Date : 27.05.2016

**Regd. Office:**  
305, 3<sup>rd</sup> Floor, Bhanot Corner,  
Pamposh Enclave,  
Greater Kailash-I, New Delhi-110048

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name of Director</b>	<b>Shri Ashok Chaturvedi</b>
<b>Date of Birth</b>	15.10.1956
<b>Date of Appointment</b>	21.06.1988
<b>Experience in specific Functional areas</b>	Chief Promoter of UFLEX Group of Companies who had set up the business himself being the first generation entrepreneur and has in depth knowledge in flexible packaging business of the company.
<b>Qualification</b>	B.Sc.
<b>Directorship in other Public Limited Companies/excluding private companies which are subsidiary of public company</b>	1. Flex Foods Ltd. 2. UTech Developers Ltd.
<b>Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director</b>	Chairman of Audit Committee:  1. UTech Developers Ltd.

**DETAILS OF SHAREHOLDING/OTHER CONVERTIBLE INSTRUMENTS OF NON-EXECUTIVE DIRECTORS OF THE COMPANY**

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Sl. No.	Name of Director	No. of Equity Shares	Other convertible Instruments
01.	Shri M.G. Gupta	8061	Nil
02.	Shri A. Karati	Nil	Nil
03.	Shri Vijay Kumar Gupta (Nominee – IFCl)	Nil	Nil
04.	Shri T.S. Bhattacharya	Nil	Nil
05.	Smt. Indu Liberhan	Nil	Nil



## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting this Twenty Seventh Annual Report together with the Standalone & Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS

The summarized financial results for the year ended 31<sup>st</sup> March, 2016 and for the previous year ended 31<sup>st</sup> March, 2015 are as follows:

[Rs. in Crores]

	Consolidated Year Ended		Standalone Year Ended	
	2016	2015	2016	2015
<b>Revenue from Operations</b>	<b>6105.84</b>	6180.34	<b>3487.45</b>	3327.17
Other Income	<b>38.96</b>	21.06	<b>38.22</b>	61.29
<b>Total Revenue</b>	<b>6144.80</b>	6201.40	<b>3525.67</b>	3388.46
<b>Profit before Finance Cost, Depreciation &amp; Tax</b>	<b>841.24</b>	752.68	<b>508.96</b>	435.96
Finance Cost	<b>176.98</b>	186.93	<b>108.97</b>	116.46
Depreciation	<b>285.53</b>	279.40	<b>166.99</b>	163.94
<b>Profit before Tax</b>	<b>378.73</b>	286.35	<b>233.00</b>	155.56
Less: Tax Expenses	<b>62.80</b>	30.85	<b>33.32</b>	13.58
<b>Profit for the year</b>	<b>315.93</b>	255.50	<b>199.68</b>	141.98
Less: Minority Interest	<b>3.10</b>	0.74	<b>0</b>	0
<b>Profit after Minority Interest</b>	<b>312.83</b>	254.76	<b>199.68</b>	141.98

During the year under review, your Company has achieved consolidated total revenue and net profit of Rs. 6144.80 crore and Rs. 315.93 crore respectively as against total revenue and net profit of Rs. 6,201.40 crore and Rs. 255.50 crore respectively during the previous financial year ended 31<sup>st</sup> March, 2015.

Further, your Company has achieved standalone total revenue of Rs. 3525.67 crore and net profit of Rs. 199.68 crore as against total revenue of Rs. 3,388.46 crore and net profit of Rs. 141.98 crore during the previous financial year ended 31<sup>st</sup> March, 2015.

The comprehensive details of performance of the Company has been given in the Management Discussion and Analysis Report appended hereto.

The Details of financial performance of all subsidiaries, associates and joint ventures are contained in Note No. 38 of the Notes to Accounts to the Consolidated Financial Statements.

### TRANSFER TO RESERVES

An amount of Rs. 19.97 crore has been transferred to General Reserve for the Financial Year ended 31<sup>st</sup> March 2016.

### TRANSFER OF UNCLAIMED DIVIDEND

An amount of Rs. 20,01,476/- (Rupees Twenty Lac One Thousand Four Hundred Seventy Six only) was transferred to Investor Education and Protection Fund (IEPF) during the year under review.

### DIVIDEND

Your Directors are pleased to recommend a dividend @ Rs. 3.20 per share for the financial year ended March 31, 2016 after considering future needs of the company for growth.

The dividend, if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 26<sup>th</sup> July, 2016. In respect of shares held in dematerialized form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner.

### CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company.

### SHARE CAPITAL

The paid-up equity share capital outstanding as on 31<sup>st</sup> March, 2016 was Rs.72.21 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31<sup>st</sup> March, 2016 none of the Directors of the Company except the following held shares or convertible instruments of the Company:

Mr. Ashok Chaturvedi, CMD	12,64,533 Equity Shares
Mr. M.G. Gupta, Director	8,061 Equity Shares

The outstanding GDRs represent 5465840 shares as on 31.03.2016, which are nearly 7.57% of the Subscribed Share Capital of the Company. The GDRs have been converted into Equity Shares w.e.f. 25.04.2016. Due to said conversion, there will no further impact on the Equity Share Capital of the

Company as the underlying shares representing outstanding GDRs have already been included in the Equity Share Capital.

### **FIXED DEPOSITS**

The company neither had any fixed deposits outstanding as at 31<sup>st</sup> March 2016 nor fresh/renewal of deposits were accepted during the financial year 2015-2016. There were no unclaimed deposits as at March 31, 2016.

### **DIRECTORS**

The Board of Directors expressed their deep sorrow and grief on the sad demise of fellow member on the Board, Mr. Ravi Kathpalia, who left for heavenly abode on 16<sup>th</sup> December, 2015.

During the year, Mr. Amitava Ray (DIN: 00184143) has been appointed as a Whole-time Director on the Board of the Company w.e.f. 2<sup>nd</sup> February, 2016. Your Directors welcome Mr. Ray on the Board of the Company. His appointment has also been approved by the members of the company through Postal Ballot.

During the year, Mr. S.K. Kaushik (DIN: 0027035) has resigned from the Directorship of the Company w.e.f. 2<sup>nd</sup> February, 2016. The Board of Directors placed on record their appreciations for the valuable contribution made by Mr. S.K. Kaushik.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashok Chaturvedi, Chairman & Managing Director (DIN 00023452) of the Company retire by rotation and being eligible, offers himself for reappointment. The brief resume and other details as required under Securities & Exchange of Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 are provided in the Notice of Annual General Meeting of the Company.

All Independent Directors of your Company have given declarations confirming that they meet the criteria of Independence as prescribed both under the Act and Securities & Exchange of Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

### **RELATIONSHIP BETWEEN DIRECTORS INTER-SE**

None of the Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Companies Act, 2013.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

On the basis of compliance certificates received from the Executives of the Company, subject to

disclosures in the Annual Accounts and also on the basis of the discussion with the Statutory Auditors/Internal Auditors of the Company from time to time, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the Company has 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 as at 31<sup>st</sup> March, 2016 and of the Profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken 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;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee constituted by the Board reviewed the internal controls and financial reporting issues with Internal Auditors and Statutory Auditors.

### **STATUTORY AUDIT & AUDITORS**

The Statutory Auditors of the Company, M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi (Firm Registration No.000374N), were appointed as Statutory Auditors by the members for three years. Their appointment would be ratified at the ensuing Annual General Meeting.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31/03/2016 are self-explanatory and therefore do not call for any further comments.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3) of the Act.

### Internal Auditors

The Board of Directors of your Company has re-appointed M/s. Jain Singhal & Associates, Chartered Accountants, New Delhi (Firm Registration No.005839N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2016-2017.

### Cost Auditors

The Board of Directors of your Company has re-appointed M/s. Jitender, Navneet & Co., Delhi, Cost Accountants (Firm Registration No.00119) as Cost Auditors of the Company for the financial year 2016-2017.

### Secretarial Auditors

The Board had re-appointed M/s Mahesh Gupta & Co., Practicing Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor is annexed to the Report as per **Annexure 'A'**.

### SUBSIDIARY COMPANIES

Flex Middle East FZE, UAE, UFlex Europe Limited, UK, UFlex Packaging Inc., USA, Flex P. Films (Brasil) Comercio De Films PlasticosLtda, UPET Holdings Ltd., Mauritius, UTech Developers Limited, India and USC Holograms Pvt. Ltd., India are Subsidiary Companies u/s 2(87) of the Companies Act, 2013. Further, UPET (Singapore) Pte. Ltd., Singapore, Flex Americas, S.A. de C.V., Mexico, Flex P. Films (Egypt) S.A.E, Egypt, Flex Films Europa Sp.zo.o., Poland, Flex Films (USA) Inc., SD Buildwell Pvt. Ltd., and Flex Industries Private Limited (upto 14<sup>th</sup> January, 2016) are step-down subsidiaries of the Company.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company, who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial

Statements presented by the Company include the financial results of its Subsidiary Companies & Associate Companies.

Financial position of each of the Subsidiaries is provided in a separate statement attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Companies Act, 2013.

### Consolidated Financial Statements

In accordance with the Accounting Standard-21, Consolidated Financial Statements read with Accounting Standard-27 on Financial Reporting of Interest in Joint Ventures and Accounting Standard-23 on 'Accounting for Investments in Associates' issued by the Institute of Chartered Accountants of India, your Directors have pleasure in attaching the consolidated financial statements, which form part of the Annual Report & Accounts.

### CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises Mr. M.G. Gupta, Chairman, Mr. Achintya Karati, Member and Mr. Amitava Ray, Member. The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.uflexltd.com/pdf/Policies/UFLEX-CSR-Policy.PDF>.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure –“B”** and forms integral part of this Report.

### CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under SEBI (Listing of Obligations and Disclosure Requirements) Regulation 2015 with the Stock Exchanges.

A separate Report on Corporate Governance along with Report on Management Discussion and Analysis is enclosed as part of this Report as **Annexure 'C' & 'D'**.

### Disclosure under Companies Act, 2013

#### (i) Extracts of Annual Return

The details forming Part of the Extracts of Annual Return is annexed as per **Annexure 'E'**.

**(ii) Meetings**

During the year, Four Board Meetings and Four Audit Committee Meetings were convened and held. The details of which are given in Corporate Governance Report appended hereto.

**(iii) Composition of Audit Committee**

The Board has constituted a Audit Committee, which comprises of Mrs. Indu Liberhan as the Chairperson and Mr. M.G. Gupta, Mr. A. Karati and Mr. Amitava Ray as the Members. More details about the Committee are given in the Corporate Governance Report appended hereto.

**(iv) Related Party Transactions**

All related party transactions are negotiated on an arms-length basis and are in ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable. However, suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website: [www.uflexltd.com](http://www.uflexltd.com). at the weblink <http://www.uflexltd.com/Policy-on-Related-Party-Transactions.asp>

**(v) Particulars of Loans, Guarantees and Investments**

Details of Loans, Guarantees and Investments covered under the Provisions of Section 186 of the Companies Act, 2013 are given in the accompanying Financial Statements.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by any Regulator or Court, which would impact the going concern status of the Company and its future operations.

**INTERNAL FINANCIAL CONTROLS**

A detailed note has been provided under Management Discussion and Analysis Report appended hereto.

**VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

Fraud-free and corruption-free work culture has been the core of the Company's functioning. In view of the potential risk of fraud and corruption due to rapid

growth and geographical spread of operations, the company has put even greater emphasis to address this risk.

To meet this objective, a Whistle Blower Policy has been laid down. The same policy as approved by the Board was uploaded on the Company's website [www.uflexltd.com](http://www.uflexltd.com) at weblink <http://www.uflexltd.com/Whistle-Blower-Policy.asp>

**BOARD EVALUATION**

Pursuant to the Provisions of the Companies Act, 2013 and under Securities & Exchange of Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board has carried out an Annual Performance Evaluation of its own performance and all the Directors individually.

The evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. There were no complaint received from any employee during the financial year 2015-2016 and hence no complaint is outstanding as on 31.03.2016 for redressal.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2016 and the date of this report affecting financial position of the Company.

**RISK MANAGEMENT POLICY**

Risk Management is a very important part of any business. Company's Risk Management Policy divides Risk into two broad categories; one Risk Associated at the Transactional Level and the other Risk Associated at the Decision Making Level.

In respect of the Risk Associated at Transactional Level, the company has appropriate control mechanism and operating effectiveness of the Internal Financial Controls and Legal Compliance System.



The company has created appropriate structures with proper delegation of duties and responsibilities of employee at each level on enterprise basis for compliances thereof.

In respect of Risk Associated at Decision Making level like political, social & economic, market, technology, capital structure, foreign exchange & interest rate, they are evaluated before taking any strategic & financial decisions.

Adequacy and operative effectiveness of the Internal Financial Control and Legal Compliance System are periodically reviewed by the management, Internal Auditors, statutory auditors and the Audit Committee.

### INTERNAL POLICY ON REMUNERATION

The company has Internal Remuneration Policy for Directors, Key Management Personnel and Senior Management Personnel. The policy takes into account several factors like age, qualification, years of experience in the industry/ functional area and business management, present emoluments and other qualitative factors such as leadership qualities, communication skills, and performance track record. The aim is to ensure that the company attracts and retains competent people.

### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Member

interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as per **Annexure 'F'**.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed as "**Annexure 'G'**".

### AWARDS

During the year under review, your Company received 32 awards and Accolades conferred by reputable organizations based out of India and overseas. The details of the Awards and Accolades are given in the company's web-site at <http://www.uflexltd.com>:

### PERSONNEL

Personnel relations with all employees remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciations for the continued, sincere and devoted services rendered by all the employees of the Company.

### ACKNOWLEDGEMENT

The Directors express their gratitudes and thanks to all the Indian and International Financial Institutions & Banks, Government Authorities both India & overseas where company's operations are carried out. Shareholders, Customers, Suppliers and other Business Associates for their continued co-operation and patronage.

For & On behalf of the Board  
**Ashok Chaturvedi**

Chairman & Managing Director  
(DIN 00023452)

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**ANNEXURE - A**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[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]

To,  
**The Members,**  
**UFLEX LIMITED**  
**305, 3<sup>rd</sup> Floor, Bhanot Corner,**  
**Pamposh Enclave, Greater Kailash - I,**  
**New Delhi-110048**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UFLEX LIMITED** (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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas

Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - 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 (upto 14<sup>th</sup> May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May, 2015).
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable as the Company did not issue any securities during the financial year under review.**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued any debt securities during the financial year under review.**
  - f) 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- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not get delisted its equity shares from any stock exchange during the financial year under review.**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- vi) The management has identified and informed the following laws as being specifically applicable to the company:
  1. Indian Boilers Act, 1923 and Rules made thereunder.
  2. The Petroleum Act, 1934 and Rules and Regulations Made thereunder.
  3. Hazardous waste (Management, Handling and Transboundary Movement) Rules, 2008.
  4. Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder.
  5. Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder.
  6. Environment (Protection) Act, 1986 and Rules made thereunder.
  7. Legal Metrology Act, 2009 and Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and made effective from 1<sup>st</sup> July, 2015.
- (ii) The Listing Agreement entered into by the company with National Stock Exchange of India Limited & BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1<sup>st</sup> December, 2015)

During the year under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

It is observed that the Company was required to spend on CSR Activities Rs. 278.83 lacs on identified CSR activities as mentioned in Schedule VII, pursuant to

Section 135(5) of the Companies Act, 2013. Company spent Rs. 379.02 lacs during the year.

#### **We 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 year under review were 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.

All decision at Board Meeting and Committee meetings are carried out unanimously and the views of dissenting members, if any, are captured and recorded as part of the minutes of Board of Directors or committees of the Board, as the case may be.

We further report that based on the compliance mechanism established by the Company and on the basis of the Certificates issued by the Departmental Heads of the Company taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has 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.

We further report that during the audit period no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. above have taken place.

**For Mahesh Gupta and Company  
Company Secretaries**

Mahesh Kumar Gupta  
Prop.

**Place: Delhi  
Date: 27<sup>th</sup> May, 2016**

FCS No.: 2870  
C P No.: 1999

This report is to be read with our letter of even date which is annexed as '**Annexure -A**' and form an integral part of this report.

## Annexure - A

To,  
The Members,  
**UFLEX LIMITED**  
**305, 3<sup>rd</sup> Floor, Bhanot Corner,**  
**Pamposh Enclave, Greater Kailash-1,**  
**New Delhi-110048**

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- 5) Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
- 6) The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Place: Delhi**  
**Date: 27<sup>th</sup> May, 2016**

**For Mahesh Gupta and Company**  
**Company Secretaries**

Mahesh Kumar Gupta  
Prop.  
FCS No.: 2870  
C P No.: 1999



## ANNEXURE 'B'

### CSR Report for the FY 2015-16

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 programs.	The Company has framed a CSR Policy in compliance with the provisions of Companies Act, 2013 and the same is placed on the Company's website <a href="http://uflexltd.com">www.uflexltd.com</a> and the weblink for the same is <a href="http://uflexltd.com/pdf/CSR%20Policy/UFLEX%20-%20CSR%20Policy.PDF">http://uflexltd.com/pdf/CSR%20Policy/UFLEX%20-%20CSR%20Policy.PDF</a>
2.	The Composition of the CSR Committee	Mr. M.G. Gupta, Chairman Mr. A.Karati, Member Mr. Amitava Ray, Member
3.	Average net profit of the company for last three financial years: Average net profit	Rs. 13,941.30 Lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 278.83 Lacs
5.	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year;	The Company has spent Rs 379.02 Lacs
	b) Amount unspent, if any;	--
	c) Manner in which the amount spent during the financial year is detailed below:	The manner in which the amount is spent is detailed in the <b>ANNEXURE "B-1"</b>

### ANNEXURE "B-1" : CSR ACTIVITIES AT UFLEX

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Khelo Dilli (32 Centres)	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	State: Delhi Districts: All	54 Lakh	(1) <b>Direct Expenditure:</b> Rs. 51,83,388/- (2) <b>Overheads:</b> Rs. 2,16,612/-	Rs.54,00,000/-	STAIRS - A registered NGO
2.	Cricket Scholarship	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	State: Delhi Districts: All	5 Lakh	(1) <b>Direct Expenditure:</b> Rs. 4,76,585/- (2) <b>Overheads:</b> Rs. 23,415/-	Rs.5,00,000/-	STAIRS - A registered NGO
3.	Cricket Championship	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	State: Himachal Pradesh Venue: HPCA Ground	5 Lakh	(1) <b>Direct Expenditure:</b> Rs. 4,77,088/- (2) <b>Overheads:</b> Rs. 22,912/-	Rs.5,00,000/-	STAIRS - A registered NGO

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4.	Khelo Himachal (Adoption of 4 STAIRS sports promotion centres) and support Sombhadra Khel Mahotsava	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports cater to over ten villages	State: Himachal Pradesh District: Una	15 Lakh	(1) Direct Expenditure: Rs. 14,24,634/- (2) Overheads: Rs. 75,366/-	Rs.15,00,000/-	STAIRS - A registered NGO
5.	Khelo Haryana (Adoption of 4 centres)	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	State: Haryana District: Sirsa	15 Lakh	(1) Direct Expenditure: Rs. 14,36,891/- (2) Overheads: Rs.63,109/-	Rs.15,00,000/-	STAIRS - A registered NGO
6.	Khelo Uttar Pradesh and support Stairs 4Ablity	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	State: Uttar Pradesh District: Kushinagar	10 Lakh	(1) Direct Expenditure: Rs. 9,62,238/- (2) Overheads: Rs. 37,762/-	Rs.10,00,000/-	STAIRS - A registered NGO
7.	Stairs School Football League  Stairs School Football League	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	State: Delhi Districts: All State: Gujarat City: Ahmedabad and Gandhinagar	90 Lakh  115 Lakh	(1) Direct Expenditure: Rs. 86,52,381/- (2) Overheads: Rs. 3,47,619/-  (1) Direct Expenditure: Rs.1,09,59,342/- (2) Overheads: Rs. 5,40,658/-	Rs.90,00,000/-  Rs.1,15,00,000/-	STAIRS - A registered NGO
8.	STAIRS AGAINST DRUGS	Companies Act 2013, Section 135, Schedule VII, point i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:	State: Delhi	32 Lakh	(1) Direct Expenditure: Rs. 30,40,000/- (2) Overheads: Rs. 1,60,000/-	Rs.32,00,000/-	STAIRS - A registered NGO

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
9.	Uttar Pradesh Cricket Association (UPCA)	Companies Act 2013, Section 135, Schedule VII, point vii Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	State: Uttar Pradesh City: Lucknow	30 Lakh	Project in Progress Rs. 30 Lakh	Rs.30,00,000/-	Direct
10.	Eye Care – Hope for Light	Companies Act 2013, Section 135, Schedule VII, point i. eradicating hunger, poverty and malnutrition, promoting preventing health care and sanitation and making available safe drinking water;	State : Delhi	3.015 Lakh	Rs. 3.015 Lakh	Rs.3,01,500/-	Thru Registered NGO
11.	The Kamala Nehru Memorial Hospital	Companies Act 2013, Section 135, Schedule VII, point i. eradicating hunger, poverty and malnutrition, promoting preventing health care and sanitation and making available safe drinking water;	State : Uttar Pradesh	5 Lakh	Rs. 5 Lakh	Rs.5,00,000/-	Direct

The CSR Committee confirms that the implementation and monitoring if the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place : NOIDA  
Date : 27<sup>th</sup> May, 2016

**(ASHOK CHATURVEDI)**  
Chairman & Managing Director  
DIN : 00023452

**(M.G. GUPTA)**  
Chairman of CSR Committee  
DIN: 00023524

## ANNEXURE 'C'

### REPORT ON CORPORATE GOVERNANCE

#### CORPORATE GOVERNANCE

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified on September 2, 2015, and effective from December 1, 2015) replacing the earlier provisions as stipulated in Clause 49 of the Listing Agreement, the Company submits the Report on Corporate Governance followed by the Company.

#### 1. Company's Philosophy on Code of Governance

UFLEX's philosophy on Corporate Governance envisages the attainment of the highest level of transparency and accountability in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the Government and the lenders.

UFLEX believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value over a sustained period of time.

#### 2. Board of Directors

##### a) Composition & Category of the Board (As on March 31, 2016)

The Board of Directors of the Company comprises of seven Directors with two Executive Directors (including Executive Chairman) and four Independent Non-Executive Directors (including one Woman Director) and one Non-Executive-Nominee Director. The Board consists of eminent persons with considerable professional expertise and experience in business and industry, finance, audit, law, banking and public enterprises. None of the Directors on the Board is a Member of more than ten Committees and Chairperson on more than five Committees across all the companies in which he/she is a Director. All the Directors have made disclosures regarding their directorships and memberships on various Committees across all Companies in which they are Directors and Members.

The composition and category of Directors as on 31.03.2016 is as follows:

Name of Director	Designation	Category
Mr. Ashok Chaturvedi	Chairman & Managing Director	Promoter/Executive Chairman
Mr. Amitava Ray(*)	Whole-time Director	Executive Director
Mr. M.G. Gupta	Director	Independent, Non-Executive
Mr. A. Karati	Director	Independent, Non-Executive
Mr. Vijay Kumar Gupta	Nominee Director – IFCI Limited	Non-Executive
Mr. T.S. Bhattacharya	Director	Independent, Non-Executive
Mrs. Indu Liberhan	Director	Independent, Non-Executive
Mr. Ravi Kathpalia(**)	Director	Independent, Non-Executive
Mr. S.K. Kaushik(***)	Whole-time Director	Executive Director

(\*) Mr. Amitava Ray was appointed as Whole-time Director w.e.f. 2<sup>nd</sup> February, 2016.

(\*\*) Mr. Ravi Kathpalia ceased to be Director w.e.f. 16<sup>th</sup> December, 2015 due to death.

(\*\*\*) Mr. S.K. Kaushik resigned from the Directorship w.e.f. 2<sup>nd</sup> February, 2016.

##### b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2015-2016. The dates on which the meetings were held are 28.05.2015, 05.08.2015, 01.11.2015, and 02.02.2016 and the gap between the two meetings was not more than 120 days.

Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies is as follows:



Name of the Director	Attendance Particulars		No. of other Directorship and Committee Member/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship (in Public Co.)	No of Membership(s) of Board Committees in other Companies (*)	No of Chairmanship(s) of Board Committees in other Companies (*)
Mr. Ashok Chaturvedi	4	No	2	--	1
Mr Amitava Ray#	1	--	1	--	--
Mr. S.K. Kaushik^	3	No	3	1	--
Mr. Ravi Kathpalia	3	Yes	@	@	@
Mr. M.G. Gupta	4	Yes	2	2	--
Mr. A. Karati	4	Yes	7	7	1
Mr. Vijay Kumar Gupta	2	No	2	--	--
Mr. T.S. Bhattacharya	3	No	8	3	--
Mrs. Indu Liberhan	4	Yes	--	--	--

# Mr. Amitava Ray was appointed as Whole-time-Director w.e.f. 02.02.2016

^ Mr. S.K. Kaushik resigned from the Board w.e.f. 02.02.2016

@ Mr. Ravi Kathpalia ceased to be Director w.e.f. 16.12.2015 due to death. Hence, the details are not applicable.

(\*) In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership/ Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (excluding UFLEX Limited) have been considered.

**c) Disclosure of relationships between directors inter-se;**

None of the Directors are related to each other within the meaning of the term 'relative' as per section 2(77) of the Companies Act, 2013.

**d) Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31<sup>st</sup> March, 2016, none of the Non-Executive Directors of the Company held shares or convertible instruments of the Company except Mr. M. G. Gupta, Director who holds 8061 equity shares.

**e) Board Procedure**

The Board Meetings of the Company are convened by the Company Secretary on the direction of the Chairman. Sufficient notice in writing is given to all Directors for the Board Meetings and/or other Committee Meetings. All important matters concerning the working of the Company alongwith requisite details are placed before the Board.

**f) Information supplied to the Board**

The Board has complete access to all information of the Company, including *inter-alia*, the information to be placed before the Board of Directors as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned Departments / Divisions.

**g) Compliance reports of all laws applicable to the Company**

The periodical reports submitted by the Internal Auditors and by the concerned executives of the Company with regard to compliance of all laws applicable to the Company including steps taken by the Company to rectify instances of non-compliances, if any, are being reviewed by the Audit Committee and the Board.

**h) Independent Directors**

Independent Directors plays an important role in the governance processes of the Board. They bring their expertise and experience in the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest.

The appointment of the Independent Directors is carried out in a structured manner. The Nomination & Remuneration Committee identifies potential candidates based on certain laid down criteria and takes into consideration the diversity of the Board. The terms and conditions of appointment of Independent Directors are available on the website of the Company [www.uflexltd.com](http://www.uflexltd.com/pdf/Policies/Uflex-terms-conditions-of-appointment-of-independent-directors.pdf) (weblink: <http://www.uflexltd.com/pdf/Policies/Uflex-terms-conditions-of-appointment-of-independent-directors.pdf> )

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their appointments have been approved by the Members of the Company at the Annual General Meeting of the Company.

None of the Independent Directors serve as “Independent Directors” in more than seven listed companies.

The Independent Directors have confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Separate Meetings of Independent Directors**

As stipulated the Code of Conduct for Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 31<sup>st</sup> March, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

#### **i) Familiarization Programme for Directors**

The Independent directors of UFLEX are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website [www.uflexltd.com](http://www.uflexltd.com) to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

Further the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarization programme imparted to the Independent directors during the year are available on the website of the Company (weblink : <http://www.uflexltd.com/pdf/Policies/Uflex-familiarization-program-for-ids.pdf>)

### **3. Audit Committee**

Presently, the Audit Committee comprises of Four Members Directors viz., Mrs. Indu Liberhan (appointed on 28.05.2015) , Mr. M.G. Gupta, Mr. A. Karati and Mr. Amitava Ray (appointed on 02.02.2016). All the Members of the Audit Committee are Non-Executive and Independent Directors, except Mr. Amitava Ray. Mrs. Indu Liberhan is the Chairperson of the Audit Committee w.e.f. 02.02.2016. Majority of the members of Audit Committee have accounting and financial management expertise. During the year Mr. Ravi Kathpalia and Mr. S.K. Kaushik ceased to be Members of the Audit Committee w.e.f. 16.12.2015 and 02.02.2016 respectively. The Company Secretary acts as the Secretary to the Audit Committee.

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which include the following:

**Role of Audit Committee**

- 1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- 5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the Company with related parties;
- 9) scrutiny of inter-corporate loans and investments;
- 10) valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- 18) to review the functioning of the whistle blower mechanism;
- 19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

In addition to the above, Audit Committee reviews the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### **Powers of Audit Committee**

- (1) To investigate any activity within its terms of reference.
- (2) To seek any information from any employee.
- (3) To obtain outside legal or other professional advice.
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Details of Meetings and Attendance**

During the year, the Audit Committee had met four times on 28.05.2015, 05.08.2015, 01.11.2015 & 02.02.2016. The attendance of each Committee members is as under:

<b>Name of Member</b>	<b>No. of Meetings held</b>	<b>Meetings Attended</b>
Mrs. Indu Liberhan *	4	3
Mr. M.G. Gupta	4	4
Mr. A. Karati	4	4
Mr. Ravi Kathpalia #	4	3
Mr. S.K. Kaushik #	4	3

\* Mrs. Indu Liberhan was nominated as Member of Audit Committee at the Board Meeting held on 28.05.2015.

# Mr. Ravi Katpalia and Mr. S.K. Kaushik ceased to be Members of the Audit Committee on 16.12.2015 & 02.02.2016 respectively.

The head of Finance, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee Meetings. Further, representatives from various departments of the Company also attend the meetings as and when desired by the members of the Committee to answer and clarify questions raised at the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

#### **4. Nomination and Remuneration Committee**

##### **Terms of Reference**

The Nomination and Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole-time Directors based on performance and defined criteria.

Further, the remuneration policy of the Company is to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.



Presently, the Nomination and Remuneration Committee consists of three Members viz. Mr. M.G. Gupta (Chairman), Mrs. Indu Liberhan (appointed on 22.12.2015) and Mr. A. Karati. All the members of the Nomination and Remuneration Committee are Non-Executive Directors and all are Independent. Mr. M.G. Gupta (Chairman of Nomination and Remuneration Committee) was present in the last Annual General Meeting held on 22.07.2015. During the year Mr. Ravi Kathpalia ceased to be a Member of Nomination & Remuneration Committee w.e.f. 16.12.2015 due to death. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met twice on 28.05.2015 & 02.02.2016. All the Members had attended these Meetings.

### Performance Evaluation for Independent Director

The criteria for performance evaluation covers the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

## 5. Remuneration of Directors

**Details of Remuneration paid to Managing/Whole-time Directors for the year ended 31.03.2016 is given below:**

Name	Sitting Fee (Rs.)	Salary (Rs.)	Perquisites & Allowances etc. (Rs.)	Commission (Rs.)	Total (Rs.)	Date of Re-appointment/ Appointment	Service Term
Mr. Ashok Chaturvedi	--	67800000/-	9807941/-	25000000/- <sup>#</sup>	102607941/-	01.02.2014	5 years
Mr. Amitava Ray	--	3292242/-	4717/-	--	3296959/-	02.02.2016	5 years
Mr. S.K. Kaushik*	--	3964000/-	1906808/-	--	5870808/-	01.08.2014	3 Years

\* Mr. S.K. Kaushik resigned from the Directorship of the Company w.e.f. 02.02.2016.

<sup>#</sup> Commission as approved by the Board of Directors

For any termination the Company or the Executive Director is required to give notice of 3 months to the other party.

The company does not have any stock option scheme.

None of the Directors of the Company except the Chairman & Managing Director and Whole-time Director has any pecuniary relationship with the Company except to the extent of receipt of sitting fees for meetings of the Board/Committee(s) of Directors attended by them.

Sitting fees is paid to Non-executive directors for attending each meeting of the Board and Committees thereof.

Details of Sitting Fees paid to the Directors during the financial year are as follows:

(Amount in Rs.)

Name of Directors	Board Meetings	Committee Meetings	Total
Mr. Ravi Kathpalia @	1,50,000	5,00,000	6,50,000
Mr. M.G. Gupta	2,00,000	6,50,000	8,50,000
Mr. A. Karati	2,00,000	4,50,000	6,50,000
Mr. Vijay Kumar Gupta Nominee – IFCI Limited	1,00,000	--	1,00,000
Mr. T.S. Bhattacharya	1,50,000	50,000	2,00,000
Mrs. Indu Liberhan	2,00,000	2,50,000	4,50,000

@ Mr. Ravi Kathpalia ceased to be Director w.e.f. 16.12.2015 due to death.

## 6. Stakeholders' Relationship Committee

Presently the Stakeholders' Relationship Committee consists of Mr. M.G. Gupta (Chairman), Mr. A. Karati (appointed w.e.f. 22.12.2015) and Mr. Amitava Ray (appointed w.e.f. 02.02.2016). During the year Mr. Ravi Kathpalia and Mr. S.K. Kaushik ceased to be the Members of the Stakeholders' Relationship Committee w.e.f. 16.12.2015 and 02.02.2016 respectively.

The Committee, *inter-alia*, approves issue of duplicate certificates, oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders'/investors' complaints. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Company Secretary acts as the Secretary to the Committee.

In order to expedite the process of share transfers, the Board of Directors have nominated a Committee of two officers, who normally attend to the transfer and other related matters within a period of 10 days. The Committee of Officers operates subject to overall supervision and directions of Stakeholders' Relationship Committee.

During the year, the Stakeholders' Relationship Committee had met on 04.09.2015, 02.11.2015 & 03.02.2016. All the Members had attended the meetings.

The total numbers of complaints received and resolved during the year under review were 27. Outstanding complaints as on 31.03.2016 were Nil. There were no valid share transfers pending for registration for more than 10 days as on the said date.

Mr. Ajay Krishna, Sr. Vice President (Legal) & Company Secretary and Compliance Officer acts as Secretary to the Committee.

### Prohibition of Insider Trading

With a view to regulate Trading in Securities by the Directors and Designated Employees, the Company has adopted a "Code of Conduct for Prohibition of Insider Trading".

## 7. Corporate Social Responsibility (CSR) Committee

Presently, the CSR Committee has three Members consisting of Mr. M.G. Gupta as Chairman and Mr. A. Karati (appointed w.e.f. 22.12.2015) & Mr. Amitava Ray (appointed w.e.f. 02.02.2016) as Members. During the year Mr. Ravi Kathpalia and Mr. S.K. Kaushik ceased to be Members of the CSR Committee w.e.f. 16.12.2015 and 02.02.2016 respectively.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

The Terms of reference of the Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder; recommending the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy of the Company from time to time as specified in Schedule VII of the Companies Act, 2013.

One meeting of the Corporate Social Responsibility Committee was held on 30.03.2016 during the year and all the Members had attended this Meeting.

## 8. Subsidiary Companies

All subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies, *inter-alia*, by the following means:

- a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.

- b) All minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.
- c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

The Company has two non-listed Indian Subsidiary Companies i.e. UTech Developers Limited & USC Holograms Private Limited and two Step-down Indian Subsidiary Companies, i.e. S.D. Buildwell Private Limited & Flex Industries Private Limited (up to 14.01.2016). These companies do not fall under the category of 'material unlisted subsidiary company'.

Further, Policy for determining material subsidiaries has been posted on the website of the Company [www.uflexltd.com](http://www.uflexltd.com) (weblink: <http://www.uflexltd.com/pdf/Policies/policy-for-determining-material-subsidiaries.pdf>).

## 9. General Body Meetings

- (a) The details of last three Annual General Meetings held are as under:

AGM	Day, Date & Time	Venue	Special Resolution Passed
24 <sup>th</sup>	Saturday, September 7, 2013 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	NIL
25 <sup>th</sup>	Friday, August 8, 2014 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	<ul style="list-style-type: none"> <li>- Re-appointment of Mr. S.K. Kaushik as Whole-time Director of the Company for a further period of 3 years w.e.f. 01.08.2014.</li> <li>- Resolution under Section 180(1)(c) of the Companies Act, 2013.</li> <li>- Resolution under Section 186 of the Companies Act, 2013.</li> </ul>
26 <sup>th</sup>	Wednesday, July 22, 2015 At 10.00A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	NIL

- (b) Whether Special Resolutions were put through Postal Ballot?

Yes, the company has put resolution as special resolution. The Company has successfully completed the process of obtaining approval of its Members on the following Resolution through Postal Ballot during year 2015-16:

1. Appointment of Mr. Amitava Ray as Whole-time Director of the Company (Special Resolution)

Voting Pattern and Procedure for Postal Ballot :

- i) The Board of Directors of the Company, on 02.02.2016, had appointed Mr. Raghav Agarwal, Designated Partner of M/s RA & Co., Company Secretaries, LLP to act as Scrutinizer for conducting the Postal Ballots voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 2<sup>nd</sup> February, 2016 together with the Explanatory Statement on 23<sup>rd</sup> February, 2016 along with forms and prepaid postage business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members / list of beneficiaries as processed by CDSL & NSDL.
- iii) The voting under the postal ballot was kept open from 25<sup>th</sup> February, 2016 to 25<sup>th</sup> March, 2016 (either physically or through electronic mode)
- iv) Particulars of Postal Ballot Forms received from the Members using the electronic platform of CDSL were entered in a register maintained for the purpose.

- v) The Postal Ballot forms were kept under his safe custody and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All Postal Ballot Forms received / receivable upto the close of working hours on 25<sup>th</sup> March, 2016 the last date and time fixed by the Company for receipt of the Forms, had been considered for his scrutiny.
- vii) Envelopes containing Postal Ballot Forms received after close of business hours on 25<sup>th</sup> March, 2016 had not been considered for his scrutiny.
- viii) On 29<sup>th</sup> March, 2016 the Results were announced as under:

**A) Appointment of Mr. Amitava Ray as Whole-time Director of the Company w.e.f. 02.02.2016**

**i) Voted in favour of the Resolution:**

	Number of Members voted	Number of votes cast in favour of the resolution	% of total number of valid votes cast
E-voting	41	2515044	6.4452
Postal Ballot	32	31667569	81.1525
<b>Total</b>	<b>73</b>	<b>34182613</b>	<b>87.5977</b>

**ii) Voted against the Resolution:**

	Number of Members voted	Number of votes cast against the resolution	% of total number of valid votes cast
E-voting	54	4839664	12.4023
Postal Ballot	0	0	0
<b>Total</b>	<b>54</b>	<b>4839664</b>	<b>12.4023</b>

**iii) Invalid Votes:**

Total number of members whose votes were declared invalid	Total numbers of votes cast by them
0	0

**10. Means of Communication**

The quarterly un-audited financial results and annual audited financial results duly approved by the Board of Directors are sent to all the Stock Exchanges where the Company's shares are listed immediately after the Board Meeting. The same are widely published in leading Newspapers such as "Financial Express" (in English) and "Jansatta" (in Hindi). The Company also posts its financial results for all quarters on its own website [www.uflexltd.com](http://www.uflexltd.com) (weblink: <http://www.uflexltd.com/financials.php>) and

**- NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**- BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

**11. Disclosures**

**a) Related Party Transactions**

None of the transactions with any of related parties were in potential conflict with the Company's interest

at large. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

All related party transactions are on ordinary course of business and negotiated on an arms- length basis, and are intended to further the Company's interests.

The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website (Weblink: <http://www.uflexltd.com/pdf/policies/uflex-related-party-transactions-policy.pdf>).

**b) Whistle Blower Policy / Vigil Mechanism**

Fraud-free and corruption-free work culture has been the core of the Company' functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put even greater emphasis to address this risk.

To meet this objective, a Whistle Blower Policy has been laid down. The same policy as approved by the Board was uploaded on the Company's website [www.uflexltd.com](http://www.uflexltd.com) at weblink <http://www.uflexltd.com/Whistle-Blower-Policy.asp>

**c) 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.

**d) Disclosures of Risk Management**

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

**e) Proceeds from public issue, rights issue, preferential issue, FCCB issue**

During the year, the Company has not raised any funds from public issue, rights issue, preferential issue and FCCB issue.

**f) Management Discussion and Analysis**

Management Discussion and Analysis Report forms part of the Annual Report.

**g) Penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority**

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory Authority on any matter related to Capital Markets during the last three years.

However, the company has paid penalty of Rs.1,07,000/- (Rs.50,000/- to NSE and Rs.57,000/- to BSE) for not appointing woman director in time.

**h) Code of conduct**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the directors and senior management. The Code of Conduct also incorporates the duties of Independent Directors as laid down in Companies Act, 2013. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been put on the Company's website (Weblink: <http://www.uflexltd.com/pdf/policies/uflex-code-of-conduct.pdf>). The Code has been circulated to all the members of the Board and Senior Management and its compliance is affirmed by them.

A declaration signed by the Company's Chairman and Managing Director is published in this Report.

**i) Review of Directors' Responsibility Statement**

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2016 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.



**j) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

Despite Company being a Net Foreign Exchange earner, it does not absolve the Company from Foreign Exchange Risk due to time difference of Inflows and Outflows.

The Company does not follow any policy of Hedging Exchange Risk and keeps its Foreign Exchange Exposure open, however keeps a close watch on the exchange rate movement.

- k) The Company has complied with the conditions of Corporate Governance requirements as stipulated in Clause 49 of Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable.

**12. Other Requirement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**(i) The Board**

The Chairman of the Company is the Executive Chairman.

All the Directors including Independent Directors are appointed/re-appointed by the Board from time to time. The Board of Directors of the Company appointed the Independent Directors for 5 consecutive years.

**(ii) Shareholders' Rights**

The quarterly, half-yearly and annual financial results of the Company are published in the newspapers and are also posted on the Company's website [www.uflexltd.com](http://www.uflexltd.com) (weblink: <http://www.uflexltd.com/financials.php>). The complete Annual Report is sent to each and every shareholder of the Company.

**(iii) Audit Qualifications**

There are no Audit Qualifications in the Company's financial statements for the year under reference.

**(iv) Reporting of Internal Auditors**

The Internal Auditors directly report to the Audit Committee.

**13. CEO/CFO Certifications**

The Chairman & Managing Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at its meeting held on 27<sup>th</sup> May, 2016.

**14. General Shareholders Information**

**(a) Annual General Meeting to be held on:**

Date : 02.08.2016

Day : Tuesday

Time : 10:00 A.M.

Venue: Air Force Auditorium, Subroto Park, New Delhi – 110010

**(b) Tentative Financial Calendar**

- Results for quarter ending 30.06.2016	: 1 <sup>st</sup> week of August, 2016
- Results for quarter ending 30.09.2016	: 1 <sup>st</sup> week of November, 2016
- Results for quarter ending 31.12.2016	: 1 <sup>st</sup> week of February, 2017
- Results for year ending 31.03.2017	: 4 <sup>th</sup> week of May, 2017

**(c) Book Closure date**

July 26, 2016 to August 02, 2016 (Both Days Inclusive)

**(d) Dividend payment date**

Dividend for the financial year 2015-2016, if declared will be paid/credited to the account of the shareholders on or after 2<sup>nd</sup> August, 2016.

### (e) Listing of Equity Shares on Stock Exchanges

The equity shares are listed on the following Stock Exchanges:

1. BSE Limited, Mumbai
2. National Stock Exchange of India Limited, Mumbai

**Note:** Annual Listing fees for the year 2016-2017 have been duly paid to all the above Stock Exchanges.

(f) **Stock Code** - Trading symbol – National Stock Exchange of India Ltd.: 'UFLEX'

**(Equity shares)** - Trading symbol – BSE Limited: 500148

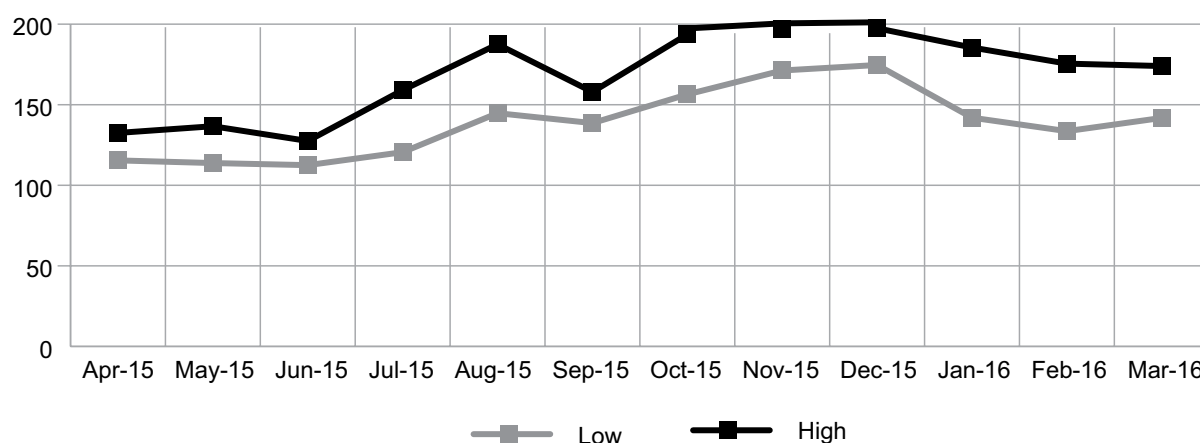
(g) **Demat ISIN Number in NSDL & CDSL :** INE516A01017

(h) **Stock Market Price for the year 2015-2016:**

Closing Share prices on National Stock Exchange are as under:

(in Rs.)

Month	High	Low
April, 2015	132.50	115.45
May, 2015	136.65	113.80
June, 2015	127.50	112.50
July, 2015	159.05	120.55
August, 2015	187.70	144.75
September, 2015	157.95	138.60
October, 2015	193.65	156.40
November, 2015	196.80	171.25
December, 2015	197.45	174.65
January, 2016	185.50	141.95
February, 2016	175.50	133.60
March, 2016	174.00	141.80



(i) **Performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc.**

The shares of the Company are not considered by the Stock Exchanges in their index fluctuations.

(j) **Address for correspondence for Shares transfer and related matters:**

**For shares held in physical form:**

*The Company's Registrar & Share Transfer Agent (RTA), address at:*

Beetal Financial & Computer Services Pvt. Ltd.

(Unit : UFLEX Limited)

BEETAL House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre,

Near Dada Harsukh Dass Mandir, New Delhi – 110062

Tel. No. 011-29961281-83, Fax No. 011 – 29961284,

E-mail: beetal@beetalfinancial.com

**For shares held in Demat form:** To the Depository Participants (DP)

(k) **Share Transfer System**

Presently the shares, which are received in physical form, are transferred within a period of 10-12 days from the date of receipt, subject to the documents being valid and complete in all respects.

(l) **Distribution of Shareholding as on 31.03.2016**

Range in Numbers	No. of Shareholders	No. of shares	% of total equity
1 - 5000	44093	4490508	6.22
5001 - 10000	1942	1545869	2.14
10001 - 20000	961	1459261	2.02
20001 - 30000	329	845628	1.17
30001 - 40000	147	527367	0.73
40001 - 50000	121	572431	0.79
50001 - 100000	231	1695533	2.35
100001 & above	259	60976733	84.44
Transit shares *		98156	0.14
<b>TOTAL</b>	<b>48083</b>	<b>72211486</b>	<b>100.00</b>

\* As on March 31, 2016 these shares lying in pool account of NSDL/CDSL since buyer's identity are not established.

(m) **Categories of Shareholders as on 31.03.2016**

Category	No. of shares held	% of shareholding
Promoters & Associates	31784339	44.02
Financial Institutions, Mutual Funds & Banks	176071	0.24
Foreign Institutional Investors	6377584	8.83
NRIs	4157576	5.76
GDRs	5465840	7.57
Other Bodies Corporate	8191287	11.34
General Public	15960633	22.10
Shares in transit (Demat) *	98156	0.14
<b>Total</b>	<b>72211486</b>	<b>100.00</b>

\* As on March 31, 2016 these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

(n) **Dematerialization of Shares and liquidity**

Nearly 98.84% of total equity share capital is held in dematerialized form upto 31.03.2016 with NSDL/ CDSL. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors.

(o) **Outstanding GDRs**

The outstanding GDRs represent 5465840 shares as on 31.03.2016, which are nearly 7.57% of the Subscribed Share Capital of the Company. The GDRs have been converted into Equity Shares w.e.f.

25.04.2016. Due to said conversion, there will no further impact on the Equity Share Capital of the Company as the underlying shares representing outstanding GDRs have already been included in the Equity Share Capital.

**(p) Plant Locations**

1. A-1, Sector-60, NOIDA (U.P.)
2. A-2, Sector-60, NOIDA (U.P.)
3. C-5-8, 17, 18, Sector-57, NOIDA (U.P.)
4. D-1-2, 15-16, Sector-59, NOIDA (U.P.)
5. 29-A, B, Malanpur Industrial Area, Distt. Bhind (M.P.)
6. L-1, Industrial Area, Ghirongi (Malanpur), Distt. Bhind (M.P.)
7. Unit-I, Lane No. 3, Phase-I, SIDCO Industrial Complex, Bari Brahmana, Jammu
8. Unit-II, Lane No.2, Phase-I, SIDCO Industrial Complex, Bari Brahmana, Jammu
9. Unit-III, Lane No.3, Phase-I, SIDCO Industrial Complex, Bari Brahmana, Jammu
10. SM8 + SM10, Sanand, Gujarat

**(q) Address for Correspondence**

The shareholders may address their communication/grievances/queries/ suggestions to:

Beetal Financial & Computer Services Private Limited (Unit: UFLEX Limited) BEETAL House, 3rd Floor, 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Dass Mandir New Delhi – 110062 Tel. No.011- 29961281-83 Fax No.011- 29961284 E-mail: beetal@beetalfinancial.com	UFLEX Limited 305, 3rd Floor, Bhanot Corner Pamposh Enclave, Greater Kailash-I New Delhi - 110048 Tel. No. : 011-26440917, 26440925 Fax No. : 011-26216922 E-mail : flexsec@vsnl.net
--	--

**15. Disclosures with respect to demat suspense account/unclaimed suspense account**

The status of equity shares lying in the unclaimed suspense account is as follows:

Sl. No.	Particulars	No. of Share-holders	No. of equity shares held
1.	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the year	659	55413
2	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	-	-
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	-	-
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year	659	55413

It may please be noted that, the voting rights on the unclaimed shares shall remain frozen till the rightful owner of the shares claims the shares.

**16. Compliance Certificate**

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.

The above report has been placed before the Board at its meeting held on 27<sup>th</sup> May, 2016 and the same was approved.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members of UFLEX LIMITED**

We have examined the compliance of conditions of Corporate Governance by UFLEX Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 according to the 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 / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **VIJAY SEHGAL & CO.**  
Chartered Accountants  
Firm's Registration No. 000374N

**CA. S. V. Sehgal**  
Partner  
Membership No. 080329

Dated : 27<sup>th</sup> May, 2016  
Place : Delhi

## DECLARATION

To the Members of  
**UFLEX LIMITED**

I, Ashok Chaturvedi, Chairman & Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Rules of Code of Conduct for the financial year ended 31<sup>st</sup> March, 2016 pursuant to the requirements of Clause 49 of the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **UFLEX LIMITED**

**ASHOK CHATURVEDI**  
Chairman & Managing Director  
DIN 00023452

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016



## ANNEXURE - D

### MANAGEMENT DISCUSSION AND ANALYSIS

#### FORWARD-LOOKING STATEMENTS

**Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.**

#### 1. Global Economy

Global growth in 2015 again fell short of expectations, slowing to 2.4 percent from 2.6 percent in 2014. The disappointing performance was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade, and capital flows. Going forward, global growth is projected to edge up, but at a slower pace than envisioned in the June 2015 forecast, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. The forecast is subject to substantial downside risks, including a sharper-than-expected slowdown in major emerging and developing economies or financial market turmoil arising from a sudden increase in borrowing costs that could combine with deteriorating fundamentals and lingering vulnerabilities in some countries (source: [www.worldbank.org](http://www.worldbank.org))

#### 2. Indian Economy

Economic growth in India accelerated in Fiscal Year 2015 despite a double-digit decline in exports. It is projected to dip marginally in FY2016 due to a slowdown in public investment, stressed corporate balance sheets, and declining exports, then pick up in FY2017 as newly strengthened bank and corporate finances allow a revival in investment. Notwithstanding unexpected delays in enacting some economic reform, the prospects for continued rapid growth are undiminished (source: <http://www.adb.org/countries/india/economy>)

#### 3. Industry Structure & Developments

Flexible packaging has been one of the fastest growing sectors in the packaging industry over the past 10 years, thanks to increased consumer focus on convenience and sustainability; this

rapid development will continue to accelerate.

Flexible packaging offers all properties needed for primary packaging such as lightweight, high performance, high barrier, low contamination, keeping the product completely sealed off from the environment. Flexible packaging products use far less material than rigid packaging options and also consume smaller space during packaging and on shelves in retail outlets. Flexible packaging also offers a number of sustainability advantages including low raw material consumption owing to light weighting thus leaving lesser carbon footprint. Flexible packaging paves way for reduced energy usage at manufacturing, transportation and disposal stages besides producing relatively low waste produced as compared to conventional packaging formats.

Flexible packaging is the most economical method to package, preserve and distribute food, beverages, other consumables, pharmaceuticals and other products that need extended shelf life. It can be designed with barrier properties tailored to fit the products being packaged keeping in mind the end-use, whereas other packaging formats generally provide a one-size-fits-all approach. Flexible packaging can now be made in a wide variety of innovative shapes, sizes and appearances, and can include components such as handles and opening and reclosing features such as zips and spouts to name a few. Changing consumer lifestyle has increased dependence on processed, pre-cooked and packed foods, which also mobilized the entire flexible packaging supply chain to sync product offering as per end customer's requirement. The flexible packaging industry has witnessed introduction of new and efficient films that are used in flexible packaging. Modified Atmosphere Packaging (MAP), vacuum skin packaging are some of the current trending packaging solutions which have been developed to meet end customer demand.

Flexible packaging technology has advanced dramatically over the past 10 years and is now a consumer household mainstay, steadily moving into new markets and applications. Products have progressed from simple monolayer bags and wrappings to coextruded or laminated engineered multilayer and coated constructions, comprising multiple materials such as plastics, paper and metal foils, coatings and other additives. These developments provide properties such

as high barrier to oxygen, extended shelf life and convenience, all of which are increasingly demanded in packaging for food, consumables and pharmaceuticals. The properties of flexible packaging can be tailored to provide specific combinations required for packaging a broad range of products.

The total global market for flexible packaging is forecast to grow at an annual average rate of 3.4% during the period 2015-2020, reaching \$248 billion. Food packaging occupies over 70% of the global consumer flexible packaging market; it is growing by 4.0% on average in volume terms and reached over 18.8 million tonnes in 2015. Whilst Asia-Pacific and Western Europe have enjoyed the largest areas of growth over the period 2010-2014, sales of consumer flexible packaging have been growing at a high average annual rate in Asia-Pacific and Eastern Europe. (source: [www.smitherspira.com](http://www.smitherspira.com))

The global flexible packaging market is segmented based on end user, packaging types, printing processes, material, and geography. By end user type, the global flexible packaging market is segmented into consumer products, industrial, medical & pharmaceuticals, retail food, retail non-food, institutional food, institutional non-food, and others. By packaging type, the global flexible packaging market is segmented into stand-up pouches, flat pouches, converted roll-stock, gusseted bags, wicket bags, laminated flexitubes, aseptic cartons/packs, big bags and others. By material type, the global flexible packaging market is categorized into Polypropylene (PP), Polyethylene (PE), Polyethylene Terephthalate (PET), Poly Vinyl Chloride (PVC), Ethylene Vinyl Alcohol (EVOH), Polyamide (PA), and others (paper, aluminum, and cellulosic)

By geography, the global flexible packaging market is segmented into North America, Europe, Asia Pacific, the Middle East and Africa, and Latin America. Currently, North America dominates the global flexible packaging market in terms of revenue share. However, Asia Pacific is expected to expand at the fastest growth rate in the global flexible packaging market owing to the rising disposable income, and rising demand, and changing packaging trends in the end user sectors, which are expected to have a positive impact on the global flexible packaging market. Currently, rising population and the significant demand for beverages, packaged foods,

pharmaceuticals, and personal care products are driving growth of the flexible packaging market in countries such as India and China, whereas the North American flexible packaging market is expected witness moderate growth in the coming years, due to the highly saturated end-use market globally.

#### 4. Business Review

##### Packaging Film Business

The main products of this business are OPP Films, Polyester Films, Metalized & Specialty films and Polyester Chips of different grades etc.

The Company's OPP films comprising BOPP (Biaxially Oriented Polypropylene) and CPP (Cast Polypropylene) films are highly cost effective and functionally efficient and have rapidly penetrated into high barrier sensitive packaging segment across the world. It is primarily being used for applications in packaging food products such as tea, coffee, confectionery, biscuits, bakery, pasta, dried foods, meats and others. The technologically superior and highly dependable BOPP film can be structured up to three layers and tailored for almost any machine requirements and is capable of meeting both Rotogravure and Flexography Printing standards. The Company produces BOPP film from its Indian plant which largely caters to the captive & domestic market and Egypt plant which caters to the international market.

The CPP film is highly dynamic and versatile with high gloss, greater transparency, better heat sealability, good twisting property and better tear strength. These factors provide its application in food wraps, anti wraps, anti fog, garment bags, deep freeze applications, etc. Presently CPP film too is produced from Indian plant and caters to captive consumption & Indian market. The CPP plant in Egypt caters to the international market.

BOPET films with different range of microns (thickness) have the capacity to sustain high fidelity graphics and meet the requirements of both rotogravure as well as flexography printing standards besides having properties like optical brilliance, clear appearance, unequaled mechanical strengths and toughness, excellent dielectric properties good flatness and coefficient of friction (COF), tear resistance and puncture resistance,, excellent dimensional stability over a wide range of temperature, good resistance to most common solvents, moistures, oil and

grease and excellent barrier against a wide range of gases among others. BOPET film is produced from India, Dubai, Mexico, Poland, Egypt & USA. Indian plants meet captive & Indian market requirements whereas overseas plants serve overseas markets across the globe.

The Company also has the facility to produce polyester chips of film grade, yarn grade and bottle grade. The film grade chips are used as raw material for manufacturing polyester films whereas yarn grade chips are used for manufacturing polyester yarn and bottle grade chips for production of PET bottles. The Company has made use of its state-of-the-art batch processing manufacturing facilities set up in India, by conveniently switching over to produce different grades of chips based on the demand and orders at hand. The Company manufactures a wide range of polyester chips suitable for various applications. Through continuous R&D efforts, the Company has developed different speciality polyester chips, which have been well accepted in the Indian and International market. Presently the Chip Unit also caters to the requirement of the Specialty Chips of Company's overseas Subsidiary Companies.

### Flexible Packaging Business

The main products of this business are laminates made of various combinations of Polyester, BOPP, poly, metalized & hologram films and others in roll form and in various preformed pouches & bags of many sizes, laminated flexi-tubes, rotogravure cylinders for various types of rotogravure printing, Anilox/Coating, rollers for flexo printing, elastomers & sleeves, Shims for holographic embossing and holograms, other anti-counterfeiting and brand protection solutions (to keep look-alikes at bay from eroding brand equity of customers), printing inks, adhesives, coatings, polyols, packaging & converting machines. This business entails customization according to the needs of customers globally.

The Company has the technical ability and innovative skills to design structures and barrier properties. The Company is one of the world leaders producing bespoke world class flexible packaging solutions that:

- Enhance market performance of the product through enhanced packaging aesthetics, barrier properties, pack functionalities and anti-

counterfeiting properties;

- Improve utility for the end user through innovation to create value added differentiation;
- Replace out-moded options with versatile, sustainable and cost-effective solutions

The Company offers finished packaging of a wide variety of products such as snack foods, candy and confectionery, sugar, rice & other cereals, beverages, tea & coffee, desert mixes, noodles, wheat flour, soaps and detergents, shampoos & conditioners, vegetable oil, spices, marinades & pastes, cheese & dairy products, frozen food, sea food, meat, anti-fog, pet food, pharmaceuticals, contraceptives, garden fertilizers and plant nutrients, motor oil and lubricants, automotive and engineering components etc. Thus the company currently offers flexible packaging solutions for solids, semi-solids, powders, granular materials, viscous fluids, pastes and gels. With the aseptic packaging plant for packing liquid products going operational in early 2017 at Sanand, Gujarat, the company will complete the entire bouquet of product offering.

**Some New Products:** The KOHINOOR Bag is used for packaging of premium rice. The special feature of this bag is an anti-slip device that prevents the bags from slipping over each other and off the stack when stacked one over the other on its flat face for unitizing (stacking, palletizing, stretch/shrink wrapping and secondary packaging), during transportation and during display on the shelf. The anti-slip property is achieved by using a special micro-embossing process on the finished laminate prior to bag making. The micro embossing is registered so as to appear only on the central portion of the bag and is not visible when viewed normally. Therefore, it does not affect the graphics in any way. Also it is so designed that it does not physically puncture the film surface therefore barrier properties remain unaffected and there is no development of micro-pores that allow micro-organisms to enter the package. The embossing delivers a very high coefficient of friction that prevents any slippage of bags when stacked several feet high.

Conventional flexible film laminate bags create problems in handling due to slipping of bags off a stack of bags during secondary packaging, unitizing / palletizing, transportation and display as a stack at the point of display / sale. This package obviates slipping. This product addresses a long-

standing problem with film laminate bags for “bulk” packaging applications. It offers a much more effective solution than using coatings or additives and offers trouble-free handling and stacking of bags.

The BIRLA WALLCARE package is a Woven Polypropylene (WPP) stand-up bag used for packaging 40 kgs. of White Cement Based Putty. The special feature of this bag is that it comes with a hermetically sealed block bottom and block top construction. The top construction incorporates a valve for filling; the valve is hermetically heat-sealed for closing after filling. The bag is made from a flexible laminate with a high-definition reverse printed BOPP film / woven polypropylene (WPP) fabric / sealant construction. The block bottom and block top construction is created during bag-making and is hermetically sealed to provide high barrier, to prevent water / moisture ingress and to prevent seepage of product. The bag attains a cuboid shape after filling and can both stand up on its own and be stacked one above the other on the flat front and rear sides for unitization, secondary packaging, palletisation, transportation and storage / display during distribution and sale. It is easily recyclable and highly sustainable.

The bag system provides feasibility for high-barrier bulk packaging, hitherto the preserve of rigid systems. It also provides water-proofing and delivers outstanding shelf-impact and superior graphics as compared to any other bulk packaging system and superior stand-up facility and stackability. This bag system is the first single-component high-barrier, waterproof bulk packaging system that stands up well and is easily stackable on either its side or along its height. It offers distinctly superior graphics/aesthetics and shelf-impact as compared to any other bulk packaging system. It is also easily recyclable and high sustainable.

Flexfresh™ uses the Equilibrium Modified Atmospheric Packaging (EMAP) technology to offer shelf life extension solutions to the fresh produce industry. This solution entails maintaining consistent oxygen and carbon dioxide inside the bag during the shelf life of the produce. Uflex with the help of the foreign technology partner conceived the holy grail of oxygen and water barrier for packaging fresh produce. Flexfresh™ while maintaining the humidity inside the bag at 98%, keeps the product absolutely dry without

allowing condensation of the humidity. This results in very low weight loss of the produce as it continues to breathe in hydrated oxygen available inside the bag. In several experiments on various products, it was observed that the ratio of oxygen and carbon dioxide has always been maintained at equilibrium. The film provides good release characteristics of carbon dioxide emitted by the produce. Over and above the gamut of benefits that it offers, Flexfresh™ film is biodegradable by composting. Thus Flexfresh™ complies with all international regulations for overall migration (EC 1935/2004), reach compliance (EC 1907/2006) and qualifies for biodegradation under DIN EN 13432 (2000-12).

**Printing Cylinder:** The main activities of the Cylinder business is to produce Rotogravure Cylinders for various types of Rotogravure printing, Anilox/Coating Rollers for flexo printing and Shims for holographic embossing. The printing Cylinders business of the Company is one of the largest in India. These cylinders are made for captive consumption as well as for domestic and international sales. Printing Cylinder is at the core of the Rotogravure Flexible printing and the Company has capabilities to provide complete solution starting from Artwork/Mock up stage to producing final printing cylinders.

The Company has bought special software for making specialized Cylinders up to 2.5 meters. The same can be used for vinyl flooring, wood grains, Textile & various other specialised purposes. Zero discharge system with effluent treatment plant was installed to stop draining of waste chemical(s) after treatment. The Company saves foreign exchange by developing in-house copper additive for copper plating. It is also having a proofing system which can print on actual substrate without engraving the Cylinders.

The Company has commissioned a robotic plant for producing gravure cylinders at Noida plant. This plant based on technology from Think Laboratory – Japan has reduced the cumbersome operation of manufacturing rotogravure cylinders to a one-man operation. Using this technology, high definition chrome plated printing cylinders are made from the steel base.

**Flexographic plates:** Flexographic plates, like letterpress plates, are relief plates with image elements raised above open areas. They are elastomeric in nature in contrast with hard letterpress plates. They use rotary presses



and low viscosity inks. Flexographic plates have a Shore A durometer hardness of 25-55 versus durometer readings in excess of 60 for letterpress plates. The process was originally called aniline printing because of the aniline dye inks that were first used in the process. Coarse surfaces such as corrugated board and stretchy films can economically be printed only with this process. Flexography leaped into prominence with the introduction of cellophane as a packaging material.

**Flexo proof press (Wet Proof):** Introduced first time in India, this is capable of proofing on actual substrate with actual ink and plates. Prior to printing, jobs can be proofed to obtain the approval from the customer. It saves lot of press time & wastage of plates.

**Digital Plate Cutting Table:** This equipment can cut Flexo Plates either straight or Staggered to the finished size, when mounted on plate sleeve the joining will be more precise. This can cut Flexo plates as well as paper board and rubber blanket.

**Solvent Recovery Plant:** Recycling of used solvent can be recovered by up to 90% through this Equipment and same can be reused in the washout process. Moreover waste of this process can also be used as fuel for our incinerator, furnace etc.

**Laser:** The Company has recently installed Direct Laser Engraving System (by M/s Schepers – Germany, a pioneer in laser techniques) with 4 beam facility through which High Resolution Images, High Definition Pictures & Fine Text can be achieved. It leads to achieve up to 10,000 dpi. With this facility the Company is able to engrave Solid background & Fine Text and Straight Line Text for Paper & Board Packaging especially for Tobacco & Cosmetic Industry.

**Flat Top Dot Insert Gas Technology:** At the time of exploring the flexo plate, the oxygen is eliminated and chamber is filled with Nitrogen giving firm shoulder and flat tops to the dot for better printability / ink transfer, least dot gain while printing, to avoid the oxidization of the dots.

**New Imaging Engine:** 8 beam laser with 50 watts power enables near circular imaging of the dots and attaining higher speed to attain the consistent dot reproduction at the time of printing.

The Company can also achieve High-Definition Half Tone results, 3D Pictures, Micro Texts, Nano Texts, Hidden Texts and Security Features with 3D effects. The Company is able to make special cylinders e.g. Embossing Rollers, Mica Vinyl Rollers, Textiles, Match Box and Tissue & Paper Napkin etc. The Company can also get low & high depth cylinders to deposit (0.5 gsm – 40 gsm) coating.

**Holographic Solutions:** The Company offers state of the art contemporary anti-counterfeiting and brand protection solutions such as Thermal Holography film, Cold foil, Unigram, Latentogram and Fresnel lens to keep look-alikes from eroding the brand equity of clients. The wide range of products caters to many diversified industries such as FMCG, Pharma, Confectionary, Liquor, Textile, Tobacco, Packaged Foods etc. and are well accepted both by the Government and Private Organizations across the country. The Company through its impeccable marketing and enviable reach always has the pulse of the market and customers to constantly develop innovative customized solutions. With a strong in-house capability in R&D, the Company is committed to refine and constantly upgrade the processes and products being manufactured which are either unique or offer affordable import substitution. Our fully equipped research laboratory is a result of core technical strength & commitment to manufacturing holography and related products making it an 'all in house' scenario. Hologram being low cost with better margin, adds to the bottom line significantly besides adding value to the customers' brand and boosting company's image.

**Inks, Adhesives, Speciality Coatings and Polyols:** The Company has indigenously produced the new generation cost effective polyester base solvent less adhesive system for flexi pack, new ink system for PVC profile and special coating for producing matt effect in laminates. The company enjoys the distinction of being a complete solution provider for flexible packaging industry in terms of printing inks and binding needs of laminates. Company's wide range of proven products is compatible with all kinds of substrates and machines instilling confidence in our customers. Apart from flexible packaging, the adhesives also serve footwear and foam industries.

**Packaging and Converting Machines:** The Company also manufactures customized need-



based packaging and converting machines. The ongoing process of innovation and introduction of machines through its in-house R&D facilities, having unique features and facilities for packaging products of different varieties enables the Company to manufacture both general machines as well as customized machines designed to suit the needs and requirements of various customers both in India and abroad. The Company has made very specialized high speed state-of-art technology Rotary machines working at very high speed. The Company is also working to make Cement Bag making machines, Pet Food Bag making machines and Aseptic packaging machines to pack and give longer shelf life to liquid products. The Company has also added specialized machine in the filed of making and sealing of WPP bag. These products will help the Company to achieve a better turnover. Company is working on specialized bigger pack packaging machines. The company has launched state-of-the-art Extrusion Lamination Machine with unrivalled features like unique design of drying hood to achieve optimum temperature; separate drive for impression rollers, motorized three axis movement of carriage for air gap setting, chamber type doctor blade for anchor coating among others.

## 5. Financial and Operational Performance – Overview

The summarized financial results are given hereunder:

### Summary of results:

	(Rs. in Crores)			
	2015-16		2014-15	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Total Revenue	6144.80	3525.67	6201.40	3388.46
Profit before Finance Cost, Depreciation & Tax	841.25	508.96	752.67	435.96
Profit before Tax	378.73	233.00	286.35	155.56
Profit for the year	312.83	199.68	254.76	141.98

## 6. Expansion Project

The Company is setting up facility in the State of Gujarat for manufacture and sale of Aseptic

Packaging materials for liquid products with an annual capacity of 7 billion packs. The project shall be fully completed in two stages. The first stage shall comprise the built up of complete infrastructure and commissioning of all equipments and one more printing line shall be installed during Financial Year 2018-19. The first stage completion shall be commissioned & operational by end of Financial Year 2017 with capacity of 3.5 billion packs. It will further be expanded to 7 billion packs with addition of remaining one printing line in second stage by end of Financial Year 2019. The expenditure of the project for both the stages is approximately Rs. 580 crore.

Land admeasuring about 72 acres has been allotted by GIDC in Sanand II, Gujarat. Site development work has been completed. Architect & Civil Contractor have been appointed. Civil work has already commenced and progressing speedily. Order for procuring main equipments has been placed. Since 72 acres of land has been procured at Sanand, the facility may also house expansion of manufacturing facilities of the Company's existing businesses. With the Aseptic Packaging plant going fully operational, company's margins will improve thereby positively impacting the bottom line.

In addition to above, the Company keeps investing towards acquisition of modern equipments & machines; deploying new technologies and processes that assist in improving the efficiency and innovation of the products. The Company has plans to invest around Rs. 500 crore for this purpose between Financial Year 2015-16 and 2017-18.

## 7. Opportunities & Threats

### Opportunities

Flexible packaging market has been driving the packaging industry to new heights. Development across consumer and industrial market that uses flexible films, improvements in manufacturing practices, and continued technological innovations, the packaging market has been able to grow and evolve thereby shaping the packaging trends. As a result of the various beneficial features that come with it, right from ease of handling, storage and convenience to being economic in terms of cost savings, flexible packaging has certainly paved a strong position for itself, and is seen as a key segment driving growth of the overall packaging industry world over.

The factors driving the flexible packaging market are the rise in demand and adoption of the packaging type across end-use sectors such as food and beverages and Fast Moving Consumer Goods (FMCG). Ease of packaging has made flexible packaging a perfect alternative for display and branding of retail goods, in turn driving growth of the global flexible packaging market. Backed by investments in technology and industry equipment, the industry is expected to enjoy a high growth rate in the coming years. Opportunities for the global flexible packaging market are riding on the back of rising disposable incomes. Stand – up pouches with re-closable options are spelling out ease and convenience for deferred use. Stick packages and single serve packs/unit packs are much in demand ensuring controlled portions. High oxygen and moisture barrier, metallized laminates and co-extrusions are further expected to add value to end users and therefore to brand owners. There is a growing trend for the multinational brands to source globally thereby driving M&A activities among converters. Converters are also looking at rapid expansion to reap in the benefits of the ever swelling global demand for flexible packaging. Opportunity galore is expanding for flexible packaging as it has been proved beyond reasonable doubt that this type of packaging requires much less energy during manufacturing, transportation and disposal than its rigid counterpart.

Four key trends driving the flexible packaging market are:

### 1. *Down gauging*

The combination of environmental pressures and high polymer prices are increasing demand for thinner films. Flexible packaging uses less resources and energy than other forms of packaging. It provides significant reductions in packaging costs, materials use and transport costs and has clear performance advantages over rigid packaging. The flexible packaging industry is expected to promote more of the 'pre-cycling' benefits of these packages versus rigids as the combination of environmental pressures and uncertain polymer prices persist.

### 2. *High-Performance Films*

Food packaging films are trending toward high-performance film structures that are less permeable to increase shelf life and enhance flavors. The ongoing success of

flexible packaging as a replacement for glass and metal packages can be attributed directly to the substantial improvements in barrier properties of plastic films and particularly clear plastic films.

### 3. *Consumer Convenience*

With increasingly busy life styles and hectic schedules, ready meals that are available in new flexible packaging formats are in a prime position to take advantage of the current social trend towards convenient mealtime solutions.

Packaged fresh meat, fish and poultry consumption will grow at a faster rate than unpackaged produce to 2020. Growth in the pre-sliced sector and in premium lines has promoted growing demand for modified atmosphere (MAP) packaging. Demand for chilled food is also being driven by a greater variety of ready meals, fresh pasta, seafood and exotic meats.

### 4. *Bio-Derived and Bio-Degradable Technologies*

The proliferation of bio-based packaging films continues with polylactic acid (PLA), polyhydroxyalkanoates (PHA) and poly-trimethylene terephthalate (PTMT) showing the most promise on the materials side of the equation, and thermoplastic starch (TPS) films on the petroleum replacement side.

### *Threats*

Flexible packaging markets tend to be highly competitive at both the national and regional levels, often with narrow margin. The global flexible packaging industry continues to be highly fragmented although a small but growing number of multinational converters are adopting a global strategy to grow their major brand owner customers who are expanding their manufacturing footprint in emerging markets in Eastern Europe, Asia, Africa and Latin America. There is an increasing concern among consumers for environmentally sustainable packaging solutions that has made R&D towards light weighting of substrates rather ubiquitous. Converters are confronted with the daunting task of coming up with solutions that leave lesser waste and thus lower carbon foot print. The narrative on sustainability now puts a much larger onus on to the packaging manufacturers to innovate and ensure reduction at source.

Worldwide more and more bio-degradable products are being used and packaging films are often considered environment unfriendly. Packaging films face significant opposition from various strata of society and are subject to severe regulatory and statutory frame although it has been proved beyond reasonable doubt that this type of packaging requires much less energy during manufacturing, transportation and disposal than its rigid counterpart.

## 8. Future Outlook

According to Smithers Pira, the global market for flexible packaging is forecast to grow at an annual average rate of 3.4% during the period 2015-2020, reaching \$248 billion. The major growth engines are the Asia-Pacific countries.

Substitutions of Traditional packaging and Retail Chains are the most important drivers for the market growth. The opportunity for the market growth lies in concentrating on developing nations or emerging economies. (Source : [www.bigmarketresearch.com](http://www.bigmarketresearch.com))

The players in the flexible packaging industry worldwide are increasingly coming up with innovative and effective flexible packaging products and solutions. Through the development and utilization of flexible packaging films and continual innovations, the flexible packaging sector has been able to grow and evolve to adapt to the needs of products around the globe. Flexible packaging designs such as zippers, pouring spouts, peel-off lids, and microwavable pouches provide consumers with convenience in consuming and disposing of products like never before. Such packaging designs are being increasingly produced to meet the growing consumer demand for food and beverage products that offer higher convenience and portability. Many packaging companies are planning to devise innovative products. Most of them are focused on inventing new packaging designs or attempting to redesign existing packaging.

Flexible packaging by nature is highly adaptable. The clever and solution driven designs that the packaging companies are coming up with, further drives the sustainability benefit of the products which they clothe. Flexible packaging help minimize good and packaging waste by offering appropriate portion sizes and re-closable packs. The wide range of innovative flexible materials

and new design concepts being introduced in this industry to minimize waste in terms of conservational and cost, attracts increasing number of customers.

## 9. Internal Control System, their Adequacy and operative effectiveness

The Company has laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has also laid down an adequate system for legal compliances. It has created appropriate structures with proper delegations of duties and responsibilities of employees at each level on enterprise basis which ensures the proper adherence and compliance of such systems.

Both the Internal Financial Control and Enterprise Legal Compliance System are subject to review by the Management in respect of their adequacy and operative effectiveness which in turn are also reviewed by the Internal Auditors, Statutory Auditors and Audit Committee. Finally, the Board of Directors of the Company also review and take note of them.

## 10. Risks & Concerns

Risk is an integral part of business. Risk can be broadly categorized into two broad categories: one Risk Associated at the Transactional Level and the other Risk Associated at the Decision Making Level.

Risk Associated at operational level can arise out of operations, financial dealings and / or compliances of legal system. The Company has appropriate control mechanism and operating effectiveness of Internal Financial Controls & Legal Compliance System.

Risk Associated at the Decision Making levels are political, social & economic, technology, capital structure, foreign exchange & interest rate etc. These risk are evaluated in detail before taking any strategic & financial decision.

## 11. Company's Standalone and Consolidated Financial Performance & Analysis

### A. Fixed Assets

The composition and growth of assets are as under:

(Rs. in Crore)

Particulars	2015-16		2014-15	
	Consolidated	Standalone	Consolidated	Standalone
<b>A. TANGIBLE ASSETS</b>				
Freehold Land	43.14	0.19	41.09	0.12
Leasehold Land	212.85	148.71	132.46	41.56
Buildings	762.32	328.77	736.97	319.13
Plant & Machinery	3925.00	2040.13	3770.17	1989.46
Electrical Installations	134.89	53.12	134.62	53.74
Office Equipments	61.53	45.55	55.63	42.50
Furniture & Fixtures	60.03	51.09	56.92	48.72
Vehicles	35.88	25.81	28.14	20.79
<b>Sub-Total (A)</b>	<b>5235.64</b>	<b>2693.37</b>	<b>4956.00</b>	<b>2516.02</b>
<b>B. INTANGIBLE ASSETS</b>				
Goodwill	0	0	0.03	0
Software	16.10	15.31	14.49	13.82
Patent	6.40	6.40	5.00	5.00
Technical know-how	10.10	10.10	2.66	2.66
<b>Sub-Total (B)</b>	<b>32.60</b>	<b>31.81</b>	<b>22.18</b>	<b>21.48</b>
Less: Accumulated Depreciation	1977.87	1361.37	1738.34	1255.72
Add: CWIP	224.97	214.96	30.05	24.00
Intangible Assets Under Development	4.27	4.27	2.37	2.37
<b>Net Fixed Assets (A+B)</b>	<b>3519.61</b>	<b>1583.04</b>	<b>3272.26</b>	<b>1308.15</b>

### Results of operations

The summary of operating performance for the year is given below:

(Rs. in Crore)

Particulars	STANDALONE				CONSOLIDATED			
	Year ended March 31, 2016		Year ended March 31, 2015		Year ended March 31, 2016		Year ended March 31, 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>INCOME</b>								
Revenue from Operations	3487.45	4.82	3327.17	4.65	6105.84	-1.21	6180.34	5.41
Other Income	38.22	-37.64	61.29	-24.57	38.96	85.00	21.06	-37.16
<b>Total Revenue</b>	<b>3525.67</b>	<b>4.05</b>	<b>3388.46</b>	<b>3.92</b>	<b>6144.80</b>	<b>-0.91</b>	<b>6201.40</b>	<b>5.17</b>
<b>EXPENDITURE</b>								
Cost of Materials consumed	2017.76	-5.36	2132.01	8.36	3412.18	-8.13	3714.07	3.61
Purchase of Stock-in-Trade	125.53	205.43	41.10	-44.71	170.33	144.73	69.60	-61.45
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	(1.37)	-88.39	(11.80)	-207.38	(33.43)	-178.24	42.73	-155.30
Employee benefits expense	313.12	22.43	255.76	14.45	498.41	13.97	437.31	12.05
Other expenses	583.85	6.00	550.78	4.44	1278.25	6.49	1200.36	7.42
Expenses Allocated to Self Constructed Assets	(22.18)	44.50	(15.35)	-3.68	(22.18)	44.50	(15.35)	-3.68
<b>Total Operating Expenses</b>	<b>3016.71</b>	<b>2.17</b>	<b>2952.50</b>	<b>5.91</b>	<b>5303.56</b>	<b>-2.66</b>	<b>5448.72</b>	<b>5.20</b>
<b>EBIDT</b>	<b>508.96</b>	<b>16.74</b>	<b>435.96</b>	<b>-7.78</b>	<b>841.24</b>	<b>11.77</b>	<b>752.68</b>	<b>4.95</b>

## Human Resource Development/Industrial Relations

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, quality and accountability at functional levels.

With the changing and turbulent business scenario, our basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels, motivating them to face the hard facts of business, inculcating the attitude

for speed of action and taking responsibilities.

The effort to rationalize and streamline the work force is a continuous process. Currently the Company has 7128 permanent employees at global level as on 31<sup>st</sup> March, 2016. The industrial relations scenario remained harmonious throughout the year.

## 12. Environment, Occupational Health & Safety

Your Company is committed to conducting its operations with due regard to the environment and providing a safe and healthy workplace for employees. The collective endeavor of your Company's employees at all levels is directed towards sustaining and continuously improving standards of environment, occupational health and safety in a bid to attain and exceed international benchmarks.

### ANNEXURE - E Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2016

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

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L74899DL1988PLC032166
- ii) Registration Date : 21<sup>st</sup> June, 1988
- iii) Name of the Company : UFLEX LIMITED
- iv) Category / Sub-Category of the Company : Company Limited By Shares/Indian Non-Government Company
- v) Address of the Registered office and contact details : 305, 3rd Floor, Bhanot Corner, Pamposh Enclave, Greater Kailash – I, New Delhi – 110 048  
Tel : 011-2644 0917, 011-2644 0925
- vi) Whether listed company Yes / No : YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Beetal Financial & Computer Services Pvt Ltd (UNIT : UFLEX LIMITED)  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre  
Near Dada Harsukh Dass Mandir  
New Delhi – 110 062  
Tel : 011-29961281-83

#### II. PRINCIPAL BUSINESS ACTIVITIES 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	Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Plastic Films and Hologrammed Sticker Sheets	22209 - Manufacture of other plastics products n.e.c.	75%



**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	FLEX MIDDLE EAST FZE P.O. BOX 17930, NEAR ROUND ABOUT 12, JEBEL ALI FREE ZONE, DUBAI, UNITED ARAB EMIRATES	Foreign Company	Subsidiary	100%	2(87)
2	FLEX P FILMS (BRASIL) COMMERCCIO DE FILMS PLASTICOS LTDA ALAMEDA SANTOS, 455, CONJUNTO 311, 01419-000, CERQUEIRA CESAR, SAO PAULO, BRASIL	Foreign Company	Subsidiary	100%	2(87)
3	UFLEX EUROPE LIMITED 29, MARYLEBONE ROAD LONDON NW15JX, U.K	Foreign Company	Subsidiary	100%	2(87)
4	UFLEX PACKAGING INC. 2115 LINWOOD AVENUE SUITE # 410 FORTLEE, NJ 07024	Foreign Company	Subsidiary	100%	2(87)
5	UPET HOLDINGS LIMITED C/O INTERNATIONAL MANAGEMENT (MAURITIUS) LTD, LES CASCADES BUILDING, EDITH CAVELL STREET, PORT LOUIS, MAURITIUS	Foreign Company	Subsidiary	100%	2(87)
6	UTECH DEVELOPERS LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I NEW DELHI – 110 048	U45200DL2006PLC156675	Subsidiary	100%	2(87)
7	USC HOLOGRAMS PRIVATE LIMITED SURVEY NO. 50/2, BANDLAGUDA JAGIR , A.P. EXCISE ACADEMY, RAJENDRA NAGAR MANDAL, HYDERABAD, TELANGANA – 500 008	U74140TG2013PTC086996	Subsidiary	68%	2(87)
8	FLEX AMERICAS S.A. de C.V. BOULEVARD DE LOS RIOS 5680, ZONA PUERTO INDUSTRIAL ALTAMIRA, TAMAULIPAS MEXICO C.P. 89603	Foreign Company	Subsidiary	100%	2(87)

Sl. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
9	FLEX P. FILMS (EGYPT) S.A.E R2 PLOT NO. 3 IN ENGINEERING SQUARE (E2), IN NORTH EXTENSION OF INDUSTRIAL ZONE, 6 OCTOBER CITY, ARAB REPUBLIC OF EGYPT	Foreign Company	Subsidiary	100%	2(87)
10	FLEX FILMS (USA) INC. 1221, NORTH BLACK BRANCH ROAD, ELIZABETHTOWN, KY 42701	Foreign Company	Subsidiary	100%	2(87)
11	FLEX FILMS EUROPA Sp ZO. O PO. BOX 62 300 WRZESNIA UL. GEN. WLADYSLAWA SIKORSKIEGO 48, POLAND	Foreign Company	Subsidiary	100%	2(87)
12	UPET (SINGAPORE) PTE LIMITED 10, JALAN BESAR, 10-12 SIM LIM TOWER, SINGAPORE 208787	Foreign Company	Subsidiary	100%	2(87)
13	FLEX INDUSTRIES PRIVATE LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I, NEW DELHI – 110 048 <i>(Up to 14<sup>th</sup> January, 2016)</i>	U74120DL2007PTC163809	Subsidiary	100%	2(87)
14	SD BUILDWELL (P) LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I, NEW DELHI – 110 048	U45400DL2008PTC174387	Subsidiary	74%	2(87)
15	FLEX FOODS LIMITED LAL TAPPAR INDUSTRIAL AREA, PO-RESHAM MAJRI, HARIDWAR ROAD, DEHRADUN, UTTARAKHAND	L15133UR1990PLC023970	Associate	47.15%	2(6)
16	REFEX ENERGY (RAJASTHAN) PRIVATE LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I, NEW DELHI – 110 048	U40100DL2009PTC226628	Associate	31.44%	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
a) Individuals / Hindu Undivided Family	2321729	--	2321729	3.22	2321729	--	2321729	3.22	--
b) Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	29462110	500	29462610	40.80	29462110	500	29462610	40.80	--
d) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (A)(1)</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>--</b>
<b>(2) Foreign</b>									
a) Individuals (Non- Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Bodies Corporate	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>--</b>
<b>B Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	617	22030	22647	0.03	38494	22030	60524	0.08	0.05
b) Banks / Financial Institutions	132978	2788	135766	0.19	112759	2788	115547	0.16	-0.03
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	5479943	24204	5504147	7.62	6353380	24204	6377584	8.83	1.21
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (B)(1)</b>	<b>5613538</b>	<b>49022</b>	<b>5662560</b>	<b>7.84</b>	<b>6504633</b>	<b>49022</b>	<b>6553655</b>	<b>9.08</b>	<b>1.24</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	7647931	18626	7666557	10.62	8172689	18598	8191287	11.34	0.72
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals-									
i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	8495416	782332	9277748	12.85	9107563	756458	9864021	13.66	0.81
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	6902583	14903	6917486	9.58	6081712	14900	6096612	8.44	-1.14

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Any Other (specify)									
- NRIs	5165156	--	5165156	7.15	4157576	--	4157576	5.76	-1.39
- Clearing Members (in Transit Position)	271800	--	271800	0.38	98156	--	98156	0.14	-0.24
<b>Sub - Total (B)(2)</b>	<b>28482886</b>	<b>815861</b>	<b>29298747</b>	<b>40.57</b>	<b>27617696</b>	<b>789956</b>	<b>28407652</b>	<b>39.34</b>	<b>-1.23</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>34096424</b>	<b>864883</b>	<b>34961307</b>	<b>48.42</b>	<b>34122329</b>	<b>838978</b>	<b>34961307</b>	<b>48.42</b>	<b>--</b>
<b>C Shares held by Custodians for GDRs &amp; ADRs</b>	<b>5465840</b>	<b>--</b>	<b>5465840</b>	<b>7.57</b>	<b>5465840</b>	<b>--</b>	<b>5465840</b>	<b>7.57</b>	<b>--</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>71346103</b>	<b>865383</b>	<b>72211486</b>	<b>100</b>	<b>71372008</b>	<b>839478</b>	<b>72211486</b>	<b>100</b>	<b>--</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
1	FLEX INTERNATIONAL PVT LTD	9197577	12.74	--	9197577	12.74	--	--
2	ANSHIKA INVESTMENTS PVT LTD	5771092	7.99	--	5771092	7.99	--	--
3	A.R.LEASING PVT LTD	4994891	6.92	--	4994891	6.92	--	--
4	APOORVA EXTRUSION PVT LTD	4323162	5.99	--	4323162	5.99	--	--
5	ANSHIKA CONSULTANTS PVT LTD	3778524	5.23	--	3778524	5.23	--	--
6	ASHOK KUMAR CHATURVEDI	1264533	1.75	--	1264533	1.75	--	--
7	RASHMI CHATURVEDI	1041145	1.44	--	1041145	1.44	--	--
8	ANANT OVERSEAS PVT LTD	1000000	1.38	--	1000000	1.38	--	--
9	ASHOK KUMAR CHATURVEDI (KARTA)	16051	0.03	--	16051	0.03	--	--
10	MAHAJAN POLYBAG PVT LTD	145562	0.20	--	145562	0.20	--	--
11	NARU INVESTMENTS PVT LTD	119767	0.17	--	119767	0.17	--	--
12	A.L. CONSULTANTS PVT LTD	78533	0.11	--	78533	0.11	--	--
13	MAGIC CONSULTANTS PVT LTD	41878	0.06	--	41878	0.06	--	--
14	SAMBHAV FINLEASE PVT LTD	8299	0.01	--	8299	0.01	--	--
15	DEDICATED INVESTMENTS PVT LTD	1992	0.00	--	1992	0.00	--	--
16	MODA ELEGANZA PVT LTD	1333	0.00	--	1333	0.00	--	--
<b>Total</b>		<b>31784339</b>	<b>44.02</b>	<b>--</b>	<b>31784339</b>	<b>44.02</b>	<b>--</b>	<b>--</b>

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

Sl. No.		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
1	At the beginning of the year	31784339	44.02	31784339	44.02
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>At the End of the year</b>		<b>31784339</b>	<b>44.02</b>	<b>31784339</b>	<b>44.02</b>

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

For Each of the Top 10 Shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
Sl. No.	Name	No of shares at the beginning of the year (01/04/15)	% of total Shares of the company	No of shares at the end of the year (31/03/16)	% of total Shares of the company
1	DEUTSCHE BANK TRUST COMPANY AMERICAS	5465840	7.57	5465840	7.57
2	DILIPKUMAR LAKHI	3053543	4.23	2959215	4.10
3	RICKY ISHWARDAS KIRPALANI	2297520	3.18	1030311	1.43
4	MONTAGE ENTERPRISES PRIVATE LIMITED	2204695	3.05	2204695	3.05
5	KESWANI HARESH	2067211	2.86	1887056	2.61
6	MORGAN STANLEY ASIA (SINGAPORE) PTE.	792667	1.10	713243	0.99
7	IL AND FS TRUST CO LTD	760385	1.05	1547172	2.14
8	KOTHARI PRODUCTS LIMITED	492056	0.68	492056	0.68
9	GIRDHARILAL V LAKHI	429318	0.59	45333	0.06
10	CITY OF NEW YORK GROUP TRUST	409276	0.57	387541	0.54
11	DIMENSIONAL EMERGING MARKETS VALUE FUND	391028	0.54	515077	0.71
12	RICKY ISHWARDAS KIRPALANI	Nil	-	500000	0.69

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors 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
Mr. Ashok Chaturvedi					
1	At the beginning of the year	1264533	1.75	1264533	1.75
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	1264533	1.75	1264533	1.75
Mr. M.G. Gupta					
1	At the beginning of the year	8061	0.01	8061	0.01
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	8061	0.01	8061	0.01
Mr. A. Karati					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Amitava Ray (w.e.f. 2 <sup>nd</sup> February, 2016)					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--



Sl. No.	For Each of the Directors 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
Mr. T. S. Bhattacharya					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mrs. Indu Liberhan					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Vijay Kumar Gupta					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. S.K. Kaushik (upto 2 <sup>nd</sup> February, 2016)					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Ravi Kathpalia (upto 16 <sup>th</sup> December, 2015)					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. R.K. Jain					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Ajay Krishna					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	76,154.08	3,542.12	--	79,696.20
II) Interest due but not paid	--	--	--	--
III) Interest accrued but not due	115.51	4.60	--	120.11
<b>Total (I + II + III)</b>	<b>76,269.59</b>	<b>3,546.72</b>	<b>--</b>	<b>79,816.31</b>
<b>Change in Indebtedness during the financial year</b>				
□ Addition	34,255.92	28,405.01	--	62,660.93
□ Reduction	29,910.28	19,154.89	--	49,065.17
<b>Net Change</b>	<b>4,345.64</b>	<b>9,250.12</b>	<b>--</b>	<b>13,595.76</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	80,318.15	12,761.20	--	93,079.35
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	297.08	35.64	--	332.72
<b>Total (i + ii + iii)</b>	<b>80,615.23</b>	<b>12,796.84</b>	<b>--</b>	<b>93,412.07</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Mr. Ashok Chaturvedi Chairman & Managing Director	Mr. Amitava Ray\$ Whole-time Director	Mr. S.K. Kaushik* Whole-time Director	Total Amount
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	678.00	32.92	47.03	757.95
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22.33	0.05	6.06	28.44
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission (Payable)				
	- as 1.13 % of profit #	250.00	--	--	250.00
	- others, specify...	--	--	--	--
5.	Others				
	- Medical Reimbursement and Contribution to Provident Fund etc.	75.75	--	5.62	81.37
	<b>Total (A)</b>	<b>1026.08</b>	<b>32.97</b>	<b>58.71</b>	<b>1117.76</b>
	Ceiling as per the Act	1108.10	1108.10		2216.20

(\*) Mr. S.K. Kaushik resigned from the Directorship w.e.f. 2nd February, 2016.

(\$ ) Mr. Amitava Ray was appointed as Whole-time Director w.e.f. 2nd February, 2016.

(#) Profit as per Section 198 of the Companies Act, 2013

### B. Remuneration to other Directors:

#### 1. Independent Directors

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. A. Karati	Mr. M.G. Gupta	Mr. T.S. Bhattacharya	Mrs. Indu Liberhan	Mr. Ravi Kathpalia*	
1.	• Fee for attending board / committee meetings	6.50	8.50	2.00	4.50	6.50	28.00
	• Commission	--	--	--	--	--	--
	• Others, please specify	--	--	--	--	--	--
	<b>Total B(1)</b>	<b>6.50</b>	<b>8.50</b>	<b>2.00</b>	<b>4.50</b>	<b>6.50</b>	<b>28.00</b>

\* Mr. Ravi Kathpalia ceased to be Director w.e.f. 16.12.2015 due to death.

**2. Other Non-Executive Director****(Rs. In Lacs)**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Mr. Vijay Kumar Gupta, Nominee – IFCI	
1.	<ul style="list-style-type: none"><li>• Fee for attending board / committee meetings</li><li>• Commission</li><li>• Others, please specify</li></ul>	1.00	1.00
		--	--
		--	--
Total B(2)		1.00	1.00
Total (B) = (1+2)			29.00
Total Managerial Remuneration			1146.76
Overall Ceiling as per the Act			2437.82

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD****(Rs. in Lacs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. R.K. Jain Group President (F&A) [CFO]	Mr. Ajay Krishna, Sr. Vice President (Legal) & Company Secretary	Total
1.	Gross salary	196.94	60.80	257.74
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.11	0.43
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission			
	- as % of profit	--	--	--
	- others, specify...	--	--	--
5.	Others	9.54	--	9.54
	-Medical Reimbursement and Contribution to Provident Fund			
<b>Total</b>		206.80	60.91	267.71

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## ANNEXURE 'F'

### DETAIL OF MEDIAN FOR THE DIRECTORS' REPORT OF UFLEX LIMITED

#### PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- (a) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Non-Executive Directors	Ratio to Median Remuneration
Madan Gopal Gupta	3.073
Ravi Kathpalia	2.350
Achintya Karati	2.350
Tara Sankar Sudhir Bhattacharya	0.723
Vijay Kumar Gupta	0.361
<b>Executive Directors</b>	
Ashok Kumar Chaturvedi	370.925
Surrendar Kumar Kaushik (resigned w.e.f. 02.02.2016)	21.223
Amitava Ray (appointed w.e.f. 02.02.2016)	11.918

- (b) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:**

Name of Person	% Increase in remuneration
<b>Non Executive Directors</b>	
Madan Gopal Gupta	26.866%
Ravi Kathpalia	-15.584%
Achintya Karati	44.444%
Tara Sankar Sudhir Bhattacharya	NA
Vijay Kumar Gupta	-28.571%
Indu Librehan	NA
<b>Executive Directors</b>	
Ashok Kumar Chaturvedi (M.D.)	32.035%
Surrendar Kumar Kaushik (WTD)	3.962%
Amitava Ray (WTD)	NA
<b>KMP</b>	
Ravinder Kumar Jain (CFO)	16.07%
Ajay Krishna (CS)	8.70%

- (c) **The percentage increase in the median remuneration of employees in the financial year: 25.44%**

- (d) **The number of permanent employees on the rolls of company as on 31.03.2016** employees are 5829, however the data taken for calculation of median remuneration of the employee was 6394.

- (e) **The explanation on the relationship between average increase in remuneration and company performance:** On an average, employees received an increase of 25.44%. The Increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

- (f) **Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company:**

Particulars	Rs/Lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (Aggregated)	1385.47
Revenue from operations	348744.94
Remuneration (as % of revenue)	0.397%
Profit before tax (PBT)	23300.31
Remuneration (as % of PBT)	5.946%

- (g) **Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:**

Particulars	Unit	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015	Variation
Closing rate of share at BSE	Rs.	174.25	116.95	48.99%
EPS (Consolidated)	Rs.	43.32	35.28	22.79%
Market Capitalisation	Rs/lac	125828.51	84451.33	48.99%
Price Earning Ratio	Ratio	4.02	3.31	21.51%

- (h) **Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in salaries of employees in 2015-16 was **25.44%**. Percentage increase in the managerial remuneration for the year was **29.75%**

**(i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	Managing Director	Whole Time Director	Whole Time Director	Chief Financial Officer	Company Secretary
	Ashok Kumar Chaturvedi	Amitava Ray (appointed w.e.f. 02.02.2016)	Surrender Kumar Kaushik (resigned w.e.f. 02.02.2016)	Ravindra Kumar Jain	Ajay Krishna
	Rs/lac	Rs/lac	Rs/lac	Rs/lac	Rs/lac
Remuneration (Paid)	1026.08	32.97	58.71	206.80	60.91
Revenue	348744.94	348744.94	348744.94	348744.94	348744.94
Remuneration (as% revenue)	0.294%	0.009%	0.016%	0.06%	0.017%
Profits before tax (PBT)	23300.31	23300.31	23300.31	23300.31	23300.31
Remuneration (as % of PBT)	4.404%	0.14%	0.252%	0.89%	0.261%

**(j) The key parameters for any variable component of remuneration availed by the directors:**

The remuneration & perquisites of Chairman and Managing Director and Whole Time Directors were approved by the members. Further the Non Executive Directors are getting only sitting fees for attending board & committee meetings.

**(k) The ratio of the remuneration of the highest paid director to that of employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not Applicable

the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance base variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the company.

For & On behalf of the Board

**(l) Affirmation that the remuneration is as per the remuneration policy of the company:**

The company's remuneration policy is driven by the success and performance of

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**Ashok Chaturvedi**  
Chairman & Managing Director  
(DIN 00023452)



## ANNEXURE 'G' TO DIRECTORS' REPORT

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

### A. CONSERVATION OF ENERGY

Energy conservation is a very critical subject that matters to all when we talk about the better economical environment. The sources of Energy are from Renewable and non renewable potentials which are available in this world and we too have limitations on non renewable sources of energy.

Energy plays a key role in achieving the desired economic growth of any nation today. The entire fabric of developmental goals is webbed around a successful energy strategy that plays a very pivotal role in the development of economy and social structures. The problem is that over the years, the consumption of energy has increased many folds drastically and no one even wants to imagine today that how the World would be if we begin to lose the sources of Energy.

In the background of above scenario, even efficient technologies would not be able to meet our essential needs, if the energy resources are not preserved today. This is why energy conservation is a very critical issue and also alternative solutions are quickly forthcoming. Currently the erratic climatic changes are the greatest threats that we are facing today.

#### (a) Energy conservation measures taken

The below mentioned are some of the steps which have been undertaken during 2015-2016:

##### 1. Shifting of Electrical Load from 132 KV Grid Power to HFO/Gas Gensets at Noida Plant

We have shifted our entire electrical load from 132 KV/20 MVA grid power to the HFO / GAS captive power plant resulting into the saving of about 20 Crore annually.

##### 2. Starting of Vapor Absorption Machines (VAM)

We have started 05 Nos of VAM in order to tap waste heat recovery from the captive power plants. This action has replaced 1000 TR chilling load of motor driven chillers to Vapor Absorption Machines, resulting into annual saving of about Rs. 3 Crore.

##### 3. Day Saving Lights

We have installed transparent day light panels on the Roof Tops of the Utility Blocks, resulting into the annual saving of about Rs. 1 Lac.

##### 4. Installation of 14 Nos. Ambiators at Noida Packaging division have resulted in the elimination of 400 TR motor driven chiller

operation, thus saving about Rs.75 lac annually.

5. We have replaced plant lighting system with LED lights (1150 nos.) thus saving about Rs. 12 lac per annum.
6. The Company installed new capacitor bank with automatic power factor controller and other measures to improve the efficiency of the power supply system besides regular monitoring to improve the power factor.
7. Special working and monitoring on chilling mixing pump automation, HSS machine operation and dynamil rising pump automation and providing of solutions and timer based control, where automation control earlier was not present.
8. Old electrical panels etc replaced with VFD. VFD controls and helps in energy savings by controlling speed of equipments etc.
9. Modification of chillers was carried out to improve the chillers efficiency which led to major energy savings.
10. Pumps of 90 KW replaced with 44 KW pumps in PU & Polyol cooling tower which also resulted into significant savings.
11. A project for Reduction of PNG consumption was carried out under jagriti project which led to reduction of PNG consumption very significantly in our production process.

#### (b) Future Proposals for Energy Conservation

The Company will take necessary measures as may be required from time to time for conservation of energy. Such measures are as follows:

1. We are planning to install CLCT (Close Loop Cooling Tower) in order to reduce the cooling load of 100 TR on the Chillers, leading into saving of Rs.30 Lac per annum.
2. We are working on ground water re-charge so that rain water can be used for harvesting in order to enhance the underground water level in Noida.

#### (c) Impact of measures at (a) & (b) above for reduction of energy consumption

The measures taken have resulted in savings in cost of production, power consumption, reduction in carbon dioxide emissions & processing time.

### B. TECHNOLOGY ABSORPTION

The following efforts are being made in technology absorption: Research & Development (R&D)

1. Specific areas in which R&D is carried out by the Company The Company has carried out R&D in multiple products, processes and technologies.
2. Benefits derived as a result of the above R&D

Products improvements in quality and quantity, conversion cost reduction, import substitution, widening the product range. The capability to develop new products boosts the morale and the culture of the organization. Further, several new products have been developed by the Company to respond to the needs of its customers both in the domestic and international markets, with concurrent commitment to improve quality and productivity.

3. Future plan of action Steps are continuously being taken for innovation and renovation of products including new product development and enhancement of product quality/profile, to offer better products at relatively affordable prices/process to customers.
4. Expenditure on R&D

During the year, the Company spent Rs.113.40 lacs. This is equivalent to 0.03% of the turnover.

#### **Technology absorption, adaptation & innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation The Company as a matter of policy exposes its technical staff to latest technological developments by encouraging them to participate in domestic as well as global technical seminars and expositions; this helps them to further improve their knowledge and skills, which in turn results in better quality products and increased productivity.
2. Benefits derived as a result of the above efforts Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness and energy conservation as the major benefits.

3. Imported Technology

**During the period 2015-16, the Company has acquired the following new technology:**

#### **1. Robotic Plant**

UFLEX have installed a robotic automatic printing cylinders manufacturing plant from well know Company Think Laboratory Co., Ltd. - Japan. This plant comprise on 2 robotic system and 3 zone area (A, B, C), which can produce 60 cylinders per day from one man operation called FX2 system.

Cylinder engraving take place with the laser base technology with shallow cell structure with less depth. In this way Company can get the better transfer of the ink to printing substrate and can get the ink saving by 20%. Due to that less energy, less solvent will be consume on printing.

This plant has installed in March ending and commercial production will be start on 1<sup>st</sup> quarter of 2017, which can produce flexible packaging cylinder for plastic, film, paper, aluminum etc. and also can produce the special application cylinders like, vinyl, flooring, gift paper, coating and anilox rollers.

2. The Company has entered into an agreement with M/s. Wavefront, USA. This will lead to developing special purpose embossing machine for specialized embossed packaging materials.

### **C. GLOBAL BUSINESS STRATEGIES**

In order to serve our global base of customers, we have started expanding globally into different regions in order to get closer to the customers. This enables us to serve our customers with better & quick deliveries as well as with reduced shipping times. This also reduces the freight cost.

Currently we are exporting to our customers present in around 140 countries across the globe. Our endeavour is to add couple of more countries during this year.

### **D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. Activities relating to exports:

Initiatives taken to increase exports; development of new export markets for products and services and export plans.

The Company is at present exporting its products to USA, Europe, Asia Pacific, Middle East, Africa & other countries. The Company is continuously exploring possibilities of exporting more of its products to different markets.

2. During the period under review:

**(Rs. in Crores)**

a) Earnings in Foreign Exchange		
i)	F.O.B. value of export of manufactured goods/Stock in Trade	524.45
ii)	Sales of Services	1.04
iii)	Technical/Support Fees	8.30
vi)	Commission for extension of Corporate Guarantee for Subsidiaries	4.33

b) Expenditure		
i)	CIF Value of Imports	634.62
ii)	Expenditure in Foreign Currency	20.97

For & On behalf of the Board

**Ashok Chaturvedi**

Place : NOIDA

Chairman & Managing Director

Dated : 27<sup>th</sup> May, 2016

(DIN 00023452)

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF UFLEX LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of UFLEX LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 the disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its 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, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure-A', a statement on the matters specified in the paragraph 3 and 4 of the Order.
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 the agreement with

the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
- (g) 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 according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statement-- Refer Note 30 (B) to the Financial Statement.
- ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses .
- iii. According to the information and explanations given to us, there was no delay in transferring amounts, required to be transferred, to the Investor Education and Provident Fund by the Company.

For **VIJAY SEHGAL & CO.,**  
Chartered Accountants  
Firm's Regn. No.:000374N

**CA. S.V.SEHGAL**

Partner

Place: NOIDA

Date: 27<sup>th</sup> May, 2016

Membership No. 080329

## ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date of Uflex Ltd. ("the Company"), for the year ended on 31<sup>st</sup> March, 2016, we report that:

1. In respect of Fixed Asset of the Company:
  - 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 at reasonable intervals and no material discrepancies were noticed on such physical verification;
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except in respect of two residential flats aggregating to Rs. 25.15 Lacs (original acquisition cost), where titles are pending for execution.
2. The inventory has been physically verified during the year by the management, at reasonable intervals and the discrepancies noticed on such physical verification of inventory, as compared to book records were not significant and were properly dealt with in the books of account.
3. The Company had granted, during the year,

interest bearing unsecured loans, from time to time, to one of the Indian subsidiary required to be covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'), which were repaid along with the Interest, before the date of the Balance Sheet. In our opinion, the terms and conditions for grant of these loans, were not prima-facie, prejudicial to the interest of the Company.

Further in respect of the loans granted to above subsidiary and also loan granted to another Indian Subsidiary, which was outstanding as at the beginning of the year:

- (a) The borrowers have been regular in the payment of the principal and interest (where applicable), as per stipulated terms; and
- (b) There are no overdue amounts in respect of these loans.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits, under the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed there under during the year under report.



6. We have broadly reviewed the cost records maintained by the Company under Section 148(1) of the Act, and are of the opinion that prima- facie the prescribed records have been made and maintained.
7. In respect of Statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, and Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other applicable statutory dues have been generally deposited regularly with the appropriate authorities.
  - b) According to the information and explanation given to us, there are no dues of custom duty, which have not been deposited on account of any dispute. However, following amount are involved (Gross of amount deposited under protest, if any) with under-mentioned forums, in respect of the disputed statutory dues:
    - i. Aggregate Sale Tax/Value Added Tax of Rs. 2433.56 lacs, pending before (a) Various High Courts (Rs. 1209.90 lacs), (b) Tribunal (Rs. 188.02 lacs), (c) Commissioner (Appeals) (Rs. 99.11 lacs) & (d) Assessing Authorities (Rs. 936.53 lacs).
    - ii. Aggregate Income Tax of Rs. 2727.53 lacs, pending before (a) High Court (Rs. 145.50 lacs), (b) ITAT (Rs. 38.33 lacs), & (c) CIT (Appeals) (Rs. 2543.70 lacs).
    - iii. Aggregate Excise duty of Rs. 6910.19 lacs, pending before (a) Supreme Court (Rs. 142.54 lacs) (b) Various High Courts (Rs. 137.70 lacs), (c) Tribunal (Rs. 3890.33 lacs), (d) Commissioner (Appeals) (Rs. 2441.23 lacs), & (e) Assessing Authorities (Rs. 298.39 lacs).
    - iv. Aggregate Service Tax of Rs. 335.59 lacs, pending before (a) Various High Courts (Rs. 130.37 lacs) (b) Tribunal (Rs. 144.02 lacs), (c) Commissioner (Appeals) (Rs. 54.86 lacs) & (d) Assessing Authorities (Rs. 6.34 lacs).
8. Based on the audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks. Further Company, does not have any loans or borrowings from any financial institution, government or debentures holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been applied for the same purpose for which the loans were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Chartered Accountants

For **VIJAY SEHGAL & CO.,**  
Chartered Accountants  
Firm's Regn. No.: 000374N

**CA. S.V.SEHGAL**

Place : NOIDA  
Date : 27<sup>th</sup> May, 2016  
Partner  
Membership No. 080329



## ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Uflex Limited ('the Company') as of 31<sup>st</sup> March, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **VIJAY SEHGAL & CO.**,  
Chartered Accountants  
Firm's Regn. No.:000374N

**CA. S.V.SEHGAL**

Place : NOIDA  
Date : 27<sup>th</sup> May, 2016

Partner  
Membership No. 080329

## BALANCE SHEET AS AT 31ST MARCH 2016

(Rs in Lacs)

Particulars	Note No.	As At 31st March 2016	As At 31st March 2015
<b>I EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
a) Share Capital	2	7221.15	7221.15
b) Reserves and Surplus	3	178739.22	161552.10
		<b>185960.37</b>	168773.25
(2) <b>Non-Current Liabilities</b>			
a) Long-term borrowings	4	55871.83	34754.81
b) Deferred tax liabilities (Net)	5	9835.55	10544.55
c) Other Long term liabilities	6	609.12	320.69
d) Long-term provisions	7	929.01	1074.10
		<b>67245.51</b>	46694.15
(3) <b>Current Liabilities</b>			
a) Short-term borrowings	8	22457.33	29287.70
b) Trade payables	9	50535.66	46573.26
c) Other current liabilities	10	25406.64	29163.49
d) Short-term provisions	11	6412.79	6054.68
		<b>104812.42</b>	111079.13
<b>TOTAL :</b>		<b>358018.30</b>	326546.53
<b>II ASSETS</b>			
(1) <b>Non-current assets</b>			
a) Fixed assets	12		
i) Tangible assets		135072.15	127456.21
ii) Intangible assets		1309.30	721.97
iii) Capital work-in-progress		21495.98	2399.71
iv) Intangible assets under development		426.88	236.57
b) Non-current investments	13	42410.36	44825.96
c) Long-term loans and advances	14	20278.46	16614.57
d) Other non-current assets	15	319.82	145.80
		<b>221312.95</b>	192400.79
(2) <b>Current assets</b>			
a) Inventories	16	27170.61	28877.61
b) Trade receivables	17	78300.20	78188.73
c) Cash and Bank Balances	18	19069.53	7261.01
d) Short-term loans and advances	19	11156.33	19207.51
e) Other current assets	20	1008.68	610.88
		<b>136705.35</b>	134145.74
<b>TOTAL :</b>		<b>358018.30</b>	326546.53

The accompanying Notes from S.No. 1 to 46 form an Integral Part of the Financial Statements.

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

This is the Balance Sheet referred to in our report of even date

For **Vijay Sehgal & Co.**  
Chartered Accountants

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**S.V. Sehgal**  
Partner

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>REVENUE FROM OPERATIONS</b>			
Gross Sales & Job Work	21 (A)	409763.22	392298.89
Less : Inter unit Sales & Job Work		37911.10	37664.95
Less : Excise Duty / Service Tax / Cess		32685.13	31621.25
Net Sales & Job Work		339166.99	323012.69
Other Operating Income	21 (B)	9577.95	9704.10
<b>Revenue from Operations</b>		<b>348744.94</b>	<b>332716.79</b>
<b>Other Income</b>	22	<b>3822.49</b>	<b>6129.39</b>
<b>Total Revenue</b>		<b>352567.43</b>	<b>338846.18</b>
<b>EXPENSES:</b>			
Cost of materials consumed	23	201776.19	213201.06
Purchase of Stock-in-Trade	24	12553.49	4110.49
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(137.14)	(1179.64)
Employee benefits expense	26	31312.04	25575.64
Finance costs	27	10896.78	11646.10
Depreciation and amortization expense		16698.87	16394.48
Other expenses	28	58385.35	55077.77
Expenses Allocated to Self Constructed Assets	29	(2218.46)	(1535.42)
<b>Total Expenses</b>		<b>329267.12</b>	<b>323290.48</b>
Profit before tax		23300.31	15555.70
<b>Less / (Add) : Tax expense:</b>			
- Current tax		4822.00	4066.00
- Deferred tax		(709.00)	(2463.21)
- (Excess) Provision of Income Tax for earlier years		(781.00)	(245.35)
Profit for the year		19968.31	14198.26
<b>Earning Per Share</b>			
a) Basic (Rs.)		27.65	19.66
b) Diluted (Rs.)		27.65	19.66

The accompanying Notes from S.No. 1 to 46 form an Integral Part of the Financial Statements.

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

This is the Statement of Profit & Loss  
referred to in our report of even date

For **Vijay Sehgal & Co.**  
Chartered Accountants

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**S.V. Sehgal**  
Partner

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	<b>(Rs.in lacs)</b>	
	<b>For the Year Ended 31.03.2016</b>	<b>For the Year Ended 31.03.2015</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	23300.31	15555.70
<b>Adjustment for :</b>		
Depreciation & amortisation expense	16698.87	16394.48
Exchange rate fluctuations (Net)	(114.84)	(379.70)
Loss on assets sold (Net)	23.39	329.95
Fixed Assets written Off	141.88	1.57
Finance Cost	10896.78	11646.10
Interest received from Banks / others	(1091.06)	(1191.57)
Rent Received	(253.83)	(222.09)
Dividend received on Trade Investments	(132.08)	(132.08)
Dividend received on Non- Trade Investments	(75.63)	(41.42)
Profit on sale of Investments (Net)	(1785.26)	(4010.62)
Provision for Doubtful Debt Written Back	(1180.95)	(15.00)
Bad & Doubtful Debts (Provision)	437.65	2016.89
Sundry Balances / Bad Debts written off (Net)	1163.81	(38.09)
<b>Operating Profit before Working Capital changes</b>	<b>48029.04</b>	<b>24358.42</b>
<b>Adjustment for :</b>		
Trade and other receivables	743.49	(4812.54)
Inventories	1707.00	(7211.80)
Trade and other payables	272.44	(7766.60)
<b>Cash generated from operations</b>	<b>50751.97</b>	<b>20123.18</b>
Income Tax	(4041.00)	(3820.65)
Exchange rate fluctuations	114.84	379.70
<b>Net Cash from operating activities (A)</b>	<b>46825.81</b>	<b>16682.23</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(44729.91)	(18077.16)
Sale proceeds of Fixed Assets	375.92	2349.48
Inflow on transfer of Shares of Subsidiaries	4196.54	12233.25
Inflow on Investments (Net)	4.32	-
Loans to body corporates (Net)	(1800.00)	(106.52)
Loans to subsidiaries (Net)	4340.00	402.56
Interest received from Banks / others	1091.06	1191.57
Rent Received	253.83	222.09
Dividend received on Trade Investments	132.08	132.08
Dividend received on Non- Trade Investments	75.63	41.42
<b>Net Cash used in Investing Activities (B)</b>	<b>(36060.53)</b>	<b>(1611.23)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(1949.71)	(1805.29)
Dividend Distribution Tax	(396.92)	(306.81)
Finance Cost	(10896.78)	(11646.10)
Borrowings (Net)	14286.65	(8454.36)
<b>Net Cash used in Financing Activities (C)</b>	<b>1043.24</b>	<b>(22212.56)</b>
<b>Net (Decrease) / Increase in Cash and Cash equivalents (A+B+C)</b>	<b>11808.52</b>	<b>(7141.56)</b>
Opening Cash and Cash equivalents	7261.01	14402.57
Closing Cash and Cash equivalents #	19069.53	7261.01

# Includes Rs. 1546.74 lacs (Previous Year Rs. 685.15 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks as margin for letter of credits, guarantees & bills discounted.

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

This is the Cash Flow Statement  
referred to in our report of even date

For **Vijay Sehgal & Co.**  
Chartered Accountants

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**S.V. Sehgal**  
Partner

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### 1. GENERAL

#### A. COMPANY AND ITS BACKGROUND

The Company was registered with the ROC, Delhi & Haryana under the Registration number 55-32166 dated 21st June 1988. Old Registration number has been converted into new Corporate Identification number (CIN) L74899DL1988PLC032166

Registered office of the Company is situated at 305, 3rd Floor, Bhanot Corner, Pamposh Enclave, Greater Kailash-I, New Delhi- 110 048

The Company has been engaged in the manufacture and sale of flexible packaging products & offer a complete flexible packaging solution to its customers across the globe.

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of Preparation of Financial Statements

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies Act 2013 u/s 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

##### b. Use of Estimates and Judgements

The preparation of the financial statements is in conformity with GAAP, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, in the period of the revision and future periods if the revision affects both current and future.

##### c. Classification of Expenditure/Income

Except otherwise indicated:

- i) All expenditure and income are accounted for under the natural heads of account.
- ii) All expenditure and income are accounted for on accrual basis.

##### d. Valuation

##### i) Fixed Assets

- a) Fixed Assets are normally accounted for on cost basis (net of CENVAT credits) including the cost of installation, pre-operative expenses, identifiable trial run expenses where incurred, eligible adjustment on account of foreign exchange fluctuations and impairment losses. Pre-operative expenses and identifiable trial run expenses incurred by the company up to the date eligible assets are put to use for commercial production are allocated to them in proportion to their cost. The cost of fixed assets is adjusted for revaluation, if any, done in any year as decided by the management so as to show the fixed assets at their current value.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

- b) Self-constructed Fixed Assets are valued at cost including overheads of the unit constructing the asset.
- ii) **Finished Goods**

Finished goods are valued at lower of cost, based on weighted average method, (except in case of machine manufacturing where specific identification method is used) arrived after including depreciation on plant & machinery, electrical installation and factory building, repair & maintenance on factory building, specific manufacturing expenses including excise duty and specific payments & benefits to employees or net realisable value.
- iii) **Work-in-Progress**

Work-in-Progress are valued at lower of cost, based on weighted average method, (except in case of machine manufacturing where specific identification method is used) arrived after including depreciation on plant & machinery, electrical installation and factory building, repair & maintenance on factory building, specific manufacturing expenses and specific payments & benefits to employees or net realisable value.
- iv) **Raw Material**

Raw Materials are valued at lower of cost, based on first-in-first-out method arrived at after including freight inward and other expenditure directly attributable to acquisition or net realisable value.
- v) Stores, fuel and packing materials are valued at lower of cost, based on first-in-first-out method or net realisable value.
- vi) Inter-unit transfers of goods and services / job work are valued at cost price / the price agreed to between the units.
- e. Cost of spares, tools, jigs & dies are charged to revenue.
- f. **Leases**
  - i) Lease rentals paid on operating leases are charged to revenue.
  - ii) Lease rentals received under operating lease are recognized in the statement of Profit & Loss.
- g. Expenses incurred for issue of financial securities are charged to Securities Premium Reserve.
- h. **Foreign Currency Transactions**
  - i) Foreign currency monetary items remaining unsettled at the year end are translated at year end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined.
  - ii) Exchange differences on settlement / translation of monetary items, are adjusted as income / expense through the Exchange Fluctuation Account in the year they arise.
  - iii) Difference between the forward and exchange rate on the date of transactions are adjusted over the period of the contract as an income / expense through the Exchange Fluctuation Account.
  - iv) Profit or loss on cancellation of forward contracts for transactions, are adjusted as income / expense through Exchange Fluctuation Account in the year they arise.
  - v) Exchanges difference arises on settlement / translation of foreign currency monetary items relating to acquisition of fixed assets till the period they are put to use for commercial production, are capitalized to the cost of assets acquired and provided for over the useful life of the fixed asset.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****i. Depreciation**

- i) Normal depreciation on all fixed assets, except land and extra shift depreciation on specific plant & machineries for the period of extra shift worked, are provided from the date of put to use for commercial production on straight line method at the useful life prescribed in Schedule-II to the Companies Act, 2013 except for the followings, where useful life is different than those prescribed in the Schedule II of the Companies Act 2013:

Particulars	Description
Rotogravure Cylinders & Shims (useful life of 3 Years )	Over the useful life as technically specified by the management based on the past experience
Continuous process Plant for Packaging Film (useful life of 20 Years)	Over the useful life as technically specified by the management based on the past experience

- ii) No depreciation is provided on leasehold land.
- iii) Depreciation on additions / deletions to fixed assets is provided on *pro-rata* basis from / to the date of additions / deletions.
- iv) In case the financial year consists of the period less / more than the normal period of 12 months, depreciation on fixed assets existing at the beginning of the financial year as well as those acquired during the said period are provided for the period covered on *pro-rata* basis.

**j. Turnover**

- i) Gross sales are inclusive of inter-unit sale value and excise duty/cess recoveries and exclusive of sales tax/value added tax.
- ii) Sales returns / rate differences are adjusted from the sales of the year in which the returns take place / rate differences accepted.
- iii) Gross job work is inclusive of inter-unit job work value and excise duty/service tax/cess recoveries.
- iv) Consignment Sales are considered as Sales when goods are sold to ultimate customer.

**k. Purchases**

- i) Purchases are inclusive of inter-unit purchase value and net of CENVAT credits and materials consumed during trial run.
- ii) Purchases returns / rebates are adjusted from the purchases of the year in which the returns take place / rebates allowed.

**l. Investments**

- i) Long term investments are valued at their cost including brokerage, fees and duty. However, if there is decline in value of investment, other than temporary, the carrying amount of investment is reduced recognizing the decline in value of each investment.
- ii) Current investments are valued at cost or market price, whichever is lower.

**m. Employee Benefits**

- i) Defined Long Term benefit is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit & Loss.
- ii) Defined Contribution Plans are charged to Statement of Profit & Loss based on the contribution made to the specified fund.
- iii) Short term employee benefits are charged to Statement of Profit & Loss at the undiscounted amount in the year in which the related service is rendered.

**n. Claims by / Against The Company**

Claims by / against the Company arising on any account are provided in the accounts on receipts / acceptances.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****o. Borrowing Cost**

Borrowing cost attributable to the acquisition or construction of qualifying /eligible assets, intended for commercial production are capitalised as part of the cost of such assets. All other borrowing costs are recognized as an expense and are charged to revenue in the year in which they are incurred.

**p. Earning Per Share**

In accordance with the Accounting Standard-20 (AS-20) "Earning Per Share" issued by The Institute of Chartered Accountants of India, Basic Earning Per Share is computed using the weighted average number of Shares outstanding during the period & Diluted Earning per share is computed using the weighted average number of shares outstanding after adjusting the effect of all dilutive potential equity shares that were outstanding during the period.

**q. Provision For Taxation****i) Current Tax**

Provision for current tax is measured using the current tax rates after making the necessary adjustments in accordance with the Income Tax Computation & Disclosures Standards issued by the CBDT, to the items of income / expenditure accounted for in the books of accounts as per generally accepted accounting principles.

**ii) Deferred Tax Assets / Liabilities**

Deferred tax assets & liabilities are measured using the current tax rates. When there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty of realisation of deferred tax assets. Other deferred tax assets are recognised to the extent, there is reasonable certainty of realisation of deferred tax assets. Such deferred tax assets & other unrecognised deferred tax assets are re-assessed at each Balance Sheet date and the carrying value of the same are adjusted recognising the change in the value of each such deferred tax assets.

**r. Research & Development**

- i) All revenue expenditure on research & development activities are accounted for under their natural heads of revenue expenses accounts.
- ii) All capital expenditure related to research & development activities are accounted for under their natural heads of fixed assets accounts.

**s. Impairment**

Management periodically assesses using external and internal sources whether there is an indication that assets of concerned cash generating unit may be impaired. Impairment loss, if any, is provided as per Accounting Standard (AS-28) on Impairment of Assets.

**t. Provisions, Contingent Liabilities and Contingent Assets**

In accordance with the Accounting Standard AS – 29 issued by Institute of Chartered Accountants of India a) provisions are made for the present obligations where amount can be estimated reliably, and b) contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company. Contingent assets are neither recognised nor disclosed in the financial statements.

**u. Intangible Assets**

- i) Customised or separately purchased software is classified as intangible assets at their cost and amortised over a period of five years from date of put to use.
- ii) All capital expenditures relating to patent / technology are capitalized under the natural head of fixed assets account and amortized over the period of contract.
- iii) All revenue expenditure relating to use of patent / technology are accounted for under the natural head of revenue expense account.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### 2. SHARE CAPITAL

#### A AUTHORISED

The Company's Authorised Capital is of Rs.34000.00 Lacs (Previous Year Same) distributed into 1,90,00,000 (Previous Year Same) Preference Shares of Rs.100/- each and 15,00,00,000 (Previous Year Same) Equity Shares of Rs. 10/- Each.

#### B ISSUED, SUBSCRIBED & PAID-UP

The Issued and Subscribed Capital of the Company as at 31st March 2016 is of Rs. 7228.42 Lacs, represented by 7,22,84,187 Equity Shares (Including 72701 Equity Shares forfeited) of Rs. 10/- each and the paid-up Capital as at 31st March 2016 is of Rs.7221.15 Lacs, represented by 7,22,11,486 Equity Shares of Rs. 10/- each as at 31st March 2016. The reconciliation of the Equity Share Capital of the Company is given as under:

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 31st March 2014	72284187	<b>7228.42</b>	72211486	<b>7221.15</b>	-	-
Balance as At 31st March 2015	72284187	<b>7228.42</b>	72211486	<b>7221.15</b>	-	-
<b>Balance as at 31st March 2016</b>	<b>72284187</b>	<b>7228.42</b>	<b>72211486</b>	<b>7221.15</b>	-	-

The Company's Paid-up Capital of 72211486 (previous Year Same) Equity Shares of Rs. 10/- each, is distributed as under:

	As at 31st March 2016		As at 31st March 2015	
	Number	%	Number	%
a) <b>Promoter &amp; Promoter Group</b>	<b>31784339</b>	<b>44.02</b>	31784339	44.02
<b>Of which Shareholders holding More than 5 % of the Paid-up Capital</b>				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anshika Investments Pvt. Ltd.	5771092	7.99	5771092	7.99
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshika Consultants Pvt. Ltd.	3778524	5.23	3778524	5.23
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	4323162	5.99
b) <b>Public Shareholding *</b>	<b>40427147</b>	<b>55.98</b>	<b>40427147</b>	<b>55.98</b>
i) Institution	6517508	9.03	5662560	7.84
ii) Non- Institution	28443799	39.38	29298747	40.57
iii) GDRs (underlying shares)	5465840	7.57	5465840	7.57

\* **Of which Shareholder holding More than 5 % of the Paid-up Capital**

Further, the Issued, Subscribed and Paid-up Capital of the Company includes 54,65,840 (Previous Year Same ) Equity Shares lying with Depository, representing 27,32,920 (Previous Year Same ) Global Depository Receipts (GDRs), issued through an international offering in US Dollars, outstanding as at Balance Sheet date. However, the same has been converted into Equity Shares after the Balance Sheet date but before its signing.

#### C RESTRICTION ON VOTING RIGHTS

Holders of GDRs have no voting rights in respect of underlying shares represented by the GDRs. However Depository can exercise the power to vote in respect of shares represented by the GDRs as directed by the Board, in terms of the conditions contained in offering circular. Registered holders of Shares, withdrawn from the deposit facility will be entitled to Vote and exercise other direct shareholder rights.

However the holders of the GDRs are entitled to portion of the annual dividend, if any declared, on the shares represented by the outstanding GDRs.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in lacs)

### 3. RESERVES & SURPLUS

	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Statement of Profit & Loss	Total
Balance as at 31st March 2014	10377.76	57110.63	3.08	16747.31	67911.82	152150.60
(Less): Amount in respect of carrying value of fixed assets where their useful life is reduced to NIL as on 1/04/2014 (Net of Tax )					(2450.13)	(2450.13)
Profit for the Year					14198.26	14198.26
<b>(Less): Appropriations</b>						
Proposed Dividend					(1949.71)	(1949.71)
Dividend Distribution Tax					(396.92)	(396.92)
Amount transferred to General Reserve					(1419.83)	(1419.83)
Amount Transferred from Statement of Profit & Loss				1419.83		1419.83
Amount Transferred from Revaluation Reserve to General Reserve*			(0.08)	0.08		-
<b>Balance as at 31st March 2015</b>	<b>10377.76</b>	<b>57110.63</b>	<b>3.00</b>	<b>18167.22</b>	<b>75893.49</b>	<b>161552.10</b>
Profit for the Year					19968.31	19968.31
<b>(Less): Appropriations</b>						
Proposed Dividend					(2310.77)	(2310.77)
Dividend Distribution Tax					(470.42)	(470.42)
Amount transferred to General Reserve					(1996.83)	(1996.83)
Amount Transferred from Statement of Profit & Loss				1996.83		1996.83
Amount Transferred from Revaluation Reserve to General Reserve*			(0.07)	0.07		-
<b>Balance as at 31st March 2016</b>	<b>10377.76</b>	<b>57110.63</b>	<b>2.93</b>	<b>20164.12</b>	<b>91083.78</b>	<b>178739.22</b>

\* Represent difference between depreciation charged on enhanced value of the revalued assets and the depreciation on their historical cost.

### 4. LONG-TERM BORROWINGS

(Rs. in lacs)

	As At 31.03.2016	As At 31.03.2015
<b>A. Secured</b>		
<b>Term Loans :</b>		
From Banks	43895.92	38040.91
From IFCI Limited	17614.95	11675.47
	<b>61510.87</b>	<b>49716.38</b>
<b>B, Unsecured</b>		
From TFCI ~	7000.00	-
From Bodies Corporate	2111.15	692.12
	<b>9111.15</b>	<b>692.12</b>
<b>Sub- Total (A+B)</b>	<b>70622.02</b>	<b>50408.50</b>
Less: Current portion	14750.19	15653.69
<b>TOTAL :</b>	<b>55871.83</b>	<b>34754.81</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

The Company is availing the Secured Term Loan Facilities from banks & others. Their repayment terms and other details are given as under:

(Rs. in lacs)

Name of the Institution / Banks / Others		Sanctioned Amount	O/s As At 31/03/2016	Current Portion	Long Term	Repayment Terms
IFCI Limited	*	20000.00	<b>3714.95</b> (7925.47)	<b>3714.95</b> (4210.53)	- (3714.94)	Repayable in 19 Equal Quarterly Installments of Rs. 1052.63 lacs each commencing from September 2012.
IFCI Limited	*	5000.00	<b>2500.00</b> (3750.00)	<b>1250.00</b> (1250.00)	<b>1250.00</b> (2500.00)	Repayable in 16 Equal Quarterly Installments of Rs. 312.50 Lacs each commencing from Jun 2014.
IFCI Limited	^	15000.00	<b>11400.00</b> (-)	- (-)	<b>11400.00</b> (-)	Repayable in 32 Quarterly Installments commencing from June 2018, first four installments of Rs. 250.00 Lacs each and balance 28 installments of Rs. 500.00 Lacs each.
Allahabad Bank	*	24000.00	<b>3565.19</b> (8381.16)	<b>3565.19</b> (4800.00)	- (3581.16)	Repayable in 20 Equal Quarterly Installments of Rs. 1200.00 Lacs each commencing from Feb 2012.
Jammu & Kashmir Bank Ltd.	*	5000.00	- (1249.99)	- (1249.99)	-	Repayable in 8 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Dec 2013.
Jammu & Kashmir Bank Ltd.	*	5000.00	<b>3000.00</b> (4000.00)	<b>1000.00</b> (1000.00)	<b>2000.00</b> (3000.00)	Repayable in 20 Equal Quarterly Installments of Rs. 250.00 Lacs each commencing from Jun 2014.
Jammu & Kashmir Bank Ltd.	#	93.00	<b>51.69</b> (69.16)	<b>19.63</b> (17.45)	<b>32.06</b> (51.71)	Repayable in 60 Equal Monthly Installments of Rs. 2.06 Lacs each commencing from September 2013 including interest amount.
Jammu & Kashmir Bank Ltd.	#	138.00	<b>99.77</b> (123.29)	<b>26.04</b> (23.25)	<b>73.73</b> (100.04)	Repayable in 60 Equal Monthly Installments of Rs. 3.02 Lacs each commencing from September 2014 including interest amount.
Jammu & Kashmir Bank Ltd.	#	239.00	<b>229.95</b> (-)	<b>38.80</b> (-)	<b>191.15</b> (-)	Repayable in 60 Equal Monthly Installments of Rs. 5.23 Lacs each commencing from January 2016 including interest amount.
HDFC Bank Limited	#	12.90	<b>12.23</b> (-)	<b>2.87</b> (-)	<b>9.36</b> (-)	Repayable in 48 Equal Monthly Installments of Rs. 0.33 Lacs each commencing from January 2016 including interest amount.
State Bank of India	*	25000.00	<b>14367.29</b> (-)	- (-)	<b>14367.29</b> (-)	Repayable in 60 Equal Monthly Installments of Rs. 416.67 Lacs each commencing from Oct 2017.
State Bank of India	^	15000.00	- (-)	- (-)	- (-)	Repayable in 84 Equal Monthly Installments of Rs. 178.67 Lacs each commencing from March 2019.
Canara Bank	* \$	12500.00	<b>7316.02</b> (9818.68)	<b>2500.00</b> (2500.00)	<b>4816.02</b> (7318.68)	Repayable in 20 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jun 2014.
Canara Bank-London (ECB Facility)	*US \$ 23.175 Million		<b>15253.78</b> (14398.63)	- (-)	<b>15253.78</b> (14398.63)	Repayable in 12 Quarterly Installments Commencing from May 2017. First four installments are of US\$ 0.83 Million each, next four installments are of US\$ 1.42 Million each and next four installments are of US\$ 3.55 Million each
<b>Total</b>			<b>61510.87</b>	<b>12117.48</b>	<b>49393.39</b>	
<b>Previous Year</b>			(49716.38)	(15051.22)	(34665.16)	

Previous Year figures have been given in brackets.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

- \* These are secured a) on *pari passu* basis by way of hypothecation of specific movable properties of the Company (save and except book debts), both present & future, subject to prior charges created and / or to be created in favour of Company's bankers for working capital facilities, b) by first *pari passu* equitable mortgage of specific immovable properties of the Company situated at Malanpur (M.P.), Jammu (J & K) and NOIDA (U.P.) and c) by guarantee of Chairman & Managing Director of the Company.
- ^ This is secured a) on *pari passu* basis by way of hypothecation of all movable properties of the Company situated at Sanand (Gujarat) (save and except book debts), both present & future, subject to prior charges created and / or to be created in favour of Company's bankers for working capital facilities, b) by first *pari passu* equitable mortgage of immovable properties of the Company situated at Sanand (Gujarat) and c) by guarantee of Chairman & Managing Director of the Company.
- \$ This is further secured by way of second *pari passu* charge on the current assets of the Company.
- # These are secured by way of hypothecation of Vehicles of the Company.
- ~ This is secured by a) exclusive first charge by way of hypothecation of Specific aircrafts owned by M/s A.R. Airways Pvt. Ltd.(related party), b) corporate guarantee of A.R. Airways Pvt. Ltd. and c) guarantee of Chairman & Managing Director of the Company.

(Rs. in lacs)

	As At 31.03.2016	As At 31.03.2015
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance	10544.55	14269.38
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	(709.00)	(3724.83)
<b>TOTAL :</b>	<b>9835.55</b>	<b>10544.55</b>

In accordance with the Accounting Standard-22 (AS-22), regarding 'Accounting for Taxes on Income', issued by The Institute of Chartered Accountants of India, the Cumulative Tax effects of significant timing differences, that resulted in Deferred Tax Asset & Liabilities and description of item thereof that creates these differences are as follows :

(Rs.in lacs)

	Deferred Tax Assets / (Liabilities) As At 01.04.2015	Current Year (Charge) / Credit	Deferred Tax Assets / (Liabilities) As At 31.03.2016
<b>Deferred Tax Assets</b>			
Other than unabsorbed depreciation & carry forward of losses.	1468.10	18.00	1486.10
<b>Total (A)</b>	<b>1468.10</b>	<b>18.00</b>	<b>1486.10</b>
<b>Deferred Tax Liabilities</b>			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(12012.65)	691.00	(11321.65)
<b>Total (B)</b>	<b>(12012.65)</b>	<b>691.00</b>	<b>(11321.65)</b>
<b>Net Deferred Tax (Liability) (A-B)</b>	<b>(10544.55)</b>	<b>709.00</b>	<b>(9835.55)</b>

Deferred Tax credit for the year includes Rs.Nil (Previous Year Rs.1261.62 lacs) credited to the opening reserve, in respect of Net Residual Value of Assets adjusted to the Opening Reserve as per Schedule II of the Companies Act, 2013.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in lacs)

	As At 31.03.2016	As At 31.03.2015
<b>6. OTHER LONG TERM LIABILITIES</b>		
Securities Received	331.91	238.68
Retention Money	277.21	70.13
Lease Security Deposit	-	11.88
<b>TOTAL :</b>	<b>609.12</b>	<b>320.69</b>
<b>7. LONG-TERM PROVISIONS</b>		
Provision for Leave Encashment	929.01	1074.10
<b>TOTAL :</b>	<b>929.01</b>	<b>1074.10</b>
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Facilities From Banks	17557.28	25387.70
From a Body Corporate	1250.00	1050.00
<b>Unsecured</b>		
From Banks #	1245.01	-
From Others	2405.04	2350.00
From a Related Party	-	500.00
<b>TOTAL :</b>	<b>22457.33</b>	<b>29287.70</b>

- 1 Working capital facilities from banks are secured a) on *first pari passu* basis, by way of hypothecation of stock of raw materials, semi-finished goods, finished goods and book debts of the Company, both present and future, b) by way of second *pari passu* charge on specific fixed assets of the Company, situated at Malanpur (M.P.), Jammu (J & K) and NOIDA (U.P.), and c) by guarantee of Chairman & Managing Director of the Company.
- 2 Loan from a Body Corporate is secured by way of pledge of listed Equity Shares held as an Investment by the Company. (Refer Note No 13)
- # Represents deferred letters of credits for capital goods secured by way of hypothecation of specific machines under the letters of credits and pledge of fixed deposits of Rs. 214.75 Lacs.

(Rs. in lacs)

	As At 31.03.2016	As At 31.03.2015
<b>9. TRADE PAYABLES</b>		
Suppliers	40777.71	38860.50
Due to Suppliers under MSMEDA*	542.51	635.22
Due to Related Parties	9215.44	7077.54
<b>TOTAL :</b>	<b>50535.66</b>	<b>46573.26</b>

\* The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the information given by the management, are as under :

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**
**(Rs.in lacs)**

Sr. Particulars No.	As at 31.03.2016	As at 31.03.2015
1 Principal amount due and remaining unpaid	Nil	Nil
2 Interest due on (1) above and the unpaid interest	Nil	Nil
3 Interest paid on all delayed payment under the MSMED Act	Nil	Nil
4 Payment made beyond the appointed day during the year	Nil	Nil
5 Interest due and payable for the period of delay other than (3) above	Nil	Nil
6 Interest accrued and remaining unpaid	Nil	Nil
7 Amount of further interest remaining due and payable in succeeding years	Nil	Nil

**(Rs. in lacs)**

	As At 31.03.2016	As At 31.03.2015
<b>10. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Borrowings	14750.19	15653.69
Capital Creditors	2012.45	1148.10
Due to Employees	2230.97	1013.40
Interest Accrued but not due on Loans		
- From a Related Party	-	1.92
- From Others	332.72	118.19
Unclaimed Dividend*	148.12	152.42
Advances from Customers	3228.08	4198.94
Advances from Subsidiaries	314.41	1036.72
Advances from Related Party	0.16	-
Statutory Dues	1195.13	810.67
Others Payable	1194.41	5029.44
<b>TOTAL :</b>	<b>25406.64</b>	<b>29163.49</b>

\* These figures do not include any amount, due and outstanding, required to be credited to Investor Education and Protection Fund.

**(Rs. in lacs)**

	As At 31.03.2016	As At 31.03.2015
<b>11. SHORT-TERM PROVISIONS</b>		
Income Tax (Net)	2803.27	2474.95
Wealth Tax	-	99.42
Proposed Dividend	2310.77	1949.71
Proposed Dividend Distribution Tax	470.42	396.92
Leave Encashment	366.04	169.82
Staff Benefits	445.65	384.29
Warranty	16.64	24.96
Interest on Deferred Liabilities	-	554.61
<b>TOTAL :</b>	<b>6412.79</b>	<b>6054.68</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****12. FIXED ASSETS**

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	Value/cost As At 01.04.2015	Additions during the year	Deductions during the year	Value/cost As At 31.03.2016	Upto 31.03.2015	For the year	Adjust- ments	Deduc- tions	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
<b>A. TANGIBLE ASSETS</b>											
Freehold Land	11.62	7.82	-	19.44	-	-		-	-	19.44	11.62
Leasehold Land	4156.16	10830.61	115.71 #	14871.06	-	-		-	-	14871.06	4156.16
Building	31912.94	1098.48	134.84	32876.58	9908.62	965.44	-	69.14	10804.92	22071.66	22004.32
Plant & Machinery	198946.39	10928.98	5862.51	204012.86	103670.79	13776.45	-	5543.89	111903.35	92109.51	95275.60
Electrical Installation	5374.06	187.08	248.96	5312.18	3634.58	240.76	-	233.29	3642.05	1670.13	1739.48
Office Equipments	4249.86	454.84	149.61	4555.09	3360.00	340.45	-	143.65	3556.80	998.29	889.86
Furniture & Fixtures	4872.36	323.83	86.95	5109.24	2443.46	660.89	-	76.90	3027.45	2081.79	2428.90
Vehicles	2079.25	569.07	67.42	2580.90	1128.98	259.59	-	57.94	1330.63	1250.27	950.27
Sub-Total (A)	251602.64	24400.71	6666.00	269337.35	124146.43	16243.58	-	6124.81	134265.20	135072.15	127456.21
Previous Year	(238664.21)	(22416.90)	(9478.47)	(251602.64)	(111091.13)	(16141.02)	(3711.75)	(6797.47)	(124146.43)	(127456.21)	(127573.08)
<b>B. INTANGIBLE ASSETS</b>											
Software	1382.33	158.43	9.79	1530.97	922.39	180.60	-	9.79	1093.20	437.77	459.94
Patent	500.00	139.56	-	639.56	321.86	110.29	-	-	432.15	207.41	178.14
Technical Know-How	265.55	744.63	-	1010.18	181.66	164.40	-	-	346.06	664.12	83.89
Sub- Total (B)	2147.88	1042.62	9.79	3180.71	1425.91	455.29	-	9.79	1871.41	1309.30	721.97
Previous Year	(1852.40)	(295.48)	-	(2147.88)	(1172.45)	(253.46)	-	-	(1425.91)	(721.97)	(679.95)
<b>TOTAL</b>	253750.52	25443.33	6675.79	272518.06	125572.34	16698.87	-	6134.60	136136.61	136381.45	128178.18
Previous Year	(240516.61)	(22712.38)	(9478.47)	(253750.52)	(112263.58)	(16394.48)	(3711.75)	(6797.47)	(125572.34)		
Capital Work- in- Progress										21495.98	2399.71
Intangible Assets under Development										426.88	236.57
<b>TOTAL :</b>										<b>158304.31</b>	<b>130814.46</b>

1 Leasehold Land includes NIL (Previous Year 435.71 lacs) pending execution of title deed.

2 Building includes Original Acquisition Cost of Rs. 5.30 lacs (Previous Year Same) acquired on ownership basis &amp; Original Acquisition Cost of Rs.19.85 lacs (Previous Year Same), pending execution of title deed.

3 Gross Block &amp; Capital Work- in- Progress includes Pre-operative expenses, basis of which is certified by the Management.

4 Capital Work in Progress includes Rs 1831.33 lacs (Previous year Rs. 21.27 lacs) in respect of Machinery in Transit.

5 Gross Block includes Rs. 5.08 lacs (Previous Year Same) added on revaluation of following assets:-

a. Rs. 2.27 Lacs (Previous Year Same) towards Building revalued as at 31st December 1987.

b. Rs. 2.81 lacs (Previous Year Same) towards Land revalued as at 31st December 1987.

# Represents, where company at present neither holds title nor possession thereof.

**13. INVESTMENTS**

Particulars	Descrip- tion	Face Value	As at 31.03.2016		As at 31.03.2015		
			Number	Amount (Rs. in Lacs)	Number	Amount (Rs. in Lacs)	
NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)							
A. QUOTED							
Fully Paid Up							
IN SHARES							
i) TRADE :							
Flex Foods Ltd. (Associate)	Equity	Rs.10/-	5870000	587.00	5870000	587.00	
ii) NON-TRADE :							
Reliance Industries Ltd. \$	Equity	Rs.10/-	222892	2820.92	222892	2820.92	
Reliance Infrastructure Ltd.\$	Equity	Rs.10/-	60000	1115.87	60000	1115.87	
Ansar Properties & Infrastructure Ltd.	Equity	Rs.5/-	589910	1113.90	589910	1113.90	
Kothari Products Ltd.@	Equity	Rs.10/-	342900	152.40	228600	152.40	
B.A.G.Films Ltd.	Equity	Rs.2/-	49300	4.93	49300	4.93	
TOTAL (A)			5795.02		5795.02		



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	Description	Face Value	As at 31.03.2016		As at 31.03.2015	
			Number	Amount (Rs. in Lacs)	Number	Amount (Rs. in Lacs)
<b>B. UNQUOTED</b>						
<b>Fully Paid Up</b>						
<b>i) IN WHOLLY OWNED SUBSIDIARIES</b>						
Flex Middle East FZE, Dubai	Equity	AED 1 Million	107	12672.08	107	12672.08
Uflex Europe Ltd., UK	Equity	GBP 1	995000	726.92	995000	726.92
Uflex Packaging Inc, USA	Equity	US\$ 10	367500	1690.92	367500	1690.92
Utech Developers Ltd.	Equity	Rs.10/-	100000000	10000.00	100000000	10000.00
Flex P Films (Brasil) Comercio De Films Plasticos Ltda	Equity	BLR 1/-	800000*	215.72	800000	215.72
<b>ii) IN OTHER SUBSIDIARIES</b>						
Upet Holding Ltd.	Equity	US\$ 1	24220001	10993.45	29500001	13409.05
USC Holograms Pvt. Ltd.	Equity	Rs.10/-	40800#	4.08	40800#	4.08
<b>iii) TRADE : IN SHARES</b>						
Malanpur Captive Power Ltd.	Equity	Rs.10/-	635650	297.17	635650	297.17
<b>iv) NON-TRADE : IN SHARES</b>						
Fair Growth Financial Services Ltd.	Equity	Rs.10/-	100000	10.00	100000	10.00
Vijaya Home Loans Ltd.	Equity	Rs.10/-	50000	5.00	50000	5.00
<b>TOTAL (B)</b>				<b>36615.34</b>		<b>39030.94</b>
<b>TOTAL (A+B)</b>				<b>42410.36</b>		<b>44825.96</b>

Aggregate Market Value of Quoted Investment is Rs.6556.95 lacs (Previous Year Rs.5598.89 lacs).

\$ Pledge against the borrowing from a Body Corporate. (Refer Note No 8)

@ Increase in number of Equity Shares of 114300 is on account of Bonus Shares allotted on 8th January 2016.

\* Including 16000 Equity Shares held by nominees, nominated by the Company.

# Including 4 Equity Shares held by nominees, nominated by the Company.

	As At 31.03.2016		(Rs. in lacs)	
			As At 31.03.2015	
<b>14. LONG-TERM LOANS &amp; ADVANCES</b>				
(Unsecured, Considered Good)				
Capital Advances	7048.01		4161.28	
Security Deposits	1424.72		1381.27	
<b>Loans to :</b>				
- Subsidiary (Utech Developers Ltd). [Interest Free]	4435.00		8735.00	
- Employees	217.19		219.29	
- Related Party	6000.00		-	
- Others	5.00		831.13	
	10657.19		9785.42	
Less: Current Portion	829.59	9827.60	497.15	9288.27
<b>Deposits :</b>				
- With Excise Authority	520.96		355.85	
- Others	300.22		216.95	
Deposits / Advances with Income Tax Authorities	1156.95		1210.95	
<b>TOTAL :</b>	<b>20278.46</b>		<b>16614.57</b>	

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	<b>(Rs. in lacs)</b>	
	<b>As At 31.03.2016</b>	<b>As At 31.03.2015</b>
<b>15. OTHER NON-CURRENT ASSETS</b>		
Advances recoverable in cash or in kind or value to be received	<b>319.82</b>	145.80
<b>TOTAL :</b>	<b>319.82</b>	145.80
<b>16. INVENTORIES</b>		
Raw Materials	<b>14898.09</b>	14115.11
Work-in-Progress	<b>7303.74</b>	7248.72
Finished Goods	<b>1930.76</b>	1876.42
Traded Goods	<b>198.52</b>	172.61
Material-in-Transit :		
- Raw Materials	<b>1730.82</b>	4306.96
- Raw Materials (Intra Group)	<b>319.77</b>	355.07
- Finished Goods (Intra Group)	<b>8.62</b>	6.75
Stores, Packing Material & Fuel	<b>780.29</b>	795.97
<b>TOTAL :</b>	<b>27170.61</b>	28877.61
<b>17. TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
A. Trade receivable outstanding for a period exceeding six months	<b>19306.42</b>	22164.89
B. Other trade receivable	<b>61265.53</b>	59038.89
	<b>80571.95</b>	81203.78
Less : Provision for Bad & Doubtful Debts	<b>2271.75</b>	3015.05
<b>TOTAL : #</b>	<b>78300.20</b>	78188.73
# Includes due from :		
- Subsidiaries	<b>11288.83</b>	9232.99
- Related Parties	<b>7632.62</b>	2810.95
<b>18. CASH &amp; BANK BALANCES</b>		
<b>a) Cash &amp; Cash Equivalents</b>		
Cash in hand	<b>78.51</b>	81.49
Balances with Scheduled Banks:		
- On Current Accounts	<b>4898.55</b>	3704.53
- On Cash Credits Accounts	<b>953.33</b>	55.49
- On Fixed Deposits Accounts	<b>11037.38</b>	2734.35
	<b>16967.77</b>	6575.86
<b>b) Other Bank Balances</b>		
- On Fixed Deposits Accounts*	<b>1148.89</b>	386.61
- On Fixed Deposits Accounts for a period more than 12 Months*	<b>140.61</b>	41.24
- On Unclaimed Dividend Account	<b>148.12</b>	152.42
- In Margin Money Accounts	<b>109.12</b>	104.88
	<b>1546.74</b>	685.15
<b>c) Cheques in hand</b>	<b>555.02</b>	-
<b>TOTAL :</b>	<b>19069.53</b>	7261.01

\* Pledged with Banks as margin for Letters of Credits, Guarantees and Bills Discounted.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	As At 31.03.2016	(Rs. in lacs) As At 31.03.2015
<b>19. SHORT-TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	6594.71	10753.65
Advances to Subsidiaries	23.85	9.61
Balances with Excise Authorities	4536.79	4204.07
Loans to Employees and others	0.98	0.18
Loans to a Subsidiary*	-	40.00
Loans to Other Body Corporates	-	4200.00
<b>TOTAL :</b>	<b>11156.33</b>	<b>19207.51</b>
* Represents loans given to followings :	<b>Applicable Rate of Interest</b>	<b>Applicable Rate of Interest</b>
USC Hologram Pvt. Ltd.	-	15%
<b>TOTAL :</b>	-	40.00
	-	40.00
<b>20. OTHER CURRENT ASSETS</b>		
Current Portion of Long Terms Loans given	829.59	497.15
Interest accrued on :		
- Loan to Subsidiary	-	1.05
- Loan to Related Party	37.95	-
- Deposits with Banks	88.48	56.76
Other Receivables	52.66	55.92
<b>TOTAL :</b>	<b>1008.68</b>	<b>610.88</b>
	<b>For the Year Ended 31.03.2016</b>	<b>(Rs. in lacs) For the Year Ended 31.03.2015</b>
<b>21. REVENUE FROM OPERATIONS</b>		
<b>A. i) REVENUE FROM SALE OF PRODUCTS</b>		
Gross Sales	401289.95	384961.17
Less : Inter Unit Sales	33620.72	33103.32
	367669.23	351857.85
Less : Excise Duty / Cess	32433.23	31391.24
	335236.00	320466.61
<b>ii) REVENUE FROM SALE OF SERVICES</b>		
Gross Job work	6913.27	7337.72
Less : Inter Unit Job Work	4290.38	4561.63
	2622.89	2776.09
Less : Excise Duty / Service Tax / Cess	251.90	230.01
	2370.99	2546.08
Technical Fees	1560.00	-
<b>TOTAL (A) :</b>	<b>339166.99</b>	<b>323012.69</b>
<b>B. OTHER OPERATING REVENUES</b>		
Scrap Sales	2490.23	2947.92
Less : Excise Duty / Cess	174.73	216.13
	2315.50	2731.79
Packing, Forwarding and Insurance Recoveries	182.51	209.60
Exchange Rate Fluctuation (Net)	114.84	379.70
Export Incentive	2807.53	3228.44

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	(Rs. in lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
Excise Duty Refund	3302.05	2206.38
Miscellaneous Operating Income	159.89	182.31
Vat Refund	225.78	379.39
Support Fees	469.85	386.49
<b>TOTAL (B) :</b>	<b>9577.95</b>	<b>9704.10</b>
<b>TOTAL (A+B):</b>	<b>348744.94</b>	<b>332716.79</b>
<b>PRODUCT WISE DETAILS OF REVENUE FROM SALE OF MANUFACTURED PRODUCTS / SERVICES</b>		
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Packaging Films and Hologrammed Stricker Sheets	270384.16	271448.22
Packaging & Converting Machines	26120.58	17772.27
Printing Ink	26328.77	24780.28
Adhesive	17544.30	19201.69
Others	18035.78	16907.50
<b>TOTAL :</b>	<b>358413.59</b>	<b>350109.96</b>
<b>PRODUCT WISE DETAILS OF REVENUE FROM SALE OF STOCK-IN-TRADE</b>		
Paper	5680.49	-
Aluminium	5147.19	-
Chemicals	1050.31	-
Adhesive	845.80	1722.34
Machines	133.19	2367.07
Others	581.55	434.57
<b>TOTAL :</b>	<b>13438.53</b>	<b>4523.98</b>
<b>GROSS REVENUE FROM SALE OF PRODUCTS &amp; SERVICES</b>	<b>371852.12</b>	<b>354633.94</b>
Less : Excise Duty / Service Tax / Cess	32685.13	31621.25
<b>REVENUE FROM SALE OF PRODUCTS / SERVICES</b>	<b>339166.99</b>	<b>323012.69</b>
	(Rs. in lacs)	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>22. OTHER INCOME</b>		
Rent Received	253.83	222.09
<b>Profit on sale of Investments (Net)</b>		
- Non Current Investments	1780.94	4010.62
- Current Investments	4.32	-
Miscellaneous Income	484.63	531.61
<b>Interest :</b>		
- from Banks	448.90	558.13
- from Others	642.16	633.44
<b>Investment Income:</b>		
- Dividend received on Trade Investments	132.08	132.08
- Dividend received on Non-Trade Investments	75.63	41.42
<b>TOTAL :</b>	<b>3822.49</b>	<b>6129.39</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	For the Year Ended 31.03.2016	(Rs. in lacs) For the Year Ended 31.03.2015
<b>23. COST OF MATERIALS CONSUMED</b>		
Opening Stock	14470.18	12173.68
Add : Purchases	<u>234918.43</u>	<u>248709.72</u>
	249388.61	260883.40
Less : Inter Unit Purchases	<u>32394.56</u>	<u>33212.16</u>
	216994.05	227671.24
Less : Closing Stock	<u>15217.86</u>	<u>14470.18</u>
<b>TOTAL :</b>	<u><b>201776.19</b></u>	<u><b>213201.06</b></u>
<b>PRODUCT WISE DETAILS OF COST OF MATERIALS CONSUMED :</b>		
Fibre Chemicals	28522.77	26825.20
Plastic Granules	35244.88	37069.01
Packaging Films	39087.02	42979.57
Aluminium Foils	17574.58	24029.49
Paper	8998.39	9518.16
Solvents	13235.81	15209.02
Chemicals	11129.24	14581.98
Resin	10681.07	10915.49
Adhesives	8385.14	7796.95
Others	29136.95	24507.52
<b>TOTAL :</b>	<u><b>201995.85</b></u>	<u><b>213432.39</b></u>
Less : Materials Consumed during trial runs	<u>219.66</u>	<u>231.33</u>
<b>TOTAL :</b>	<u><b>201776.19</b></u>	<u><b>213201.06</b></u>
<b>24. PURCHASE OF STOCK-IN-TRADE</b>	12553.49	4110.49
<b>PRODUCT WISE DETAILS OF PURCHASE OF STOCK- IN-TRADE :</b>		
Paper	5402.14	-
Adhesive	756.63	1475.56
Aluminium	4902.09	-
Chemicals	877.07	-
Machines	128.07	2258.81
Others	487.49	376.12
<b>TOTAL :</b>	<u><b>12553.49</b></u>	<u><b>4110.49</b></u>
<b>25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Stock-in-Trade	172.61	3.81
Finished Goods	1883.17	2178.57
Work-in-Progress	<u>7248.72</u>	<u>5942.48</u>
	9304.50	8124.86
<b>Less: Closing Stock :</b>		
<b>Stock-in-Trade</b>	<u>198.52</u>	<u>172.61</u>
Adhesive	-	10.47
Others	198.52	162.14
<b>Finished Goods</b>	<u>1939.38</u>	<u>1883.17</u>
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Packaging Films and Hologrammed Stricker Sheets	803.08	810.14



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	<b>(Rs. in lacs)</b>	
	<b>For the Year Ended 31.03.2016</b>	<b>For the Year Ended 31.03.2015</b>
Printing Ink	525.86	388.79
Adhesive	437.39	333.09
Others	173.05	351.15
<b>Work-in-Progress</b>	<b>7303.74</b>	<b>7248.72</b>
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Packaging Films and Hologrammed Sticker Sheets	<b>4827.36</b>	<b>4275.51</b>
Packaging & Converting Machines	2152.80	2709.01
Printing Ink	157.06	110.67
Adhesive	55.14	46.68
Others	111.38	106.85
	<b>9441.64</b>	<b>9304.50</b>
<b>TOTAL :</b>	<b>(137.14)</b>	<b>(1179.64)</b>
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus, Benefits and Amenities	28821.66	23988.88
Contribution to Provident Fund and Other Funds	1561.05	798.74
Employee Welfare Expenses	929.33	788.02
<b>TOTAL :</b>	<b>31312.04</b>	<b>25575.64</b>
<b>27. FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	6355.69	7219.26
- On Other Loans / Liabilities	3134.68	3898.01
- On Shortfall in payment of Advance Tax	167.00	127.00
Short / (Excess) Provision of interest for earlier years		11244.27
- On Income Tax	76.41	117.22
- On Deferred Liabilities	(554.61)	(1198.72)
Discounting & Financial Charges	1717.61	1483.33
<b>TOTAL :</b>	<b>10896.78</b>	<b>11646.10</b>
<b>28. OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	15305.45	15310.96
Repair & Maintenance-Machinery	4972.24	3538.83
Stores Consumed	2149.28	3472.73
Tools, Jigs & Dies	272.14	258.98
Packing Material Consumed	6739.70	5996.37
Processing Charges for Cylinders	2870.43	2828.81
Less : Inter Unit Charges	2492.78	2380.78
	<b>377.65</b>	<b>448.03</b>
Design & Development Charges	40.74	19.09
Excise Duty	(9.30)	24.08
Job Work Charges	1609.13	1125.71
Royalty Expenses	930.40	478.15
R & D Charges	113.40	25.79
<b>TOTAL (A) :</b>	<b>32500.83</b>	<b>30698.72</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	For the Year Ended 31.03.2016	(Rs. in lacs) For the Year Ended 31.03.2015
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	718.97	705.93
Rates & Taxes	29.29	138.64
Insurance charges	634.07	648.88
Electricity & Water charges	358.34	356.82
Printing & Stationery	240.40	222.36
Postage, Telephone & Fax Expenses	413.88	407.43
Vehicle Running & Maintenance Expenses	393.99	439.60
Lease Rent -Vehicles	832.94	695.19
Conveyance & Travelling Expenses	3017.13	2950.69
Repair & Maintenance :		
- Building	1203.03	562.30
- Others	1522.04	1238.15
Legal & Professional Charges	1594.08	1411.44
Directors' sitting fees	29.05	20.30
General Expenses	2381.98	1719.16
Commission on Sales	501.85	331.99
Advertisement & Publicity	361.75	438.22
Entertainment Expenses	422.71	278.11
Charity & Donation	24.10	22.63
Corporate Social Responsibility Expenditure	379.02	149.97
Rebate & Discount	2146.06	1313.46
Freight & Forwarding charges	7805.77	8007.87
Loss on Settlement of Fire Claim	280.92	21.75
Fixed Assets Written -off	141.88	1.57
Loss on assets sold (Net)	23.39	329.95
Provision for Doubtful Debt Written Back	(1180.95)	(15.00)
Bad & Doubtful Debts (Provision)	437.65	2016.89
Sundry Balances / Bad Debts written-off (Net)	1163.81	(38.09)
Claim (Exports)	7.37	2.84
<b>TOTAL (B) :</b>	<b>25884.52</b>	<b>24379.05</b>
<b>TOTAL :</b>	<b>58385.35</b>	<b>55077.77</b>

**29. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS**

Cost of Material Consumed	1089.50	650.97
Employee Benefits Expense	600.52	454.73
Finance Costs	1.58	2.42
Depreciation and amortisation expense	119.24	131.05
Other Expenses	407.62	296.25
<b>TOTAL :</b>	<b>2218.46</b>	<b>1535.42</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	As At 31.03.2016	(Rs.in lacs) As At 31.03.2015
<b>30. Contingent liabilities not provided for in respect of :</b>		
A i) Guarantees issued by Banks	1525.86	1603.74
ii) Corporate Guarantees issued for facilities taken by foreign subsidiaries / step down subsidiaries from Banks	181175.40	186941.20
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	4887.36	4232.24
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	9263.62	8207.65
B i) Show cause notice / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Company and are contested / appealed / replied.	7245.78	5264.39
ii) Additional demands raised by the Income Tax Department, which are under rectification & appeal	2727.53	477.35
iii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	2433.56	1584.63
iv) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	27.73	27.73
v) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	12.32	10.48
vi) Claims against the Company/disputed liabilities not acknowledged as debt.	146.72	145.83
vii) Demand raised by the Concerned Development corporation on surrender of unutilised Industrial Leasehold Land.	62.69	62.69
viii) Liability in respect of Bonus for the FY 2014-15 arising due to retroerspective amendment in the Payment of Bonus (Amendment) Act, 2015; which is contested by the Company.	429.85	-

	As At 31.03.2016	(Rs.in lacs) As At 31.03.2015
<b>31. Capital Commitments :</b>		
The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	32072.12	31163.29

**32. Disclosures for Assets under Operating Leases**

The Company has taken certain vehicles on operating Lease. The disclosures required in terms of Accounting Standard (AS)-19- on "Leases" are as under:

Minimum future Lease Rentals on assets under Operating Leases taken:

	of which not later than one year	of which later than one year and not later than 5 years	of which later than 5 years	(Rs.in lacs) Total
Payables	891.60	1437.65	-	2329.25
	580.78	911.12	-	1491.90

Previous Year figures have been given in Italic.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### 33. Information in respect of CSR Expenditure required to be spent by the company:

	<b>Current Year</b>	<b>(Rs.in lacs)</b> Previous Year
a) Gross Amount required to be spent by the Company during the Year	<b>278.83</b>	328.47
b) Amount spent during the year on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	<b>379.02</b>	149.97
c) Amount Payable as at Year End	-	-

### 34. Auditors Remuneration, as included in "Legal & Professional charges" under Note No."28(B)", is as under:-

	<b>Current Year</b>	<b>(Rs.in lacs)</b> Previous Year
a) Audit Fees	<b>115.00</b>	95.00
b) Taxation Matters	<b>32.00</b>	27.00
c) Other Services	<b>42.94</b>	30.78
d) Out of Pocket Expenses	<b>3.98</b>	4.94

### 35. In the opinion of the Board and to the best of their knowledge, value on realisation of assets, other than fixed assets & non-current investments in the ordinary course of the business, would not be less than the amount at which they are stated in the Balance Sheet.

### 36. Defined Benefit Plan

#### a) Gratuity

The employees' Group Gratuity Scheme is managed by ICICI Prudential Life Insurance Company Limited. The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The additional disclosure in terms of Accounting Standard-15, "Employee Benefits" is as under:

	<b>Current Year</b>	<b>(Rs. In Lacs)</b> Previous Year
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>2190.47</b>	2110.83
Service cost	<b>311.06</b>	245.16
Interest cost	<b>171.00</b>	163.44
Actuarial (gain) / loss	<b>162.91</b>	(193.28)
Benefits paid	<b>(106.06)</b>	(135.68)
<b>Obligations at period end</b>	<b>2729.38</b>	2190.47
<b>b. Reconciliation of opening and closing balances of fair value assets</b>		
Plan assets at period beginning, at fair value	<b>2328.99</b>	1881.19
Expected return on plan assets	<b>186.32</b>	150.49
Actuarial gain / (loss)	<b>(65.37)</b>	160.75
Contributions	<b>320.60</b>	272.24
Benefits paid	<b>(106.06)</b>	(135.68)
<b>Plan assets at period end, at fair value</b>	<b>2664.48</b>	2328.99
<b>c. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>2729.38</b>	2190.47
Fair value of plan assets at the end of the period	<b>(2664.48)</b>	(2328.99)
<b>Liability recognized in the balance sheet</b>	<b>64.90</b>	(138.52)
Assumptions		
Interest rate	<b>8% P.A.</b>	8% P.A.
Estimated rate of return on plan assets	<b>8% P.A.</b>	8% P.A.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	<b>Current Year</b>	<b>(Rs. In Lacs)</b> Previous Year
<b>d. Gratuity cost for the period</b>		
Service cost	<b>311.06</b>	245.16
Interest cost	<b>171.00</b>	163.44
Expected return on plan assets	<b>(186.32)</b>	(150.49)
Actuarial (gain) / loss	<b>228.28</b>	(354.03)
<b>Net gratuity cost</b>	<b>524.02</b>	(95.92)

**b) Leave Encashment**

The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation, disclosure whereof in terms of Accounting Standard (AS)- 15, "Employee Benefits" is as under:

	<b>Current Year</b>	<b>(Rs. In Lacs)</b> Previous Year
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>1243.93</b>	986.40
Service cost	<b>632.88</b>	581.53
Interest cost	<b>89.40</b>	70.41
Actuarial (gain) / loss	<b>(418.33)</b>	(181.96)
Benefits paid	<b>(252.82)</b>	(212.45)
Obligations at period end	<b>1295.06</b>	1243.93
<b>b. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>1295.06</b>	1243.93
Liability recognized in the balance sheet	<b>1295.06</b>	1243.93
Assumptions		
Interest rate	<b>8% P.A.</b>	8% P.A.
<b>c. Leave Encashment cost for the period</b>		
Service cost	<b>632.88</b>	581.53
Interest cost	<b>89.40</b>	70.41
Actuarial (gain) / loss	<b>(418.33)</b>	(181.96)
<b>Net Leave Encashment cost for the period</b>	<b>303.95</b>	469.98

**37.** During the year, Insurance Company has settled the claim in respect of aggregate loss claim filed by the Company of Rs. 2568.23 lacs due to outbreak of fire in factory premises of the Company, Situated at Sector-60, Noida in the financial year ended 31st March 2012. In settlement thereof, Insurance Company has paid a sum of Rs. 2072.60 lacs. Out of short amount received, Rs. 214.71 Lacs are capitalised along with the value of assets reinstated, not allowed on account of upgradation in technology of assets replaced and balance Rs.280.92 lacs has been disclosed as "Loss on Settlement of Fire Claim " and disclosed under Note No."28(B)".

**38.** Balances of some of the parties are subject to reconciliation & confirmations.

**39. a)** Rupees have been rounded off to the nearest thousand.

b) Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.

**40. EARNING PER SHARE**

The following disclosure is made, as required by Accounting Standard-20 (AS-20) on "Earning Per Share", issued by The Institute of Chartered Accountants of India :-



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

	<u>Current Year</u>	<u>Previous Year</u>
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs in Lacs); (viz.Numerator) (Rs.in lacs)	<b>19968.31</b>	14198.26
(B) (i) Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<b>72211486</b>	72211486
(ii) Opening Balance of Equity Shares (Numbers) Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>72211486</b>	72211486
	<u><b>72211486</b></u>	<u>72211486</u>
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) <b>Earning Per Share</b>		
(a) Basic (A/B(i)) (Rs.)	<b>27.65</b>	19.66
(b) Diluted (A/B(ii)) (Rs.)	<b>27.65</b>	19.66

**41. SEGMENT DISCLOSURE :**

Consequent upon the strategic business re-structuring, considering business synergies, risks & returns and assets of the Company, there is only one reportable segment. Accordingly, segment wise reporting is not applicable. However geographical distribution of revenue is as under :

	<u>Current Year</u>	<u>Previous Year</u>
		<b>(Rs.in lacs)</b>
Domestic Revenue	<b>316120.19</b>	301086.88
<b>Export Revenue :</b>		
USA	<b>19473.42</b>	15124.47
Europe	<b>17462.69</b>	17316.50
Asia	<b>11470.02</b>	14049.07
Africa	<b>8647.35</b>	9961.09
Others	<b>1168.68</b>	43.85
Total Export Revenue	<b>58222.16</b>	56494.98
<b>Total Revenue*</b>	<b>374342.35</b>	357581.86

\*Includes Scrap Sales shown under the head "Other Operating Revenue " -Note No.-21B.

**42. Following disclosures are made, as per Accounting Standard-18 (AS-18), regarding, "Related Party Disclosures", issued by The Institute of Chartered Accountants of India:-**
**(a) List of Related Parties:**

- i) **Subsidiaries** : Flex Middle East FZE , Uflex Europe Ltd., Uflex Packaging Inc., Upet Holdings Ltd., U Tech Developers Ltd., Flex P Films (Brasil) Comercio De Films Plasticos Ltda. and USC Hologram (P) Ltd.
- ii) **Fellow Subsidiaries** : Flex Films Europa Sp.zo.o, Flex P Films (Egypt) S.A.E., UPET (Singapore) PTE. Ltd., Flex Americas S.A. de C.V.,SD Buildwell Pvt.Ltd., Flex Films (USA) Inc. and Flex Industries (P) Ltd. (upto14/01/2016.)
- iii) **Associates** : Flex Foods Limited and Refex Energy (Rajasthan) (P) Ltd.
- iv) **Key Management Personnel & their relatives/ HUF (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi), Mr. Ashok Chaturvedi (HUF) and Mr. S.K. Kaushik, Wholetime Director (upto 02/02/2016) and Mr. Amitava Ray, Wholetime Director (w.e.f 02/02/2016)
- v) **Enterprises in which the persons referred in (iv) along with their relatives exercise significant influence:**  
Flex International (P) Ltd., Anshika Investments (P) Ltd., Ultimate Flexipack Ltd., A.R.Infrastructure & Projects

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

(P) Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshika Consultants (P) Ltd., A.R.Leasing (P) Limited, Cinflex Infotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd., AC Infrastructures (P) Ltd., Club One Airways (P) Ltd., Ultimate Infratech (P) Ltd., Ultimate Prepress LLP, AKC Retailers Pvt. Ltd., Niksar Finvest (P) Ltd., Ganadhipati Infraproject (P) Ltd., Nirman Overseas (P) Ltd., Sungrace Products (India) (P) Ltd., Virgin Infrastructures (P) Ltd., Modern Info technology (P) Ltd., Liberal Advisory Services (P) Ltd., Saga Realtors (P) Ltd., Naveli Collections (P) Ltd., Bundelkhand Projects (P) Ltd., Manpasand Marketing (P) Ltd., Gangotri Management (P) Ltd., Magic Consultants (P) Ltd., A.L.Consultants (P) Ltd., Naru Investments (P) Ltd., Sambhav Finlease (P) Ltd., Mahajan Polybag (P) Ltd., Moda Eleganza (P) Ltd., Ultra America Inc., First Flexipack Corporation, Flex Industries Pvt. Ltd. (w.e.f. 15th January 2016) and Dedicated Investments (P) Ltd.

- (b) The Company has entered into transactions with certain parties listed above during the year under consideration. Details of these transactions are as follows :

(Rs.in lacs)						
Transactions	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (v)' above	Total
<b>i) Trade Transactions</b>						
Sale of Goods/Services (Net)	<b>20935.16</b>	<b>8906.13</b>	<b>39.04</b>	-	<b>9568.47</b>	<b>39448.80</b>
	16829.86	7874.35	25.35	-	7418.68	32148.24
Purchase of Goods/Services (Net )	<b>5.40</b>	-	-	-	<b>21984.27</b>	<b>21989.67</b>
	977.07	80.30	-	-	23629.03	24686.40
Royalty	-	-	-	<b>685.00</b>	-	<b>685.00</b>
	-	-	-	370.00	-	370.00
Purchase of Fixed Assets	<b>0.58</b>	-	-	-	<b>92.48</b>	<b>93.06</b>
	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
	-	-	-	-	0.90	0.90
Dividend Income	-	-	<b>132.08</b>	-	-	<b>132.08</b>
	-	-	132.08	-	-	132.08
Technical Fees received	<b>120.00</b>	<b>240.00</b>	-	-	-	<b>360.00</b>
	-	-	-	-	-	-
Licence & Support fees Received	<b>80.47</b>	<b>389.39</b>	-	-	-	<b>469.86</b>
	61.16	325.32	-	-	-	386.48
Rent Received	-	-	-	<b>36.00</b>	<b>5.94</b>	<b>41.94</b>
	-	-	-	36.00	4.08	40.08
Rent Paid	-	-	-	<b>207.00</b>	<b>279.60</b>	<b>486.60</b>
	-	-	-	207.00	273.60	480.60
Security Deposit Given	-	-	-	-	-	-
	-	-	-	-	69.00	69.00
Interest Paid on Loans	-	<b>5.42</b>	-	-	<b>38.67</b>	<b>44.09</b>
	-	-	-	-	2.14	2.14
Interest Received on Loans	<b>7.91</b>	-	-	-	<b>217.32</b>	<b>225.23</b>
	3.70	-	-	-	-	3.70
Commission Received on extension of Corporate Guarantee	<b>3.05</b>	<b>429.45</b>	-	-	-	<b>432.50</b>
	24.82	500.93	-	-	-	525.75
Remuneration	-	-	-	<b>1117.76</b>	-	<b>1117.76</b>
	-	-	-	833.59	-	833.59
Rebate & Discount	-	<b>42.01</b>	-	-	-	<b>42.01</b>
	-	-	-	-	-	-
Claims Paid	-	<b>4.93</b>	-	-	-	<b>4.93</b>
	-	-	-	-	-	-

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

(Rs.in lacs)						
Transactions	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (v)' above	Total
<b>ii) Non Trade Transactions</b>						
Sale of Investments	<b>4196.54</b>	-	-	-	-	<b>4196.54</b>
	<i>12233.26</i>	-	-	-	-	<i>12233.26</i>
Dividend Paid	-	-	-	<b>62.68</b>	<b>795.49</b>	<b>858.17</b>
	-	-	-	<i>58.04</i>	<i>726.63</i>	<i>784.67</i>
Loan Taken	-	<b>600.00</b>	-	-	<b>4830.00</b>	<b>5430.00</b>
	-	-	-	-	<i>500.00</i>	<i>500.00</i>
Repayment of Loan Taken	-	<b>600.00</b>	-	-	<b>5330.00</b>	<b>5930.00</b>
	-	-	-	-	-	<i>0.00</i>
Loan Given	<b>165.00</b>	-	-	-	<b>6000.00</b>	<b>6165.00</b>
	<i>40.00</i>	-	-	-	-	<i>40.00</i>
Recovery of Loan Given	<b>4505.00</b>	-	-	-	-	<b>4505.00</b>
	<i>400.00</i>	-	-	-	-	<i>400.00</i>
<b>Total</b>	<b>30019.11</b>	<b>11217.33</b>	<b>171.12</b>	<b>2108.44</b>	<b>49142.24</b>	<b>92658.24</b>
	<i>30569.87</i>	<i>8780.90</i>	<i>157.43</i>	<i>1504.63</i>	<i>32624.06</i>	<i>73636.89</i>
<b>Balance as on 31.03.2016</b>						
Debit	<b>13027.82</b>	<b>2719.85</b>	<b>0.19</b>	-	<b>13670.38</b>	<b>29418.24</b>
	<i>16903.71</i>	<i>1114.94</i>	<i>6.82</i>	-	<i>2804.13</i>	<i>20829.60</i>
Credit	-	<b>323.45</b>	<b>0.14</b>	<b>407.48</b>	<b>9048.95</b>	<b>9780.02</b>
	-	<i>1041.02</i>	-	<i>25.59</i>	<i>7549.57</i>	<i>8616.18</i>

Previous Year figures have been given in Italic.

During the year, A R Airways (P) Ltd. has hypothecated its specific aircrafts, as a security towards the Rupee Term Loan of Rs.7000 Lacs sanctioned by the TFCI to the Company and also given the Corporate Guarantee in respect of this loan.

AKC Developers Ltd., fellow subsidiary, & Ultra Urban Infratech Ltd.an associate company are not reported above, since their parent Company has transferred the Management & ownership control under the agreement dated 21st May, 2010 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

Qcell Limited, a joint venture company of a Wholly Owned Subsidiary is not reported above since its controlling Company has transferred the Management & ownership control under the agreement dated 29th October, 2013 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

During the year, Company has extended corporate guarantee of \$ 2 Million (Previous Year \$ 4.5 Million) to the bankers of one of it's overseas subsidiary, in respect of enhancement in working capital limits.

**43. Information u/s 186(4) of the Companies Act, 2013 in respect of Loans given, Investments made or Guarantees given or Security provided :**

S. No.	Name of the Company	Amount Rs in Lacs	Purpose of the Loan
<b>A</b>	<b>Loans Given</b>		
(i)	USC Holograms Pvt. Ltd.	<b>165.00</b>	General Corporate Purposes
(ii)	A.R. Airways Pvt. Ltd.	<b>6000.00</b>	General Corporate Purposes
(iii)	Montage Enterprises Pvt. Ltd.	<b>3000.00</b>	General Corporate Purposes
<b>B</b>	<b>Investments Made</b>	-	
<b>C</b>	<b>Guarantees Given</b>		
	Flex Films (USA) Inc.	<b>US\$ 2.00 Million (Rs.1316.40 lacs)</b>	Amendment to corporate guarantee issued to their bankers, J.P.Morgan Chase Bank N.A.(KY) USA., on enhancement of Working Capital facilities from US\$ 14.50 Million to US \$ 16.50 Million.
<b>D</b>	<b>Securities Provided</b>	-	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### 44. DISCLOSURE IN RESPECT OF INVESTMENTS IN MUTUAL FUND MADE & REDEEMED DURING THE YEAR

Fund Name	Purchase		Sale	
	Units in Nos	Rs in Lacs	Units in Nos	Rs in Lacs
Reliance Liquidity Fund- Growth Plan Growth Option	155565.509	3500.00	155565.509	3504.32

### 45. Information in respect of Imported & Indigenous Material Consumed

Description	(Rs. in lacs)			
	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
a) <b>Raw Material</b>				
Imported	48629.20	24.07	61461.09	28.80
Indigenous	153366.65	75.93	151971.30	71.20
<b>TOTAL :#</b>	<b>201995.85</b>	<b>100.00</b>	<b>213432.39</b>	<b>100.00</b>
# Includes Material Consumed during Trial Runs of <b>Rs. 219.66 lacs</b> (Previous Year Rs.231.33 lacs).				
b) <b>Stores, Spares, Tools, Jigs &amp; Dies Consumed</b>				
Imported *	2374.74	52.16	1609.00	31.57
Indigenous	2178.30	47.84	3487.97	68.43
<b>TOTAL :</b>	<b>4553.04</b>	<b>100.00</b>	<b>5096.97</b>	<b>100.00</b>

\* Includes spares of **Rs.2131.62 lacs** (Previous year Rs.1365.26 lacs) charged to Repair & Maintenance-Machinery.

### 46. Other Particulars

Description	(Rs.in lacs)	
	Current Year	Previous Year
a) <b>CIF Value of Imports</b>		
i) Raw Materials / Stock - in - Trade	44938.80	58657.39
ii) Capital Goods	13782.36	8149.35
iii) Stores & Spares	1911.25	1262.10
iv) Material-in-Transit - Raw Materials	1369.15	4060.20
v) Material-in-Transit - Spare Parts	6.77	-
vi) Material-in-Transit - Machinery	1453.70	10.45
b) <b>Expenditure in Foreign Currency</b>		
i) Travelling expenses	453.11	231.06
ii) Advertisement & Publicity	13.64	71.12
iii) General expenses	94.10	35.40
iv) Rebate & Discount	44.86	-
v) Commission on Sales	132.67	82.25
vi) Discounting & Bank charges	81.97	71.51
vii) Entertainment Expenses	11.12	-
viii) Legal & Professional Charges	10.09	24.99
ix) Repair & Maint. -Others	81.44	111.77
x) Claim Exports	7.37	2.84
xi) Rent	69.03	71.43
xii) Repair & Maint. -Machinery	52.90	53.18
xiii) Royalty	217.75	92.58
xiv) Interest on ECB	827.03	757.85

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Description	(Rs.in lacs)	
	Current Year	Previous Year
<b>c) Earning in Foreign Exchange</b>		
i) F.O.B. value of Export of Manufactured goods / Stock - in - Trade	<b>52445.06</b>	51242.85
ii) Sales of Services	<b>104.01</b>	142.06
iii) Support Fees / Technical Fees	<b>829.85</b>	386.49
iv) Commission for extension of Corporate Guarantee for Subsidiaries	<b>432.50</b>	525.75
v) Discount Received	-	4.16
vi) Others	<b>0.25</b>	-

Signatories to Notes 1 to 46

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

For **Vijay Sehgal & Co.**  
Chartered Accountants

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**S.V. Sehgal**  
Partner



## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF UFLEX LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statement of Uflex Limited (herein referred to as "the Holding Company") and its subsidiaries, Flex middle East FZE, Uflex Europe Ltd., Uflex Packaging Inc., UPET Holdings Ltd., UTech Developers Ltd., Flex P Films (Brasil) Comerico De Films Plasticos Ltda., USC Holograms (P) Ltd., Flex Films Europa Sp. Z o.o., Flex P. Films( Egypt) S.A.E., UPET ( Singapore) PTE. Ltd., Flex Americas S.A. De C.V., SD Buildwell (P) Ltd., Flex Films (USA) Inc. and Flex Industries (P) Ltd. (till 14<sup>th</sup> January, 2016) (the Holding Company and its subsidiaries together referred to as "the Group"), its associates, Flex Foods Ltd. and Refex Energy (Rajasthan) (P) Ltd., comprising of the Consolidated Balance sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Group, including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its Associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditors' responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards

and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 Consolidated Financial Statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of the consolidated state of affairs of the Group and its Associates as at 31<sup>st</sup> March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

#### Other Matters

We did not audit the financial statements / financial information of all the above referred subsidiaries forming part of the group, whose financial statements / financial information reflect total assets of Rs. 5,34,466.66 Lacs as at 31<sup>st</sup> March, 2016, total revenues of Rs. 3,37,537.93 lacs and net cash flows amounting to Rs. 7,905.42 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of Rs. 363.73 Lacs for the year ended 31<sup>st</sup> March, 2016, as considered in the Consolidated Financial Statements, in respect of above referred two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the

Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our "Report on Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group and its Associates, which are companies incorporated in

India, is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its Associates, which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associates- Refer to Note 30 I (B) & 30 II (i) to the Consolidated Financial Statements;
  - ii. The Group and its Associates did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses and;
  - iii. a) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Flex Foods Ltd., an associate company incorporated in India.
  - b) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by subsidiary companies and Refex Energy (Rajasthan) (P) Ltd., associate company, incorporated in India.

For **VIJAY SEHGAL & CO.,**  
Chartered Accountants  
Firm's Regn. No.:000374N

**CA. S.V.SEHGAL**

Partner

Place: NOIDA

Date: 27<sup>th</sup> May, 2016

Membership No. 080329

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidated Financial Statements of the Uflex Limited (herein referred to as "the Holding Company"), its Subsidiaries and its Associates as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Holding Company, its Indian subsidiaries, UTech Developers Limited, USC Holograms (P) Ltd. and SD Buildwell (P)

Ltd. and its Indian associates, Flex Foods Ltd. and Refex Energy (Rajasthan) (P) Ltd., (the Holding Company, its Indian subsidiaries and its Indian associates are together referred to as "Indian Enterprises") of that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Indian Enterprises, are responsible for establishing and maintaining internal financial controls based on the internal control over

financial reporting criteria established by the Indian Enterprises considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Indian Enterprise's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Indian Enterprises' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Indian Enterprises' internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

The Indian Enterprises' internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. The Indian Enterprises' internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Indian Enterprises; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Indian Enterprises are being made only in accordance with authorizations of management and directors of the Indian Enterprise's; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Indian Enterprise's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Indian Enterprise's, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Indian Enterprise considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **VIJAY SEHGAL & CO.,**  
Chartered Accountants  
Firm's Regn. No.:000374N

**CA. S.V.SEHGAL**

Partner

Place: NOIDA  
Date: 27<sup>th</sup> May, 2016

Membership No. 080329

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

		(Rs in Lacs)	
Particulars	Note No.	As At 31st March 2016	As At 31st March 2015
<b>I EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
a) Share Capital	2	7221.15	7221.15
b) Reserves and Surplus	3	327152.39	293548.31
		<b>334373.54</b>	300769.46
(2) <b>Minority Interest</b>	4	384.80	74.62
(3) <b>Non-Current Liabilities</b>			
a) Long-term borrowings	5	105861.73	100649.37
b) Deferred tax liabilities (Net)	6	13665.04	12006.67
c) Other Long term liabilities	7	609.12	325.35
d) Long-term provisions	8	929.01	1074.10
		<b>121064.90</b>	114055.49
(4) <b>Current Liabilities</b>			
a) Short-term borrowings	9	71426.29	80620.81
b) Trade payables	10	78240.23	75975.88
c) Other current liabilities	11	69390.76	69046.04
d) Short-term provisions	12	6758.43	6251.89
		<b>225815.71</b>	231894.62
<b>Total:</b>		<b>681638.95</b>	<b>646794.19</b>
<b>II ASSETS</b>			
(1) <b>Non-current assets</b>			
a) Fixed assets	13		
i) Tangible assets		327686.47	323215.20
ii) Intangible assets		1350.37	769.49
iii) Capital work-in-progress		22497.45	3005.39
iv) Intangible assets under development		426.88	236.57
b) Non-current investments	14	14034.52	13802.87
c) Long-term loans and advances	15	25142.54	16036.67
d) Other non-current assets	16	319.82	331.58
		<b>391458.05</b>	357397.77
(2) <b>Current assets</b>			
a) Inventories	17	62082.67	66097.02
b) Trade receivables	18	148019.41	150871.29
c) Cash and Bank Balances	19	38932.78	19218.84
d) Short-term loans and advances	20	40078.74	52560.21
e) Other current assets	21	1067.30	649.06
		<b>290180.90</b>	289396.42
<b>Total:</b>		<b>681638.95</b>	<b>646794.19</b>

The accompanying Notes from S.No. 1 to 38 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

This is the Consolidated Balance Sheet  
referred to in our report of even date

For **Vijay Sehgal & Co.**  
Chartered Accountants

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**S.V. Sehgal**  
Partner

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>Revenue from Operations</b>			
Gross Sales & Job Work	22 (A)	667191.66	672714.90
Less : Inter unit Sales & Job Work		37911.10	37664.95
Less : Excise Duty / Service Tax / Cess		32898.52	31739.35
Net Sales & Job Work		596382.04	603310.60
Other Operating Income	22 (B)	14201.96	14723.29
<b>Revenue from Operations</b>		<b>610584.00</b>	<b>618033.89</b>
<b>Other Income</b>	23	<b>3532.31</b>	<b>1660.57</b>
<b>Share in Profit of Associates for the Year</b>		<b>363.73</b>	<b>445.23</b>
<b>Total Revenue</b>		<b>614480.04</b>	<b>620139.69</b>
<b>Expenses:</b>			
Cost of materials consumed	24	341217.91	371407.42
Purchase of Stock-in-Trade		17033.18	6959.77
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(3342.97)	4273.41
Employee benefits expense	26	49840.56	43730.76
Finance costs	27	17697.76	18692.70
Depreciation and amortization expense		28553.73	27939.52
Other expenses	28	127825.01	120036.39
Expenses Allocated to Self Constructed Assets	29	(2218.46)	(1535.42)
<b>Total Expenses</b>		<b>576606.72</b>	<b>591504.55</b>
Profit before tax		<b>37873.32</b>	<b>28635.14</b>
<b>Less / (Add) : Tax expense:</b>			
- Current tax		5402.19	4176.66
- Deferred tax		1658.37	(850.03)
- (Excess) Provision of Income Tax for earlier years		(781.00)	(240.82)
Profit for the year before Minority Interest		<b>31593.76</b>	<b>25549.33</b>
Minority Interest- Share in (Profit) / Loss for the year		(310.18)	(73.64)
Profit for the year		<b>31283.58</b>	<b>25475.69</b>
<b>Earning Per Share</b>			
a) Basic (Rs.)		<b>43.32</b>	<b>35.28</b>
b) Diluted (Rs.)		<b>43.32</b>	<b>35.28</b>

The accompanying Notes from S.No. 1 to 38 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

This is the Consolidated Statement of Profit & Loss referred to in our report of even date

For **Vijay Sehgal & Co.**  
Chartered Accountants

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**S.V. Sehgal**  
Partner



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	<b>(Rs.in lacs)</b>	
	<b>For the Year Ended 31.03.2016</b>	<b>For the Year Ended 31.03.2015</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	<b>37873.32</b>	28635.14
<b>Adjustment for :</b>		
Depreciation & amortisation expense	<b>28553.73</b>	27939.52
Exchange rate fluctuations (Net)	<b>8504.69</b>	1787.58
Foreign Currency Translation Reserve	<b>(1391.84)</b>	3802.47
Loss on assets sold (Net)	<b>21.17</b>	332.61
Fixed Assets written Off	<b>141.88</b>	1.57
Finance Costs	<b>17697.76</b>	18692.70
Interest received from Banks / others	<b>(3047.79)</b>	(1323.82)
Rent Received	<b>(253.83)</b>	(222.09)
Dividend received on Non- Trade Investments	<b>(75.63)</b>	(41.42)
Profit on sale of Investments (Net)	<b>(89.61)</b>	-
Provision for Doubtful Debt Written Back	<b>(1180.95)</b>	(23.65)
Bad & Doubtful Debts (Provision)	<b>477.14</b>	2079.02
Sundry Balances / Bad Debts written off (Net)	<b>1266.72</b>	1356.79
<b>Operating Profit before Working Capital changes</b>	<b>88496.76</b>	83016.42
<b>Adjustment for :</b>		
Trade and other receivables	<b>7658.09</b>	(3916.81)
Inventories	<b>4014.35</b>	(5023.08)
Trade and other payables	<b>2819.73</b>	(18218.25)
<b>Cash generated from operations</b>	<b>102988.93</b>	55858.28
Income Tax	<b>(4621.19)</b>	(3935.84)
Exchange rate fluctuations (Net)	<b>(8504.69)</b>	(1787.58)
<b>Net Cash from operating activities (A)</b>	<b>89863.05</b>	50134.86
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(50380.14)</b>	(22376.34)
Sale proceeds of Fixed Assets	<b>3422.57</b>	2380.01
Inflow on transfer of Shares of Subsidiary	<b>85.29</b>	-
(Outflow) on Investments (Net)	<b>(227.33)</b>	(1216.72)
Loans to bodies corporate (Net)	<b>(2400.00)</b>	(106.52)
Capital Reserve / (Goodwill) arising on acquisition (Net)	<b>(0.20)</b>	1.51
Interest received from Banks / others	<b>3047.79</b>	1323.82
Rent Received	<b>253.83</b>	222.09
Dividend received on Non- Trade Investments	<b>75.63</b>	41.42
<b>Net Cash used in Investing Activities (B)</b>	<b>(46122.56)</b>	(19730.73)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	<b>(1949.71)</b>	(1805.29)
Dividend Distribution Tax	<b>(396.92)</b>	(306.81)
Finance Costs	<b>(17697.76)</b>	(18692.70)
Borrowings (Net)	<b>(3982.16)</b>	(11122.98)
<b>Net Cash used in Financing Activities (C)</b>	<b>(24026.55)</b>	(31927.78)
Net (Decrease) / Increase in Cash and Cash equivalents (A+B+C)	<b>19713.94</b>	(1523.65)
Opening Cash and Cash equivalents	<b>19218.84</b>	20742.49
Closing Cash and Cash equivalents #	<b>38932.78</b>	19218.84
# Includes Rs. 3014.49 lacs (Previous Year Rs. 1021.58 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks.		

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

This is the Consolidated Cash Flow Statement referred to in our report of even date

For **Vijay Sehgal & Co.**  
Chartered Accountants

**S.V. Sehgal**  
Partner

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

## NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS

#### a) Basis of Preparation of Financial Statements

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies Act 2013 U/s 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

#### b) Principles of Consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of the consolidated financial statements as laid down under the Accounting Standard (AS)-21 on "Consolidation of Financial Statements" issued by the Institute of Chartered Accountants of India on the following main lines:

- I. The financial statements of the holding company and its subsidiaries, for the financial year ending 31<sup>st</sup> March, have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, subject to regrouping & netting of certain items, which present the consolidation in a fair manner without affecting the materiality, after eliminating the intra-group transactions and also unrealized profit or losses resulting from intra-group transactions included in the carrying amount of assets.
- II. The financial statements of Joint Venture have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India.
- III. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as that of holding company's financial statements.
- IV. The excess / shortfall of cost to the holding company of its investment over its share of equity in the respective subsidiary companies and joint venture companies is recognized in the financial statements as goodwill / capital reserve respectively as per the equity method of valuation.
- V. All the figures of assets, liabilities, revenue & expenses of subsidiaries, which are stated in foreign currency in its separate financial statements, are converted into Indian Rupees in accordance with the Accounting Standard (AS)-11 "The Effects of Changes in Foreign Exchange Rates", issued by the Institute of Chartered Accountants of India.
- VI. Investment in the associate companies have been accounted under the Equity Method as per Accounting Standard 23- "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India. The excess / shortfall of cost to the company of its investment over its share of equity in the respective associate company is recognized in the financial statements as goodwill / capital reserve respectively.
- VII. The principles of consolidation are consistently followed except for the changes required by statute and / or Accounting Standards.

#### c) The Consolidated Financial Statements include the Results of the following Entities:

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
1	Uflex Europe Limited	London-UK	Subsidiary	100%
2	Uflex Packaging Inc.	USA	Subsidiary	100%
3	Flex Middle East FZE	Dubai-UAE	Subsidiary	100%
4	Flex P. Films (Egypt) S.A.E.	Egypt	Subsidiary	100%
5	Flex Films Europa Sp.Zo.o.	Poland	Subsidiary	100%

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
6	UPET Holdings Limited	Mauritius	Subsidiary	100%
7	UPET (Singapore) PTE Ltd.	Singapore	Subsidiary	100%
8	Flex Americas S.A.de C.V.	Mexico	Subsidiary	100%
9	Flex Films (USA) Inc.	USA	Subsidiary	100%
10	Flex P Films (Brasil) Comercio De Films Plasticos Ltda	Brasil	Subsidiary	100%
11	U Tech Developers Limited	India	Subsidiary	100%
12	SD Buildwell Private Limited	India	Subsidiary	74%
13	USC Hologram (P) Ltd.	India	Subsidiary	68%
14	Flex Industries Private Limited (Till 14 <sup>th</sup> January 2016)	India	Subsidiary	100%
15	Flex Foods Limited	India	Associate	47.15%
16	Reflex Energy (Rajasthan) Private Limited	India	Associate	31.44%

**d) Other Significant Accounting Policies**

These are set out in the separate financial statements of UFLEX Limited and its subsidiaries.

**2. SHARE CAPITAL**
**A AUTHORISED**

The Holding Company's Authorised Capital is of Rs. 34000.00 Lacs (Previous Year Same) distributed into 1,90,00,000 (Previous Year Same) Preference Shares of Rs.100/- each and 15,00,00,000 (Previous Year Same) Equity Shares of Rs. 10/- Each.

**B ISSUED, SUBSCRIBED & PAID-UP**

The Issued and Subscribed Capital of the Holding Company as at 31st March 2016 is of Rs. 7228.42 Lacs, represented by 7,22,84,187 Equity Shares (Including 72701 Equity Shares forfeited) of Rs. 10/- each and the paid-up Capital as at 31st March 2016 is of Rs.7221.15 Lacs, represented by 7,22,11,486 Equity Shares of Rs. 10/- each as at 31st March 2016. The reconciliation of the Equity Share Capital of the Holding Company is given as under:

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 31 <sup>st</sup> March 2014	72284187	<b>7228.42</b>	72211486	<b>7221.15</b>	-	-
Balance as at 31 <sup>st</sup> March 2015	72284187	<b>7228.42</b>	72211486	<b>7221.15</b>	-	-
<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>72284187</b>	<b>7228.42</b>	<b>72211486</b>	<b>7221.15</b>	-	-

The Holding Company's Paid-up Capital of 72211486 (previous Year Same) Equity Shares of Rs. 10/- each, is distributed as under:

	As At 31st March 2016		As At 31st March 2015	
	Number	%	Number	%
a) <b>Promoter &amp; Promoter Group</b>	<b>31784339</b>	<b>44.02</b>	31784339	44.02
<b>Of which Shareholders holding More than 5 % of the Paid-up Capital</b>				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anshika Investments Pvt. Ltd.	5771092	7.99	5771092	7.99
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshika Consultants Pvt. Ltd.	3778524	5.23	3778524	5.23
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	4323162	5.99

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

	As At 31st March 2016		As At 31st March 2015	
	Number	%	Number	%
<b>b) Public Shareholding*</b>	<b>40427147</b>	<b>55.98</b>	40427147	55.98
i) Institution	6517508	9.03	5662560	7.84
ii) Non- Institution	28443799	39.38	29298747	40.57
iii) GDRs (underlying shares)	5465840	7.57	5465840	7.57
<b>* Of which Shareholders holding More than 5 % of the Paid-up Capital</b>				

Further, the Issued, Subscribed and Paid-up Capital of the Holding Company includes 54,65,840 (Previous Year Same) Equity Shares lying with Depository, representing 27,32,920 (Previous Year Same) Global Depository Receipts (GDRs), issued through an international offering in US Dollars, outstanding as at Balance Sheet date. However the same has been converted into Equity Shares after the Balance Sheet date but before its signing.

**C RESTRICTION ON VOTING RIGHTS**

Holders of GDRs have no voting rights in respect of underlying shares represented by the GDRs. However Depository can exercise the power to vote in respect of shares represented by the GDRs as directed by the Board, in terms of the condition contained in offering circular. Registered holders of Shares, withdrawn from the deposit facility will be entitled to Vote and exercise other direct shareholder rights.

However the holders of the GDRs are entitled to portion of the annual dividend, if any declared, on the shares represented by the outstanding GDRs.

**3. RESERVES & SURPLUS**

	(Rs. in lacs)							
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Legal Reserve	Foreign Currency Translation Reserve (Arising on Consolidation)	General Reserve	Statement of Profit & Loss	Total
Balance as at 31st March 2014	10395.85	57110.63	3.08	890.87	29528.31	17248.98	159891.49	275069.21
(Less): Amount in respect of carrying value of fixed assets where their useful life is reduced to NIL as on 1/04/2014 (Net of Tax )							(2451.10)	(2451.10)
Addition during the year	4.57							4.57
[Arising on Consolidation]								
Profit for the Year							25475.69	25475.69
<b>(Less): Appropriations</b>								
Proposed Dividend							(1949.71)	(1949.71)
Dividend Distribution Tax							(396.92)	(396.92)
Amount transferred to Legal Reserve							(306.12)	(306.12)
Amount transferred to General Reserve							(1552.68)	(1552.68)
Amount Transferred from Statement of Profit & Loss				306.12		1552.68		1858.80
Amount Transferred from Revaluation Reserve to General Reserve *			(0.08)			0.08		-
Addition during the year					(2203.43)			(2203.43)
<b>Balance as at 31st March 2015</b>	<b>10400.42</b>	<b>57110.63</b>	<b>3.00</b>	<b>1196.99</b>	<b>27324.88</b>	<b>18801.74</b>	<b>178710.65</b>	<b>293548.31</b>

CIN: L74899DL1988PLC032166

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

	(Rs. in lacs)							
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Legal Reserve	Foreign Currency Translation Reserve (Arising on Consolidation)	General Reserve	Statement of Profit & Loss	Total
Profit for the Year							31283.58	31283.58
<b>(Less): Appropriations</b>								
Proposed Dividend							(2310.77)	(2310.77)
Dividend Distribution Tax							(470.42)	(470.42)
Amount transferred to Legal Reserve							(280.47)	(280.47)
Amount transferred to General Reserve							(2124.32)	(2124.32)
Amount Transferred from Statement of Profit & Loss				280.47		2124.32		2404.79
Amount Transferred from Revaluation Reserve to General Reserve*			(0.07)			0.07		-
Addition during the year					5101.69			5101.69
<b>Balance as at 31st March 2016</b>	<b>10400.42</b>	<b>57110.63</b>	<b>2.93</b>	<b>1477.46</b>	<b>32426.57</b>	<b>20926.13</b>	<b>204808.25</b>	<b>327152.39</b>

\* Represent difference between depreciation charged on enhanced value of the revalued assets and the depreciation on their historical cost.

	(Rs. in lacs)	
	As At 31.03.2016	As At 31.03.2015
<b>4. MINORITY INTEREST</b>		
<b>Share Capital</b>		
Equity Share Capital	2.18	2.38
<b>Statement of Profit &amp; Loss</b>		
Balance on Acquisition	(0.35)	(0.35)
Less: Transferred to Goodwill on Acquisition of Minority Interest	(0.20)	-
	(0.15)	(0.35)
Add: Post acquisition profit / (loss) till year end	382.77	72.59
	382.62	72.24
	384.80	74.62
<b>5. LONG-TERM BORROWINGS</b>		
<b>A. Secured</b>		
<b>Term Loans :</b>		
From Banks	116231.13	128009.49
From IFCI Limited	17614.95	11675.47
	133846.08	139684.96
<b>B. Unsecured</b>		
From TFCI	7000.00	-
From Bodies Corporate	2111.15	692.12
	9111.15	692.12
<b>Sub-Total (A+B)</b>	142957.23	140377.08
Less: Current portion	37095.50	39727.71
<b>TOTAL :</b>	105861.73	100649.37
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance	12006.67	14118.32
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	1658.37	(2111.65)
<b>TOTAL :</b>	13665.04	12006.67

Deferred Tax credit for the year includes NIL (Previous Year Rs.1261.62 Lacs) credited to the opening reserve, in respect of Net Residual Value of Assets adjusted to the Opening Reserve as per Schedule II of the Companies Act, 2013.

NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

	As At 31.03.2016	(Rs. in lacs) As At 31.03.2015
<b>7. OTHER LONG TERM LIABILITIES</b>		
Securities Received	331.91	238.68
Retention Money	277.21	74.79
Lease Security Deposit	-	11.88
<b>TOTAL :</b>	<b>609.12</b>	<b>325.35</b>
<b>8. LONG-TERM PROVISIONS</b>		
Provision for Leave Encashment	929.01	1074.10
<b>TOTAL :</b>	<b>929.01</b>	<b>1074.10</b>
<b>9. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Facilities From Banks	61114.33	75706.70
From a Body Corporate	1250.00	1050.00
<b>Unsecured</b>		
From Banks	1245.01	-
From Others	7816.95	3364.11
From a Related Party	-	500.00
<b>TOTAL :</b>	<b>71426.29</b>	<b>80620.81</b>
<b>10. TRADE PAYABLES</b>		
Suppliers	65903.47	67394.95
Due to Suppliers under MSMEDA	542.51	635.22
Due to Related Parties	11794.25	7945.71
<b>TOTAL :</b>	<b>78240.23</b>	<b>75975.88</b>
<b>11. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Borrowings	37095.50	39727.71
Capital Creditors	2565.82	1834.13
Due to Employees	2852.67	1711.46
Interest Accrued but not due on Loans		
- From a Related Party	-	1.92
- From Others	621.23	706.14
Unclaimed Dividend*	148.12	152.42
Advances from Customers	5713.41	5300.43
Advances from Others	12189.71	9460.78
Advances from Related Party	0.16	-
Statutory Dues	1779.39	1459.99
Others Payable	6424.75	8691.06
<b>TOTAL :</b>	<b>69390.76</b>	<b>69046.04</b>

\* These figures do not include any amount, due and outstanding, required to be credited to Investor Education and Protection Fund.



CIN: L74899DL1988PLC032166

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(Rs. in lacs)

	As At 31.03.2016	As At 31.03.2015
<b>12. SHORT-TERM PROVISIONS</b>		
Income Tax (Net)	2979.65	2565.64
Wealth Tax	-	99.42
Proposed Dividend	2310.77	1949.71
Proposed Dividend Distribution Tax	470.42	396.92
Leave Encashment	535.19	276.34
Staff Benefits	445.76	384.29
Warranty	16.64	24.96
Interest on Deferred Liabilities	-	554.61
<b>TOTAL :</b>	<b>6758.43</b>	<b>6251.89</b>

**13. FIXED ASSETS**

(Rs. in lacs)

PARTICULARS	GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK	
	Value/cost As At 01.04.2015	Additions during the year	Deductions during the year	Adjust- ments	Value/cost As At 31.03.2016	Upto 31.03.2015	For the year	Deduc- tions	Adjust- ments	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
<b>A. TANGIBLE ASSETS</b>												
Freehold Land	4109.35	94.96	-	109.91	4314.22	-	-	-	-	-	4314.22	4109.35
Leasehold Land	13246.26	10830.61	3151.57 #	359.57	21284.87	-	-	-	-	-	21284.87	13246.26
Building	73697.14	1257.40	134.84	1412.26	76231.96	15110.64	2406.70	69.14	128.93	17577.13	58654.83	58586.50
Plant & Machinery	377016.80	15335.57	5862.58	6009.98	392499.77	143810.53	23441.81	5544.30	1415.81	163123.85	229375.92	233206.27
Electrical Installation	13462.24	220.60	248.96	55.06	13488.94	5052.15	583.40	233.29	(22.78)	5379.48	8109.46	8410.09
Office Equipments	5563.18	676.25	151.01	65.21	6153.63	3978.02	535.58	144.37	28.93	4398.16	1755.47	1585.16
Furniture & Fixtures	5691.90	363.95	95.25	42.25	6002.85	2891.12	762.34	81.64	23.05	3594.87	2407.98	2800.78
Vehicles	2813.54	868.08	116.73	23.19	3588.08	1542.75	354.86	105.64	12.39	1804.36	1783.72	1270.79
Sub-Total (A)	495600.41	29647.42	9760.94	8077.43	523564.32	172385.21	28084.69	6178.38	1586.33	195877.85	327686.47	323215.20
Previous Year	(485699.32)	(26200.94)	(9550.11)	(6749.74)	(495600.41)	(148584.69)	(27676.07)	(6837.03)	(2961.48)	(172385.21)	(323215.20)	(337114.63)
<b>B. INTANGIBLE ASSETS</b>												
Goodwill (Arising on Consolidation)	3.06	0.20	3.06	-	0.20	-	-	-	-	-	0.20	3.06
Software	1449.48	166.16	9.79	3.90	1609.75	945.08	194.35	9.79	1.47	1131.11	478.64	504.40
Technical Know-How	265.55	744.63	-	-	1010.18	181.66	164.40	-	-	346.06	664.12	83.89
Patent	500.00	139.56	-	-	639.56	321.86	110.29	-	-	432.15	207.41	178.14
Sub- Total (B)	2218.09	1050.55	12.85	3.90	3259.69	1448.60	469.04	9.79	1.47	1909.32	1350.37	769.49
Previous Year	(1886.17)	(342.63)	(1.11)	(9.60)	(2218.09)	(1187.35)	(263.45)	-	(2.20)	(1448.60)	(769.49)	(698.82)
TOTAL	497818.50	30697.97	9773.79	8081.33	526824.01	173833.81	28553.73	6188.17	1587.80	197787.17	329036.84	323984.69
Previous Year	(487585.49)	(26543.57)	(9551.22)	(6759.34)	(497818.50)	(149772.04)	(27939.52)	(6837.03)	(2959.28)	(173833.81)		
Capital Work-in-Progress											22497.45	3005.39
Intangible Assets under Development											426.88	236.57
TOTAL :											351961.17	327226.65

1 Leasehold Land includes NIL (Previous Year 435.71 lacs) pending execution of title deed.

2 Freehold Land includes Rs.2373.18 lacs (Previous Year Rs.2373.18 lacs), pending execution of title deed.

3 Building includes Original Acquisition Cost of Rs. 5.30 lacs (Previous Year Same) acquired on ownership basis &amp; Original Acquisition Cost of Rs.19.85 lacs (Previous Year Same), pending execution of title deed.

4 Gross Block &amp; Capital Work-in-Progress includes Pre-operative expenses, basis of which is certified by the Management.

5 Capital Work in Progress includes Rs 1831.33 lacs (Previous year Rs.21.27 lacs) in respect of Machinery in Transit.

6 Gross Block includes Rs. 5.08 lacs (Previous Year Same), added on revaluation of following assets:

a. Rs. 2.27 Lacs (Previous Year Same), towards Building revalued as at 31st December 1987.

b. Rs. 2.81 lacs (Previous Year Same), towards Land revalued as at 31st December 1987.

# Includes Rs.115.71 Lacs where Holding Company at present neither holds title nor possession thereof.

NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

	As At 31.03.2016	(Rs. in lacs) As At 31.03.2015
<b>14. INVESTMENTS</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>(LONG TERM INVESTMENTS)</b>		
<b>i) INVESTMENT IN ASSOCIATES</b>		
<b>In Equity Shares- Quoted, fully paid up</b>		
Carrying Value of Investment	1343.03	443.73
Addition during the year	-	899.30
Pre Acquisition Profit On Investment	4.57	4.57
Add : Share in Post acquisition Profits	3836.77	3473.04
	<u>5184.37</u>	<u>4820.64</u>
Less : Dividend received upto the year end	(968.56)	(836.48)
<b>Carrying Amount of Investment</b>	<b>4215.81</b>	<b>3984.16</b>
<b>ii) INVESTMENT IN OTHERS</b>		
a) Quoted Fully Paid-up Equity Shares	5208.02	5208.02
b) Un Quoted Fully Paid-up Equity Shares	4610.69	4610.69
<b>TOTAL :</b>	<b>9818.71</b>	<b>9818.71</b>
	<u>14034.52</u>	<u>13802.87</u>
<b>15. LONG-TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Capital Advances	7631.56	4512.48
Security Deposits	2093.27	2030.79
Security Deposits with lender banks	7120.88	6946.74
<b>Loans to :</b>		
- Related Party	6640.00	40.00
- Employees	217.67	246.09
- Others	5.00	831.13
	<u>6862.67</u>	<u>1117.22</u>
Less: Current Portion	829.59	497.15
	<u>6033.08</u>	<u>620.07</u>
<b>Deposits :</b>		
- With Excise Authority	520.96	355.85
- Others	300.22	216.95
MAT Credit Entitlement	134.79	134.79
Deposits / Advances with Income Tax Authorities	1307.78	1219.00
<b>TOTAL :</b>	<b>25142.54</b>	<b>16036.67</b>
<b>16. OTHER NON-CURRENT ASSETS</b>		
Advances recoverable in cash or in kind or value to be received	319.82	145.80
Other Receivables	-	185.78
<b>TOTAL :</b>	<b>319.82</b>	<b>331.58</b>

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

	<b>As At 31.03.2016</b>	<b>(Rs. in lacs) As At 31.03.2015</b>
<b>17. INVENTORIES</b>		
Raw Materials	22066.18	24831.39
Work-in-Progress	12060.72	12783.71
Finished Goods	13310.03	8733.02
Stock - in - Trade	6098.56	6072.65
Material-in-Transit :-		
- Raw Materials	2183.81	6493.08
- Raw Materials (Intra Group)	2501.69	2831.67
- Finished Goods (Intra Group)	1643.38	2180.34
Stores, Packing Material & Fuel	2218.30	2171.16
<b>TOTAL :</b>	<b>62082.67</b>	<b>66097.02</b>
<b>18. TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
A. Trade receivables outstanding for a period exceeding six months	45129.69	48859.56
B. Other trade receivables	105549.09	105425.11
	150678.78	154284.67
Less : Provision for Bad & Doubtful Debts	2659.37	3413.38
<b>TOTAL : #</b>	<b>148019.41</b>	<b>150871.29</b>
# Includes dues from Related Parties	7632.62	2810.95
<b>19. CASH &amp; BANK BALANCES</b>		
a) Cash & Cash Equivalents		
Cash in hand	131.05	119.39
<b>Balances with Bank</b>		
- On Current Accounts	9942.63	10454.31
- On Cash Credits Accounts	953.33	55.49
- On Fixed Deposits Accounts	24096.90	7493.82
	35123.91	18123.01
b) Remittance in Transit	239.36	74.25
c) Cheques in hand	555.02	-
d) Other Bank Balances		
- On Fixed Deposits Accounts*	2116.67	388.28
- On Fixed Deposits Accounts a period for more than 12 Months*	140.61	41.24
- On Unclaimed Dividend Account	148.12	152.42
- In Margin Money Accounts	609.09	439.64
	3014.49	1021.58
<b>TOTAL :</b>	<b>38932.78</b>	<b>19218.84</b>
* Pledged with Banks as margin for Letters of Credits, Guarantees & Bills Discounted.		
<b>20. SHORT-TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	35540.97	44155.96
Balances with Excise Authorities	4536.79	4204.07
Loans to Employees and others	0.98	0.18
Loans to Body Corporates	-	4200.00
<b>TOTAL :</b>	<b>40078.74</b>	<b>52560.21</b>

NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

	<b>(Rs. in lacs)</b>	
	<b>As At 31.03.2016</b>	<b>As At 31.03.2015</b>
<b>21. OTHER CURRENT ASSETS</b>		
Current Portion of Long Term Loans given	829.59	497.15
Interest accrued on :		
- Loans to Related Party	37.95	-
- Loans to Others	0.51	1.25
- Deposits with Banks	146.59	94.74
Other Receivables	52.66	55.92
<b>TOTAL :</b>	<b>1067.30</b>	<b>649.06</b>
	<b>(Rs. in lacs)</b>	
	<b>For the Year Ended 31.03.2016</b>	<b>For the Year Ended 31.03.2015</b>
<b>22. REVENUE FROM OPERATIONS</b>		
<b>A. i) REVENUE FROM SALE OF PRODUCTS</b>		
Gross Sales	659078.39	662708.04
Less : Inter Unit Sales	33620.72	33103.32
	625457.67	629604.72
Less : Excise Duty / Cess	32646.62	31509.34
	592811.05	598095.38
<b>ii) REVENUE FROM SALE OF SERVICES</b>		
a. Gross Job work	6913.27	7337.72
Less : Inter Unit Job Work	4290.38	4561.63
	2622.89	2776.09
Less : Excise Duty / Service Tax / Cess	251.90	230.01
	2370.99	2546.08
b. Technical Fees	1200.00	2669.14
<b>TOTAL (A) :</b>	<b>596382.04</b>	<b>603310.60</b>
<b>B. OTHER OPERATING REVENUES</b>		
Scrap Sales	3954.99	5081.52
Less : Excise Duty / Cess	174.73	216.13
	3780.26	4865.39
Packing, Forwarding and Insurance Recoveries	742.20	824.78
Export Incentive	4367.29	6083.02
Excise Duty/Custom Duty Refund	4207.39	2206.38
Miscellaneous Operating Income	879.04	364.33
VAT Refund	225.78	379.39
<b>TOTAL (B) :</b>	<b>14201.96</b>	<b>14723.29</b>
<b>TOTAL (A+B):</b>	<b>610584.00</b>	<b>618033.89</b>
<b>23. OTHER INCOME</b>		
Rent Received	253.83	222.09
<b>Profit on sale of Investments (Net)</b>		
- On Disposal of Subsidiary	85.29	-
- Current Investments	4.32	-
Profit on sale of assets (Net)	-	-
Miscellaneous Income	65.45	73.24
<b>Interest :</b>		
- from Banks	1117.29	689.05
- from Others	1930.50	634.77
<b>Investment Income:</b>		
- Dividend received on Non-Trade Investments	75.63	41.42
<b>TOTAL :</b>	<b>3532.31</b>	<b>1660.57</b>

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

	<b>(Rs. in lacs)</b>	
	<b>For the Year Ended 31.03.2016</b>	<b>For the Year Ended 31.03.2015</b>
<b>24. COST OF MATERIALS CONSUMED</b>		
Opening Stock	27663.06	22505.15
Add : Purchases	370517.28	409777.49
	<u>398180.34</u>	<u>432282.64</u>
Less : Inter Unit Purchases	32394.56	33212.16
	<u>365785.78</u>	<u>399070.48</u>
Less : Closing Stock	24567.87	27663.06
<b>TOTAL :</b>	<b>341217.91</b>	<b>371407.42</b>
	<u><u>341217.91</u></u>	<u><u>371407.42</u></u>
<b>25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Stock-in-Trade	6072.65	5903.85
Finished Goods	10913.36	15061.43
Work-in-Progress	12783.71	13077.85
	<u>29769.72</u>	<u>34043.13</u>
<b>Less : Closing Stock :</b>		
Stock-in-Trade	6098.56	6072.65
Finished Goods	14953.41	10913.36
Work-in-Progress	12060.72	12783.71
	<u>33112.69</u>	<u>29769.72</u>
<b>TOTAL :</b>	<b>(3342.97)</b>	<b>4273.41</b>
	<u><u>(3342.97)</u></u>	<u><u>4273.41</u></u>
<b>26. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries,Wages,Bonus,Benefits and Amenities	45526.26	40489.06
Contribution to Provident Fund and Other Funds	2867.74	1945.95
Employees Welfare Expenses	1446.56	1295.75
<b>TOTAL :</b>	<b>49840.56</b>	<b>43730.76</b>
	<u><u>49840.56</u></u>	<u><u>43730.76</u></u>
<b>27. FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	9807.18	11205.40
- On Other Loans / Liabilities	4361.49	4798.78
- On Shortfall in payment of Advance Tax	204.80	127.00
	<u>14373.47</u>	<u>16131.18</u>
Short / (Excess) Provision of interest for earlier years		
- On Income Tax	76.41	117.22
- On Deferred Liabilities	(554.61)	(1198.72)
	<u>(478.20)</u>	<u>(1081.50)</u>
Discounting & Financial Charges	3802.49	3643.02
<b>TOTAL :</b>	<b>17697.76</b>	<b>18692.70</b>
	<u><u>17697.76</u></u>	<u><u>18692.70</u></u>

NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

	For the Year Ended 31.03.2016	(Rs. in lacs) For the Year Ended 31.03.2015
<b>28. OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	28426.53	30480.76
Repair & Maintenance-Machinery	7682.76	5854.06
Stores Consumed	3636.79	4766.96
Tools, Jigs & Dies	291.21	260.64
Packing Material Consumed	17352.79	17136.15
Processing Charges for Cylinders	2870.43	2828.81
Less : Inter Unit Charges	2492.78	2380.78
	377.65	448.03
Design & Development Charges	40.74	19.09
Excise Duty	(9.30)	24.08
Job Work Charges	2866.01	2260.48
Royalty Expenses	930.40	478.15
Other Direct Charges	556.69	360.61
R & D Charges	136.39	31.47
<b>TOTAL (A) :</b>	<b>62288.66</b>	<b>62120.48</b>
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	1478.02	1406.34
Rates & Taxes	313.60	353.06
Insurance charges	1921.77	1750.99
Electricity & Water charges	455.75	449.72
Printing & Stationery	276.11	266.94
Postage, Telephone & Fax Expenses	955.99	947.46
Vehicle Running & Maintenance Expenses	537.14	566.13
Lease Rent -Vehicles	832.94	695.19
Conveyance & Travelling Expenses	5123.11	5022.62
Repair & Maintenance :		
- Building	1334.27	668.72
- Others	3947.55	2876.87
Legal & Professional Charges	2976.17	3245.94
Directors' sitting fees	29.05	20.30
General Expenses	3428.60	2843.67
Commission on Sales	1307.03	1142.18
Advertisement & Publicity	621.17	786.84
Entertainment Expenses	473.95	343.73
Charity & Donation	28.55	35.10
Corporate Social Responsibility Expenditure	379.02	149.97
Rebate & Discount	6977.46	5010.91
Freight & Forwarding charges	22455.82	23574.55
Loss on Settlement of Fire Claim	280.92	21.75
Fixed Assets Written -off	141.88	1.57
Loss on assets sold (Net)	21.17	332.61
Exchange Rate Fluctuations (Net)	8504.69	1787.58
Provision for Doubtful Debts Written Back	(1180.95)	(23.65)
Bad & Doubtful Debts (Provision)	477.14	2079.02
Sundry balances / Bad Debts Written-off (Net)	1266.72	1356.79
Claim (Exports)	171.71	203.01
<b>TOTAL (B) :</b>	<b>65536.35</b>	<b>57915.91</b>
<b>TOTAL :</b>	<b>127825.01</b>	<b>120036.39</b>



**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

	For the Year Ended 31.03.2016	(Rs. in lacs) For the Year Ended 31.03.2015
<b>29. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS</b>		
Cost of Material Consumed	1089.50	650.97
Employee Benefits Expense	600.52	454.73
Finance Costs	1.58	2.42
Depreciation and amortisation expense	119.24	131.05
Other Expenses	407.62	296.25
<b>TOTAL :</b>	<b>2218.46</b>	<b>1535.42</b>
	<b>As At 31.03.2016</b>	<b>(Rs.in lacs) As At 31.03.2015</b>
<b>30. I Contingent liabilities not provided for in respect of :</b>		
A i) Guarantees issued by Banks	1543.29	1725.59
ii) Corporate Guarantees given to IFCI on behalf of the Associate	5000.00	5000.00
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	4887.36	4232.24
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	12903.05	11658.31
B i) Show cause notices / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Holding Company and are contested / appealed / replied.	7245.78	5264.39
ii) Additional demands raised by the Income Tax Department, which are under rectification & appeal	2908.65	489.21
iii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	2433.56	1584.63
iv) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	27.73	27.73
v) Amount demanded by the erstwhile workers of the Holding Company and are pending in labour Court	12.32	10.48
vi) Claims against the Company/disputed liabilities not acknowledged as debt.	146.72	145.83
vii) Demand raised by the Concerned Development Corporation on surrender of unutilised Industrial Leasehold Land.	62.69	62.69
vii) Liability in respect of Bonus for the FY 2014-15 arising due to retrorespective amendment in the Payment of Bonus (Amendment) Act, 2015; which is contested by the Company.	429.85	-
<b>II The share in the aggregate contingent liability of the Associates</b>	<b>670.67</b>	<b>487.31</b>
i) For Litigations	405.84	329.39
ii) For Others	264.83	157.92
<b>31. Capital Commitments :</b>		
a) The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	32072.12	31163.29
b) The share in the aggregate capital commitments of the Associates	58.37	369.84

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

32. a) Rupees have been rounded off to the nearest thousand.  
b) Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.  
c) The results for the current year are not strictly comparable with that of the previous year as the current year figures includes/ excludes the results of the followings:

Name of the Company	Nature of Relationship	% of ownership Interest	Investment / Disinvestment
Flex Industries (P) Ltd.	Wholly owned Subsidiary	100%	Disinvestment
S.D. Buildwell Private Limited	Subsidiary	74%	Acquisition of additional 20% equity during the year.

**33. EARNING PER SHARE**

The following disclosure is made, as required by Accounting Standard-20 (AS-20) on "Earning Per Share", issued by The Institute of Chartered Accountants of India :-

	Current Year	Previous Year
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs. In lacs);	<b>31283.58</b>	25475.69
(B) (i) Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<b>72211486</b>	72211486
(ii) Opening Balance of Equity Shares (Numbers)	<b>72211486</b>	72211486
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>72211486</b>	72211486
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) <b>Earning Per Share</b>		
(a) Basic (A/B(i)) (Rs.)	<b>43.32</b>	35.28
(b) Diluted (A/B(ii)) (Rs.)	<b>43.32</b>	35.28

34. Due to strategic reasons, U Tech Developers Ltd., wholly owned subsidiary, had entered into Share sale and purchase Agreement (Agreement) on 29th October 2013 for the sale and transfer of its entire holding of Equity in the Joint Venture Company Qcell Limited for a total consideration of US\$19.29 millions, to its Joint Venture partner. Out of the Total consideration an amount of US\$ 9.02 millions (Equivalent to Rs.5689.71lacs), was received by U Tech Developers Ltd. upto date of Balance Sheet, which is included in the Note No.11- " Other Current Liabilities".

As per the agreement, U Tech Developers Ltd. has transferred the management and control of it's Joint Venture to the Joint Venture Partner and accordingly the financial statements of Qcell Limited are not incorporated into the consolidated financial results .

Profit on the sale of ownership will be recognized upon transfer of shareholding of Joint Venture of U Tech Developers Ltd., to Joint Venture Partner and compliance of all other conditions under the agreement.

35. Due to strategic reasons, U Tech Developers Ltd., wholly owned subsidiary, had entered into Share sale and purchase Agreement on 21st May 2010 for the sale and transfer of its entire shareholding of Equity Shares and Preference Shares of it's subsidiary (which was in Joint Venture for handling municipal solid waste processing) at a total consideration of Rs. 7416.85 lacs to its Joint Venture partner. Out of the Total consideration an amount of Rs. 4000.00 lacs was received by U Tech Developers Ltd. upto date of Balance Sheet, which is included in the Note No.11- " Other Current Liabilities".However due to non payment of further sum by Joint Venture Partner in accordance with the said Agreement, the Company has contested and filed civil and criminal cases against the Joint Venture Partner in the Honourable Courts of Delhi.

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

As per the agreement, U Tech Developers Ltd. has transferred the management and control of it's subsidiary to the Joint Venture Partner and accordingly the financial statements of the subsidiary of U Tech Developers Ltd., are not incorporated into the Consolidated Financial Results.

Profit on the sale of ownership will be recognized upon transfer of shareholding of subsidiary of U Tech Developers Ltd., to Joint Venture Partner and compliance of all other conditions under the agreement.

**36.** Following disclosures are made, as per Accounting Standard-18 (AS-18), regarding, "Related Party Disclosures", issued by The Institute of Chartered Accountants of India:-

(a) List of Related Parties:

i) **Associates** : Flex Foods Limited and Refex Energy (Rajasthan) (P) Ltd.

ii) **Key Management Personnel & their relatives / HUF (also exercising significant influence over the Company)**: Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi), Mr. Ashok Chaturvedi (HUF), Mr. S.K. Kaushik, Wholetime Director (upto 02/02/2016), Mr. Amitava Ray, Whole time Director (w.e.f. 02/02/2016), Mr. Pradeep Tyle (Director of Flex Middle East FZE) , Mr. R.K.Jain (Director of Flex Middle East FZE), Mr. P.L.Sirsamkar (Director of Flex Middle East FZE), Mr.Pradeep Srivastava (Director of Uflex Europe Ltd.) and Mr. S.K.Sharma (Manager of Utech Developers Limited).

iii) **Enterprises in which the persons referred in (ii) along with their relatives exercise significant influence**: Flex International (P) Ltd., Anshika Investments (P) Ltd., Ultimate Flexipack Ltd., A.R. Infrastructure & Projects (P) Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshika Consultants (P) Ltd., A.R.Leasing (P) Limited, Cinflex Infotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd., AC Infrastructures (P) Ltd., Club One Airways (P) Ltd., Ultimate Infratech (P) Ltd., Ultimate Prepress LLP, AKC Retailers Pvt. Ltd., Niksar Finvest (P) Ltd., Ganadhipati Infraproject (P) Ltd., Nirman Overseas (P) Ltd.,Sungrace Products (India) (P) Ltd.,Virgin Infrastructures (P) Ltd., Modern Info technology (P) Ltd., Liberal Advisory Services (P) Ltd., Saga Realtors (P) Ltd., Naveli Collections (P) Ltd.,Bundelkhand Projects (P) Ltd., Manpasand Marketing (P) Ltd., Gangotri Management (P) Ltd., Magic Consultants (P) Ltd., A.L.Consultants (P) Ltd., Naru Investments (P) Ltd., Sambhav Finlease (P) Ltd., Mahajan Polybag (P) Ltd.,Moda Eleganza (P) Ltd., Ultra America Inc., First Flexipack Corporation, Flex Industries Pvt. Ltd. (w.e.f. 15th January 2016) and Dedicated Investments (P) Ltd.

(b) The Group has entered into transactions with certain parties listed above during the year under consideration. Details of these transactions are as follows :

					(Rs.in lacs)
Transactions	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (iii)' above	Total	
<b>i) Trade Transactions</b>					
Sale of Goods/Services (Net)	<b>39.04</b>	-	<b>9568.47</b>	<b>9607.51</b>	
	25.35	-	7418.68	7444.03	
Purchase of Goods/Services (Net )	-	-	<b>26228.65</b>	<b>26228.65</b>	
	-	-	23629.03	23629.03	
Purchase of Fixed Assets	-	-	<b>92.48</b>	<b>92.48</b>	
	-	-	-	-	
Sale of Fixed Assets	-	-	-	-	
	-	-	0.90	0.90	
Security Deposit Given	-	-	-	-	
	-	-	69.00	69.00	

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(Rs.in lacs)				
Transactions	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (iii)' above	Total
Rent Received	-	<b>36.00</b>	<b>5.94</b>	<b>41.94</b>
	-	36.00	4.08	40.08
Rent Paid	-	<b>207.00</b>	<b>279.60</b>	<b>486.60</b>
	-	207.00	273.60	480.60
Royalty Expenses	-	<b>685.00</b>	-	<b>685.00</b>
	-	370.00	-	370.00
Interest Paid on Loans	-	-	<b>38.67</b>	<b>38.67</b>
	-	-	2.14	2.14
Interest Received	-	-	<b>217.32</b>	<b>217.32</b>
	-	-	-	-
Dividend Income	<b>132.08</b>	-	-	<b>132.08</b>
	132.08	-	-	132.08
Consultancy Charges	-	<b>156.36</b>	-	<b>156.36</b>
	-	145.80	-	145.80
Remuneration	-	<b>1569.29</b>	-	<b>1569.29</b>
	-	1458.30	-	1458.30
<b>ii) Non Trade Transactions</b>				
Loan Taken	-	-	<b>4830.00</b>	<b>4830.00</b>
	-	-	500.00	500.00
Repayment of Loan Taken	-	-	<b>5330.00</b>	<b>5330.00</b>
	-	-	-	-
Dividend Paid	-	<b>62.68</b>	<b>795.49</b>	<b>858.17</b>
	-	58.04	726.63	784.67
Loan Given	-	-	<b>6000.00</b>	<b>6000.00</b>
	-	-	-	-
<b>Total</b>	<b>171.12</b>	<b>2716.33</b>	<b>53386.62</b>	<b>56274.07</b>
	157.43	2275.14	32624.06	35056.63
<b>Balance as on 31.03.2016</b>				
Debit	<b>0.19</b>	-	<b>13670.38</b>	<b>13670.57</b>
	6.82	-	2804.13	2810.95
Credit	<b>0.14</b>	<b>427.88</b>	<b>11852.04</b>	<b>12280.06</b>
	-	44.23	7549.57	7593.80

Ultra Urban Infratech Ltd., an associate company is not reported above, since the Investor, U Tech Developers Limited, has transferred the Management & ownership control to Joint Venture Partner, under the agreement dated 21st May'2010, with an understanding to transfer the entire Share Holding on receipt of the amount due under the agreement.

During the year, A R Airways (P) Ltd. has hypothecated its specific aircrafts, as a security towards the Rupee Term Loan of Rs.7000 Lacs sanctioned by the TFCL to the Holding Company and also given the Corporate Guarantee in respect of this loan.

Previous Year figures have been given in Italic.

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**
**37. Additional Information as required under Schedule III of the Companies Act, 2013 of enterprises consolidated as Subsidiary/ Associates / Joint Ventures**

S. No		Name of the Enterprises	Net Assets i.e. Total Assets minus Total Liabilities		Share in profit or loss	
			As % of consolidated net assets	Amount (Rs in Lacs)	As % of consolidated profit or loss	Amount (Rs in Lacs)
Parent						
	Uflex Limited	55.61%	1,85,960.37	63.83%	19,968.31	
		56.11%	1,68,773.25	55.73%	14,198.26	
Subsidiary						
Indian						
1	U Tech Developers Limited	3.17%	10,602.38	-0.38%	(119.29)	
		3.56%	10,721.67	-0.97%	(248.16)	
2	USC Holograms Pvt. Ltd.	0.19%	638.77	1.30%	405.60	
		0.08%	233.17	0.90%	230.11	
3	S.D.Buildwell Private Limited	0.21%	693.80	2.44%	764.57	
		0.04%	129.23	-0.03%	(7.62)	
4	Flex Industries Private Limited	0.00%	-	0.00%	-	
		0.00%	(6.97)	-0.04%	(9.93)	
Foreign						
1	Flex Middle East FZE	41.51%	1,38,801.22	6.80%	2,125.99	
		42.95%	1,29,174.48	19.12%	4,870.99	
2	Flex Americas S.A. de C.V.	7.69%	25,729.50	8.15%	2,549.56	
		8.23%	24,765.78	10.43%	2,657.14	
3	Flex P. Films Egypt S.A.E.	10.95%	36,628.83	9.78%	3,060.63	
		11.14%	33,506.71	12.97%	3,305.32	
4	Flex Films Europa Sp.Zo.o.	9.34%	31,234.37	20.48%	6,405.56	
		7.75%	23,318.79	16.30%	4,151.35	
5	Flex Films (USA) Inc.	6.23%	20,838.61	2.02%	631.87	
		6.34%	19,073.91	6.07%	1,547.04	
6	UFlex Europe Limited	0.09%	311.26	1.06%	330.12	
		0.21%	624.24	3.86%	982.26	
7	UFLEX Packaging Inc.	0.15%	493.65	1.77%	552.89	
		-0.02%	(55.92)	0.73%	186.39	
8	UPET Holdings Limited	7.54%	25,195.90	-0.04%	(13.16)	
		7.91%	23,795.79	0.02%	6.21	
9	Upet Singapore Pte. Ltd.	7.51%	25,116.91	-0.02%	(6.58)	
		7.88%	23,715.02	0.02%	6.21	
10	Flex P. Films (Brasil) Comercio De Filmes Plasticos Ltda	0.04%	144.88	0.00%	-	
		0.05%	151.20	-	-	
Minority Interest in Subsidiaries		-0.12%	(384.80)	-0.41%	(129.79)	
		-0.02%	(74.62)	-0.29%	(73.64)	
Associates (Investment as per Equity Method)						
1	Flex Foods Limited	0.96%	3,212.03	1.22%	381.25	
		0.89%	3,007.40	1.74%	443.84	
2	Refex Energy (Rajasthan) Private Limited	0.27%	887.62	-0.06%	(17.52)	
		0.30%	905.14	0.01%	1.39	

**Notes:**

- 1 Loss to Minority Shareholders, if any, is allocated to the extent of their paid up capital.
- 2 Net Assets & Share in Profit or Loss of the Foreign subsidiaries are converted into INR based on the Closing Exchange Rates stated in the Note No.38.
- 3 Previous Year figures have been given in italics.

NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016
**38. Statement containing salient features of financial Statements of Subsidiary / Associates / Joint Ventures, as per first proviso to Section 129(3) of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014**
**Part "A" : Subsidiaries**

													INR in Lacs; FC in Million			
Sl. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries		Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for Taxation	Profit / (Loss) after taxation	Proposed dividend	% of Shareholding	
			Currency	Exch. Rate												
Subsidiary Indian																
1	U Tech Developers Limited	Not Applicable	CY PY	INR		10,000.00 10,000.00	602.38 721.67	29,948.39 32,768.90	19,346.01 22,047.23	7,272.65 7,478.47	4.12 5.99	(203.56) (369.29)	(84.27) (121.13)	(119.29) (248.16)	- -	100%
2	USC Holograms Pvt. Ltd.	Not Applicable	CY PY	INR		6.00 6.00	632.77 227.17	4,564.65 3,527.93	3,925.88 3,294.76		4,826.40 3,306.14	611.80 339.47	206.20 109.36	405.60 230.11	- -	68%
3	S.D.Buildwell Private Limited	Not Applicable	CY PY	INR		1.00 201.00	692.80 (71.77)	739.72 3,250.34	45.92 3,121.11	-	1,304.33 8.89	1,133.29 (7.62)	368.72 -	764.57 (7.62)	- -	74%
4	Flex Industries Private Limited	Not Applicable	CY PY	INR		- 6.00	- (12.97)	- 60.86	- 67.83	-	- 14.27	- (9.93)	- -	- (9.93)	- -	0%
Foreign																
1	Flex Middle East FZE	Not Applicable	CY PY	INR US \$ INR US \$	 65.82  62.13	19,193.11 29.16 18,117.11 29.16	1,19,608.10 181.72 1,11,057.38 178.75	1,68,249.08 255.62 1,67,937.39 270.30	29,447.87 44.74 38,762.91 62.39	87,817.04 133.42 78,793.27 126.82	46,574.23 70.76 64,068.46 103.12	2,125.99 3.23 4,870.99 7.84	- - - -	2,125.99 3.23 4,870.99 7.84	- -	100%
2	Flex Americas S.A. de C.V.	Not Applicable	CY PY	INR MXR INR MXR	 3.815  4.076	15,993.24 419.22 17,087.41 419.22	9,736.26 255.21 7,678.37 188.38	58,050.18 1,521.63 60,004.83 1,472.15	32,320.68 847.20 35,239.06 864.55	- - - -	57,606.88 1,510.01 60,753.60 1,490.52	3,718.86 97.48 3,795.57 93.12	1,169.30 30.65 1,138.43 27.93	2,549.56 66.83 2,657.14 65.19	- -	100%
3	Flex P. Films Egypt S.A.E.	Not Applicable	CY PY	INR US \$ INR US \$	 65.82  62.13	31,534.36 47.91 29,766.48 47.91	5,094.47 7.74 3,740.23 6.02	99,203.90 150.72 92,654.47 149.13	62,575.07 95.07 59,147.76 95.20	- - - -	76,496.00 116.22 78,886.46 126.97	3,962.36 6.02 4,119.22 6.63	901.73 1.37 813.90 1.31	3,060.63 4.65 3,305.32 5.32	2.93 2.36	100%
4	Flex Films Europa Sp.Zo.o.	Not Applicable	CY PY	INR PLN INR PLN	 17.5543  16.4867	17,812.35 101.47 16,729.05 101.47	13,422.02 76.46 6,589.73 39.97	54,946.71 313.01 54,983.14 333.50	23,712.35 135.08 31,664.36 192.06	- - - -	60,474.56 344.50 55,126.58 334.37	6,405.56 36.49 2,997.28 18.18	- - (1,154.07) (7.00)	6,405.56 36.49 4,151.35 25.18	- -	100%
5	Flex Films (USA) Inc.	Not Applicable	CY PY	INR US \$ INR US \$	 65.82  62.13	21,062.40 32.00 19,881.60 32.00	(223.79) (0.34) (807.69) (1.30)	55,216.40 83.89 53,897.78 86.75	34,377.79 52.23 34,823.87 56.05	- - - -	76,963.33 116.93 81,160.42 130.63	1,007.05 1.53 2,485.20 4.00	375.17 0.57 938.16 1.51	631.87 0.96 1,547.04 2.49	- -	100%
6	UFlex Europe Limited	Not Applicable	CY PY	INR GBP INR GBP	 94.32  91.8	943.20 1.00 918.00 1.00	(631.94) (0.67) (293.76) (0.32)	4,159.51 4.41 3,047.76 3.32	3,848.26 4.08 2,423.52 2.64	- - - -	5,744.09 6.09 8,831.16 9.62	330.12 0.35 982.26 1.07	- - - -	330.12 0.35 982.26 1.07	- -	100%
7	UFLEX Packaging Inc.	Not Applicable	CY PY	INR US \$ INR US \$	 65.82  62.13	2,422.18 3.68 2,286.38 3.68	(1,928.53) (2.93) (2,342.30) (3.77)	4,008.44 6.09 3,696.74 5.95	3,514.79 5.34 3,752.65 6.04	- - - -	13,624.74 20.70 7,766.25 12.50	559.47 0.85 186.39 0.30	6.58 0.01 - -	552.89 0.84 186.39 0.30	- -	100%
8	UPET Holdings Limited	Not Applicable	CY PY	INR US \$ INR US \$	 65.82  62.13	25,274.88 38.40 23,857.92 38.40	(78.98) (0.12) (62.13) (0.10)	25,195.90 38.28 23,795.79 38.30	- - - -	25,130.08 38.18 23,721.23 38.18	- - - -	(13.16) (0.02) (6.21) (0.01)	- - - -	(13.16) (0.02) (6.21) (0.01)	- -	100%
9	Upet (Singapore) Pte. Ltd.	Not Applicable	CY PY	INR US \$ INR US \$	 65.82  62.13	25,143.24 38.20 23,733.66 38.20	(26.33) (0.04) (18.64) (0.03)	25,123.49 38.17 23,715.02 38.17	6.58 0.01 - -	25,044.51 38.05 23,640.47 38.05	- - - -	(6.58) (0.01) (6.21) (0.01)	- - - -	(6.58) (0.01) (6.21) (0.01)	- -	100%



CIN: L74899DL1988PLC032166

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

Sl. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from holding company's reporting period		Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries		Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for Taxation	Profit / (Loss) after taxation	Proposed dividend	% of Shareholding
				Currency	Exch. Rate											
10	Flex P. Films (Brasil) Comercio De Films Plasticos Ltda	Not Applicable	CY	INR		146.71	(1.83)	144.88	-	-	-	-	-	-	-	100%
			PY	BLR	18.3387	0.80	(0.01)	0.79	-	-	-	-	-	-	-	100%
				INR		153.11	(1.91)	151.20	-	-	-	-	-	-	-	
				BLR	19.1393	0.80	(0.01)	0.79	-	-	-	-	-	-	-	

CY represents Current Year and PY represents Previous year

**Notes :**

1 **Name of subsidiaries which are yet to commence operations** Flex P. Films (Brasil) Comercio De Films Plasticos Ltda

2 **Names of Subsidiaries which have been liquidated or sold during the year** Flex Industries Private Limited

3 **Name of Subsidiary not considered for Consolidation**
**Name of The company**

AKC Developers Ltd.

**Reason for Non Consolidation**

Its Parent Company has transferred the Management &amp; ownership control under the agreement dated 21st May'2010 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

**Part "B": Associates and Joint Ventures**
**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and joint Ventures**

Sl No.	Name of the Associates / Joint Ventures	Latest Audited Balance Sheet Date	Share of Associates / Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Networth attributable to Shareholding as per latest Audited Balance Sheet	Profit or Loss for the Year	
			No	Amount of Investment in Associates / Joint Venture	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
			Rs in Lacs					Rs in Lacs	Rs in Lacs	Rs in Lacs
1	Flex Foods Limited	31-Mar-16	5870000	587.00	47.15%	By Virtue of Shareholding	NA	3,212.03	381.25	
		31-Mar-15	5870000	587.00	47.15%	By Virtue of Shareholding	NA	3,007.40	443.84	
2	Refex Energy (Rajasthan) Private Limited	31-Mar-16	8993000	899.30	31.44%	By Virtue of Shareholding	NA	887.62	(17.52)	
		31-Mar-15	8993000	899.30	31.44%	By Virtue of Shareholding	NA	905.14	1.39	

**Notes:**

1 Name of Associates / Joint Ventures which are yet to commence operations

NIL

2 Names of Associates / Joint Ventures which have been liquidated or sold during the year

NIL

3 Name of Associate / Joint Venture which are not considered for consolidation

**Relationship** **Name of The company** **Reason for Non Consolidation**

Associate Ultra Urban Infratech Ltd Its Parent Company has transferred the Management &amp; ownership control under the agreement dated 21st May'2010 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

Joint Venture Qcell Limited Its controlling Company has transferred the Management &amp; ownership control under the agreement dated 29th October,2013 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

Signatories to Notes 1 - 38

For and on behalf of the Board of Directors

**R.K. Jain**  
Group President  
(Corp. Finance & Accounts)

**Amitava Ray**  
Whole-time Director  
DIN 00184143

**Ashok Chaturvedi**  
Chairman & Managing Director  
DIN 00023452

**Rakesh Malhotra**  
Sr. General Manager  
(Corp. Accounts)

**Ajay Krishna**  
Sr. Vice President (Legal) &  
Company Secretary

**For Vijay Sehgal & Co.**  
Chartered Accountants

Place : NOIDA  
Dated : 27<sup>th</sup> May, 2016

**S.V. Sehgal**  
Partner



*'A part of your daily life'*

## UFLEX LIMITED

CIN: L74899DL1988PLC032166

Regd. Office : 305, Third Floor, Bhanot Corner, Pamposh Enclave,  
Greater Kailash - I, New Delhi - 110 048

### ATTENDANCE SLIP

27<sup>th</sup> Annual General Meeting

Reg. Folio/DP & Client No:..... No. of Shares Held:.....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company being held on **Tuesday, the 2<sup>nd</sup> day of August, 2016 at 10:00 A.M.** at Air Force Auditorium, Subroto Park, New Delhi - 110010 and at any adjournment thereof.

Member's Name : .....

Proxy's Name : .....

Member's/ Proxy's Signature

Note : 1. Please fill this attendance slip and hand it over at the entrance of the Hall.  
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting .  
3. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.

Form No. MGT-11



*'A part of your daily life'*

## UFLEX LIMITED

CIN: L74899DL1988PLC032166

Regd. Office : 305, Third Floor, Bhanot Corner, Pamposh Enclave,  
Greater Kailash - I, New Delhi - 110 048

### PROXY FORM

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

Name of the Member (s) : .....

Registered Address : .....

E.Mail Id :..... Folio No./Client Id :..... DP ID.....

I/We, being the Member(s) holding ..... shares of the above named Company, hereby appoint

1. Name :..... Address:.....

..... E.mail ID:..... Signature:..... or failing him

2. Name:..... Address:.....

..... E.mail ID:..... Signature:..... or failing him

3. Name :..... Address:.....

..... E.mail ID:..... Signature:..... as my/

our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on **Tuesday, the 2<sup>nd</sup> day of August, 2016 at 10:00 A.M.** at Air Force Auditorium, Subroto Park, New Delhi - 110010 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sl. No.	Resolutions Ordinary Business	Optional	
		For	Against
1	To adopt the Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March, 2016		
2	To declare the dividend for the year 2015-2016		
3	To appoint a Director in place of Shri Ashok Chaturvedi (holding DIN 00023452), who retires by rotation and being eligible offers himself for re-appointment.		
4	To ratify the Appointment of Statutory Auditors.		
	<b>Special Business</b>		
5	Ratification of Remuneration to the Cost Auditors		

Signed this.....day of.....2016

Signature of Proxy holder(s)

Affix  
Revenue  
stamp

Signature of the Shareholder

**Note:** 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.  
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 27<sup>th</sup> Annual General Meeting of the Company.  
3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.  
4. Please complete all details including details of Member(s) in above box before submission.



## ROUTE MAP

