

22nd
Annual
Report
2010-2011



UFLEX LIMITED



UFLEX LIMITED
(FORMERLY KNOWN AS FLEX INDUSTRIES LIMITED)
TWENTY SECOND ANNUAL REPORT
2010-2011

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman & Managing Director
RAVI KATHPALIA
M. G. GUPTA
A. KARATI
(Nominee – ICICI BANK)
JAVED YUNUS -
(Nominee – IFCI) - Upto 22.01.2011
N.K. DUGGAL
(Nominee – IFCI) - Appointed - 22.01.2011
S.K KAUSHIK
Whole-time Director
R.P. AGRAWAL - *Upto 27.09.2010*

SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

AJAY KRISHNA

AUDITORS

VIJAY SEHGAL & CO.
Delhi
Statutory Auditors

JAIN SINGHAL & ASSOCIATES
New Delhi
Internal Auditors

BANKERS

CANARA BANK
BANK OF BARODA
PUNJAB NATIONAL BANK
THE JAMMU & KASHMIR BANK LTD.
ALLAHABAD BANK
STATE BANK OF INDIA
ORIENTAL BANK OF COMMERCE
CORPORATION BANK

REGISTERED OFFICE

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

CORPORATE OFFICE

A - 107-108, Sector - IV,
NOIDA-201 301 (U.P.)

OFFICES

118-119, Damji Shamji Udyog Bhawan,
25A, Veera Desai Road,
Andheri (West),
Mumbai - 400 053

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

443, 2nd Floor, 7th Block,
Koramangla,
Bangalore - 560 095

WORKS

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

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of UFLEX LIMITED will be held on Saturday, the 10th day of September, 2011 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To declare the dividend for the year 2010-2011 on the equity shares of the Company.
3. To appoint a Director in place of Shri M.G. Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Ravi Kathpalia, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors. (M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.)

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and subject to Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof) and such other approvals/sanctions as may be necessary, the Company hereby approves the re-appointment of Shri S.K. Kaushik as Whole-time Director of the Company for a further period of three years w.e.f. 1st August, 2011 on the terms and conditions including as to remuneration, minimum remuneration in case of loss or inadequate profit in any financial year as set out in the explanatory statement which shall be deemed to form part hereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise the remuneration of the said Whole-time Director within the permissible limits under the provisions of the Companies Act, 1956 or any statutory modification thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto.”

By Order of the Board

AJAY KRISHNA

Place : NOIDA
Dated : 4th August, 2011

Sr. Vice President (Legal) &
Company Secretary

Regd. Office:

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

NOTES:

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **05.09.2011** to **10.09.2011** (both days inclusive).
5. Members holding shares in physical form are requested to notify change in address, if any, to the Company's **Registrar and Share Transfer Agents (RTA), Beetal Financial & Computer Services Pvt. Ltd., BEETAL House, 3rd Floor, 99, Madangir, Near Dada Harsukh Dass Mandir, Behind Local Shopping Centre, New Delhi – 110062** quoting correct Folio Number(s) and in case of shares held in dematerialized form to the concerned Depository Participant.
6. In the case of joint holders, if more than one holder intend to attend the meeting, they must obtain additional admission slips from the Registered Office of the Company. In such circumstances, only one such joint holder who is higher in the order of names will be entitled to vote.
7. Members, who are holding shares in identical order of names in more than One Folio are requested to write to the Company/RTA for consolidating their holdings into One Folio.
8. Members seeking further information on the accounts are requested to write to the Company **at least one week before the date of the Annual General Meeting** giving details of the information required.
9. Members/Proxies should bring the Attendance Slip duly filled-in for attending the meeting along with their copy of the Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting.
10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
11. Consequent upon the insertion of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making

nominations are requested to send their requests in Form 2B (which will be made available on request) to the Company's Registrar and Share Transfer Agent, M/s. Beetal Financial & Computer Services Pvt. Ltd.

12. The Company has paid the Annual Listing Fees for the year 2011-2012 to the following Stock Exchanges, viz., Bombay Stock Exchange Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.
13. As per Clause 5A(II) of the Listing Agreement, three reminders were issued to the Shareholders for shares issued in physical forms, which remain unclaimed. These shares will be transferred into one folio in the name of "Unclaimed Suspense Account" in due Course.

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

ITEM NO.6

Shri S.K. Kaushik was reappointed as a Whole-time Director of the Company for a further period of three years w.e.f. 1st August, 2008. The present term of Shri S.K. Kaushik as Whole-time Director of the Company expired on 31st July, 2011.

Shri S.K. Kaushik is a Chartered Accountant and has experience of about 46 years in the field of finance, marketing, production & planning and possesses commercial acumen of high caliber. He is associated with the group since last 12 years.

Considering his vast experience in the field of finance, marketing, production, planning & other related areas, the Board of Directors in their Meeting held on 4th August, 2011 approved the re-appointment of Shri S.K. Kaushik as Whole-time Director of the Company for a further period of three years w.e.f. 1st August, 2011 and approved his remuneration in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule-XIII of the Companies Act, 1956 on the following terms and conditions as recommended by the remuneration Committee of Directors:

Remuneration

Salary including allowances of Rs. 2,84,320/- (Rupees Two Lacs Eighty Four Thousand Three Hundred Twenty only) per month with an annual total increment of upto Rs. 1,00,000/- per month.

Ex-gratia - As per Company's rules.

Perquisites

Category 'A'

Medical Reimbursement & LTC/LTA:

In addition to the aforesaid salary, Shri S.K. Kaushik shall be entitled to medical reimbursement incurred for

self, wife, dependent children and dependent parents on actuals including premium for Medclaim. LTA for self, wife, dependent children and dependent parents once in a year to and from any place in India and abroad as per scheme/rules of the Company or as may be decided by the Chairman & Managing Director of the Company.

Category 'B'

He will also be entitled to Company's Car with driver & telephone at his residence and a Mobile Phone. Private use of Car and Private long distance call would be billed to the Whole-time Director.

OTHER TERMS

- (a) The Whole-time Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund.
- (b) Payment of gratuity as per the policy of the Company.
- (c) Encashment of leave at the end of the tenure.
- (d) He will not be entitled to sitting fees for attending meetings of the Board or Committee(s) thereof.
- (e) He will be liable to retire by rotation.
- (f) The above remuneration and perquisites payable to him would be within the limits as prescribed under Schedule-XIII to the Companies Act, 1956.
- (g) The aforesaid appointment may be terminated by either side giving three months notice in advance.

In the event of inadequacy or absence of profits under Section 349 and 350 of the Companies Act, 1956, if the remuneration exceeds the limit prescribed under Schedule XIII, the same shall be subject to the approval of the Central Government.

Functions

The Whole-time Director shall discharge such functions as are delegated to him by the Board of Directors and/or Chairman & Managing Director.

The Board recommends the resolution for your approval.

Except Shri S.K. Kaushik, no other Director is in anyway concerned or interested in this Resolution.

This should be considered as an abstract in terms of Section 302 of the Companies Act, 1956.

By Order of the Board

AJAY KRISHNA

Sr. Vice President (Legal) &
Company Secretary

Place : NOIDA
Dated : 4th August, 2011

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	Shri S.K. Kaushik	Shri M.G. Gupta	Shri Ravi Kathpalia
Date of Birth	20.11.1939	02.03.1934	18.08.1937
Date of Appointment	31.07.2005	31.01.2002	22.03.2002
Experience in specific Functional areas	A professional having more than 46 years of experience particularly in the field of Finance, Marketing and Production Planning.	A Retd. Govt. Officer with expertise in the fields of Audit & Accounts.	A Retd. Govt. Officer with expertise in the fields of Audit & Accounts.
Qualification	FCA	Retd. I.A.A.S	M.A., M.Phil., Retd. I.A.A.S
Directorship in other Public Limited Companies	Flex Foods Limited UTech Developers Limited AKC Retailers Limited	Flex Foods Limited Taurus Asset Management Co. Limited	Fair Field Atlas Ltd. Alchemist Asset Reconstruction Co. Ltd. UTech Developers Ltd. AKC Developers Ltd. Ultra Urban Infratech Ltd.
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Audit Committee - Nil Remuneration Committee - Nil Shareholders'/Investors' Grievances Committee - UFLEX Limited - Flex Foods Limited	Audit Committee - UFLEX Limited - Flex Foods Limited - Taurus Asset Management Co. Limited Remuneration Committee - UFLEX Limited (Chairman) - Flex Foods Limited - Taurus Asset Management Co. Limited Shareholders'/Investors' Grievances Committee - UFLEX Limited	Audit Committee - UFLEX Limited (Chairman) - UTech Developers Limited - AKC Developers Limited Remuneration Committee - UFLEX Limited Shareholders'/Investors' Grievance Committee - UFLEX Limited

**DETAILS OF SHAREHOLDING/OTHER CONVERTIBLE INSTRUMENTS OF
NON-EXECUTIVE DIRECTORS OF THE COMPANY
(Pursuant to Clause 49 of the Listing Agreement)**

Sl. No.	Name of Director	No. of Equity Shares	Other convertible Instruments
01.	Shri Ravi Kathpalia	1220	Nil
02.	Shri M.G. Gupta	8061	Nil
03.	Shri A. Karati (Nominee – ICICI Bank)	Nil	Nil
04.	Shri N.K. Duggal (Nominee – IFCI)	Nil	Nil

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting this Twenty-second Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2011.

WORKING RESULTS

The summarized financial results for the year ended 31st March, 2011 and for the previous year ended 31st March, 2010 are as follows:

	[Rs. in lacs]	
	Year ended 31.03.2011	Year ended 31.03.2010
Gross Sales & Job Work	274620	186531
Net Turnover	236022	167660
Profit before Interest, Depreciation, Tax	63003	31858
Interest & Financial Charges	13488	10991
Depreciation	9739	9266
Profit before Tax & Exceptional Items	39776	11601
(Less): Provision for Taxation		
- For Income Tax	(10746)	(1971)
- For Wealth Tax	(21)	(17)
(Less): Provision for Deferred Tax (Charge)	(830)	(3047)
Add: Mat Credit Entitlement	--	1875
Exceptional Items (Net of Tax)	--	465
Profit After Tax	28179	8906
Add/(Less): Excess/(Short) Provision for earlier years		
- For Income Tax	(21)	36
- For Fringe Benefit Tax	--	(59)
- For Expenses	43	18
- Diminution in the value of Investment	--	139
Amount available for Appropriations	28202	9040

YEAR IN RETROSPECT

During the year under review, your Company achieved a net turnover of Rs.236022 lacs including other income & operating income of Rs.12236 lacs as against net turnover of Rs.167660 lacs including other income & operating income of Rs.11385 lacs of the previous financial year ended 31st March, 2010. The profit after tax for the year ended 31st March, 2011 at Rs.28179 lacs was higher than the previous financial year ended March, 2010 at Rs.8906 lacs.

The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report.

DIVIDEND

Your Directors are pleased to recommend a dividend @ Rs. 7.50 per share for the financial year ended March 31, 2011. 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 10th September, 2011. 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 as on 10th September, 2011.

FIXED DEPOSITS

No fresh/renewal of deposits were accepted during the financial year 2010-2011. There were Rs. 6000/- unclaimed deposit as at March 31, 2011. Reminder has been sent to one person, who did not claim repayment of his deposit. The same amount has been deposited with Investor Education & Protection Fund on 23.07.2011.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri M.G. Gupta and Shri Ravi Kathpalia, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

IFCI withdrew the nomination of Shri Javed Yunus as their nominee from the Board of Directors of the Company w.e.f. 22nd January, 2011 and appointed Shri N.K. Duggal as their new Nominee in the Board of the Company. Your Directors took the opportunity to place on record their appreciation for the valuable services rendered by Shri Javed Yunus during his tenure as a Director of the Company.

Shri R.P. Agrawal, Director of the Company, who left for heavenly abode on 27th September, 2010. Your Directors of the Company express their deep sorrow and grief on the sad demise of Shri R.P. Agrawal.

Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and the name of the public companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given as Annexure to the Notice convening the Annual General Meeting.

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, we state as under:

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed and that there has been no material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and

prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.

- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

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 reviews the internal control and financial reporting issues with Internal Auditors.

AUDITORS & AUDIT

The Auditors of the Company M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

SUBSIDIARY COMPANIES

Pursuant to Section 212 of the Companies Act, 1956, Flex America Inc., USA, Flex Middle East FZE, UAE, UFlex Europe Limited, UK, UTech Developers Limited, India, Uflex Packaging Inc., USA, UPET Holdings Ltd., Mauritius & Flex Films Europa Sp Z o.o., Poland are Subsidiary Companies. Further, UPET (Singapore) Pte. Ltd., Singapore, Flex Americas, S.A. de C.V., Mexico, Flex P. Films (Egypt) S.A.E, Egypt, Tflex America LLC, USA & SD Buildwell Pvt. Ltd., India are subsidiaries of the Company in terms of Section 4(1)(c) of the Companies Act, 1956.

In accordance with the approval taken by the Company and 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, Joint Venture & Associate Company.

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 GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchanges.

A separate Report on Corporate Governance alongwith Report on Management Discussion and Analysis is enclosed as part of the Annual Report.

STATUTORY DISCLOSURES

None of the Directors of your Company is disqualified as per provision of Section 274(1) (g) of the Companies Act, 1956. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in Annexure 'A' forming part of this Report.

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'B' forming part of this Report.

PERSONNEL

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

ACKNOWLEDGEMENT

The Directors express their gratitude and thanks to the Financial Institutions, Banks, Government Authorities particularly in the states of Uttar Pradesh, Madhya Pradesh, Jammu & Kashmir, Shareholders, GDR holders, FCCB holders, customers, suppliers and other business associates for their continued co-operation and patronage.

For & On behalf of the Board

ASHOK CHATURVEDI

Chairman &
Managing Director

Place : NOIDA
Dated : 4th August, 2011

ANNEXURE 'A' TO DIRECTORS' REPORT

Information as per Section 217(2A)(B)(1) read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report.

A. EMPLOYED FOR THE FULL YEAR

Sl. No.	Name	Age	Designation	Remuneration (Rs.)	Qualifications	Experience (Yrs.)	Date of Appointment	Last Employment (Position Held)
01.	Shri Chaturvedi Ashok	54	Chairman & Managing Director	65104074	B.Sc.	33	01.08.88	Flex Laminaters Ltd. (Chairman & Managing Director)
02.	Shri Tyle Pradeep	50	Sr. President (Films)	19241969	B.E.(Hons) Chem., P.G.D.B.M.	28	01.08.88	Flex Laminaters Ltd. (General Manager (Operations))
03.	Shri Jain R.K.	56	President (Corp. F&A)	12303400	F.C.A.	31	01.08.88	Flex Laminaters Ltd. (Financial Controller)
04.	Shri Ray Amitava	65	President (Packaging Division)	12615500	B.A. (Hons), PGDM	46	06.06.01	India Foils Limited (Managing Director & CEO)
05.	Shri Sirsamkar P.L.	53	President (Films)	10930952	B.E.	30	01.01.93	Polyplex Corpn. Ltd. (Dy. General Manager)
06.	Shri Jain Dinesh	57	Jt. President (HR)	7827776	B.Sc., LLB, LLM, DBA	32	20.07.90	Usha Shri Ram Ltd (Factory Manager)
07.	Shri Tandon Ajay	55	Jt. President	6908160	B.E. (Mechanical Engineering)	33	04.12.06	FCL Technologies & Products Limited (Exe. Vice President)
08.	Shri Agarwal P.K.	53	Jt. President (Cylinder Division)	6365884	M.Sc. (Chem.)	30	01.08.88	Flex Laminaters Ltd. (Manager - Production)
09.	Shri Sachdeva Anup	47	Jt. President (Export Marketing)	6382823	B.A.	25	10.11.97	Sharp Industries Ltd (Sr. General Manager)
10.	Shri Mongia J.M.	55	Jt. President (Domestic Marketing)	6306017	B.Com	33	08.08.94	Garware Paints Ltd (Divisional Manager)

B. EMPLOYED FOR PART OF THE YEAR

NIL

1. Remuneration includes Salary, Bonus, Contribution to Provident Fund and all other perquisites taxable or non-taxable.
2. All appointments are contractual.
3. Information about qualification and last employment is based on particulars furnished by the concerned employee.
4. None of the above employees holds by himself or alongwith his spouse and dependent children 2% or more of equity shares of the Company.
5. None of the above employees is relative of any Director of the Company.

ANNEXURE 'B' TO DIRECTORS' REPORT

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY

The new generation industrial plants installed in India have excellent energy efficiency norms comparable with the best and most energy efficient plants in the World. This shows the deep penetration of advanced energy efficient

technologies in many of the Indian industrial plants. There has been commendable progress in energy efficient technologies employed in thermal and electric utilities, variable frequency drives, energy efficient pumps, fans, compressors and cooling towers are widely employed in Indian industries. Energy efficient compact fluorescent lamps and electronic ballasts are penetrating domestic, commercial and industrial sector at a very faster rate. The increasing preference for commercial energy has led to a sharp increase in the demand for electricity and fossil fuels. Use of Fossil Fuels has resulted in emission of huge quantity of carbon dioxide causing serious environmental damages. There is still a considerable potential for reducing energy

consumption by adopting energy efficiency measures at various sectors of our country. Energy efficiency will not only reduce the need to create new capacity requiring high investment, but also result in substantial environmental benefits. Efficient use of energy and its conservation will succeed as a programme if opinion leaders and captains of industry take the lead in supporting the conservation programme

Our Company's development plans put a lot of emphasis on energy conservation & enhancement of machinery efficiency. In general the conservation of energy in any form is very important for the existence of any industry today. Accordingly, we have undertaken various significant steps to reduce the power generation cost as well as power consumption.

(a) Energy conservation measures taken

The below mentioned are some of the steps which have been undertaken during 2010-2011.

1. Erection & Commissioning of 17.46 MW Natural Gas Based Power House:

Natural Gas, touted as the clean fuel of 21st century, is fast emerging as a major energy source all over the world. Yet another fossil fuel and often found in oil fields and coal beds natural gas is estimated to contribute around 26% of global energy consumption by 2030. We have installed and commissioned 2 X 8.73 MW Natural Gas based Gas Generating sets, with an investment of INR 41 crores, to meet the total power requirement of production. Earlier this was being done by using the liquid fuel FO, which emitted huge carbon emissions.

This conversion has not only resulted into reducing the carbon emissions but also reducing the operational costs. By this investment the reliability and availability of the power has also increased considerably. This conversion will reduce the annual operational cost by approximate INR 40 crores & CO2 emissions has got reduced by 22000 Kgs on daily basis.

2. Earning of Carbon Credits:

The total potential earning of carbon credits for shifting from liquid fuel to natural gas is to the tune of approx. 50000 CER's annually. This may earn us a foreign currency to the tune of approx. USD four hundred thousand. We are in advance stage of signing the ERPA for this.

3. Waste heat recovery Vapour Absorption Machines of 1440 TR Capacity:

We are installing two waste heat recovery units (exhaust gas recovery from the gas generating sets) to feed Vapour Absorption Machine of 720 TR each (Total 1440 TR). This will result in stopping the two electrical chillers, resulting into annual saving of INR 208 Lacs.

4. Decrease in specific fuel consumption per ton of Chips production:

We have successfully commissioned Natural gas fired 2 Engines for power generation with a capacity of 2 x 1.063MW. In addition we are running boiler and HTM

heaters on natural gas firing. This facilitates clean tube surface of coils which is reflected in terms of more heat transfer and reduces specific fuel consumption per ton of polymer.

5. Crushed Lump recycling per batch Capacity increased that facilitate in avoiding loss of natural resources in terms of raw material.
6. Crystalline chips manufacturing in hot water reduces energy required per ton.
7. By using Green MEG we are conserving the natural occurring naphtha.
8. One unused heat exchanger provided in chimney draft line gas generator for heating boiler feed water that saves the natural gas consumption in boiler.
9. Continual efforts have been made to optimize energy costs in manufacturing operations by way of optimization of machine utilization and efficient production planning.
10. The Company has invested over 100 crore in replacement of old technology with the new state of the art technology for conversion. The advantages of the new technology are as under:-
 - Less human intervention in productivity and quality, thereby improving the quality, through-put and reducing the wastage.
 - Enables the Company to widen the product-mix and approach new markets.
 - Uses less energy and running costs.

11. The Company has taken the following additional steps:-

Change from the existing centralized compress air delivery system to decentralized machine-centric delivery system, whereby the cost due to idling of compressors during under-load shall come down.

The same has been done with the chilling system.

Converted one additional Boiler from Diesel/FO based to CNG based System. The Company now has all the Boilers now on CNG.

(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 VFD on the cooling towers to reduce the power consumption.
2. We are planning for energy audits to identify the areas for improvement.
3. We are in process of identifying the areas where skylights can replace the conventional lighting during the day time.
4. We are in process of controlling the lighting with timer control.
5. By Converting two batch lines to one CP line.

6. By providing one heat exchanger in chimney draft line of HTM for pre-heating of MEG used for paste preparation.
7. Possibilities are being explored to tap the solar energy.

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

The above measures will reduce energy consumption, improve efficiency of the plant thereby improving the economics of the plant substantially.

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. 25 lacs. This is equivalent to 0.01% 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 year, the Company has imported technology for recipe of formula for graphics, textiles, plastics & holography etc. from M/s. CFC Collaboration, South Korea.

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 more than 114 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 lacs)

a) Earnings in Foreign Exchange	
i) F.O.B. value of export of manufactured/ Traded Goods	52815
ii) Design & Art work Recovery	232
iii) Technical Services	5481
b) Expenditure	
i) CIF Value of Imports	37813
ii) Expenditure in Foreign Currency	787

For & On behalf of the Board

ASHOK CHATURVEDI
Chairman &
Managing Director

Place : NOIDA
Dated : 4th August, 2011

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. Industry Structure & Developments

Flexible Packaging is the latest evolution of packaging media world wide for packing diverse range of products. It has evolved over a period of time over Rigid packaging such as Metal Cans, Glass Containers, Paper Board Cartons, Rigid Plastic Containers. Flexible Packaging has all the merits of providing barrier properties that is essentially required for any product packing whereas it has better merits over rigid packaging in terms of providing better aesthetics i.e. colourful printing & design, functional convenience in handling & transportation, cost effectiveness, eco-friendly and Brand protection from counterfeiting etc.

World wide, flexible packaging sector is estimated to be around USD 160 billion and growing at a rate of 7 - 7.5% annually. The biggest markets for flexible packaging is North America and Europe which constitute around 70% of the world market and balance 30% is constituted by rest of the world. The developed markets are growing around 2.5 - 3.5% whereas developing Countries are growing in the range of 8 - 12% annually. India in fact, historically growing at 15-18% p.a.

Many of the International Companies are not able to sustain competition from Asian Countries particularly from India and China. They are quiet behind due to lack of deployment of New Technologies & Introduction of New Innovative products which has not only been resulting into higher Cost of Conversion (Production) to them compared to Asian Countries but also making them to loose market share due to competition. It has also been observed that big international players have not been making investments into the latest equipments and plants. They are merely big in sheer size due to their historical presence. Due to increased competition from India, China and other Asian Countries, their market share is also reducing and it is expected that the flexible packaging production is likely to shift to Asia from Western developed Countries while they continue to remain the largest consumers of packaging products in the world.

As far as India is concerned, there are very few companies which are in the organized sector, while there are large number of units in the unorganized

sector in Flexible Packaging segment. These smaller units have limitation of reach to organized and large customers, do not deploy State of the art latest technology for carrying out production processes, lack focus on innovative and compatible product to customers' needs and also lack operational excellence due to low soft-skills.

Historically, the Indian supply chain has been selling goods mostly in loose form or in conventional packing of paper bags /wrap etc. Very small fraction of the retail consumption of goods are sold as packaged goods. India has been very behind compared to the developed Countries where anything and everything is sold in packed form whether in raw, semi-finished or finished forms, whereas in India, the packaging penetration has been very low or insignificant.

With the change in economic condition, life style of people & launch of organized retail etc., the demand for packaged goods are expected to rise dramatically. India has the potential to grow at 20 – 25% p.a. or even higher for next 25 years without any doubts as against its historical growth of 15 – 18% p.a.

In a developing Country like India, the old society is transforming and emerging into a new modern society due to high economic growth which is resulting into change in life style of people & in consumers behavior demanding more branded and hygienic consumer goods at most competitive prices. In order to meet these changed consumer needs, all the MNC and FMCG Companies have been changing their sales supply chain to organized retails i.e. Malls, Hyper malls, Sales stores etc. which require their products to be sold in a packed form. In order for FMCG Companies to sell their products through these organized retail channels, their products need proper packaging. The pack, in addition to providing barrier properties for the protection of product shelf life, should also look attractive and colourful so that it could make a customer appeal. It should also be convenient in transportation and handling at the consumers end. Further, also to be cost effective and protect the brand from counterfeiting and be eco-friendly.

In order to achieve all these features and continue to meet the challenged needs of the customers, the packaging companies have been very vibrant and innovative in their approach. They have been continuously focusing on deployment of newer innovative and state of the art technologies and equipments, innovation in the use of raw materials and development of products and attainment of operational excellence for productivity and efficiency improvements. The innovation will benefit the customers to improve the shelf life of their products in the market place due to better barrier properties provided by the packaging products, enjoy better convenience in handling and transportation of goods, be more cost effective so that it could have competitive edge over others, protect the counterfeiting of the goods from the spurious vendors and contain

the loss of market share and reputation and carry on their business with greater social and environmental responsibility by way of using eco-friendly packaging products for selling their goods in the market.

Due to high growth potential of flexible packaging industry both in India & overseas, the growth potential for all other related activities such as raw materials of all kinds of plastic films, inks & adhesives and other inputs such as rotogravure cylinders, shims etc. and even the processing and packaging equipments have greatly increased. The demand for all these intermediary products have also been growing at a very high rate.

2. Business Review

Plastic Film Business

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

The Company's OPP films comprising of BOPP and CPP films are highly cost effective and functionally efficient products that have rapidly penetrated into high barrier sensitive packaging segment across the World. The Company's BOPP films are highly cost effective and functionally efficient product that has made swift headways into the higher barrier sensitive packaging segment across the World. It is primarily being used for applications in packaging food products such as confectionery, biscuits, bakery, pasta, dried foods, meats and others. The technologically superior and highly dependable BOPP film produced by the Company in its state-of-the-art ISO 9001-2000 certified plants can be structured in up to three layers and tailored for almost any machine requirements and is capable of meeting both rotogravure and flexographic 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 salability, 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 is produced only from Indian plant and caters to captive & Indian market. The CPP plant in Egypt is expected to be operative during the current year and would cater to the international market.

The Company's BOPET film is one of the main products of the Company. It has not only succeeded in retaining its market share but also continues to expand its markets in today's dynamic & rapidly changing packaging scenario. Biaxially oriented PET film (BOPET) is used successfully in a wide range of applications, due to its excellent combination of optical, physical, mechanical, thermal, and chemical properties, as well as its unique versatility. BOPET Films, produced in state-of-the-art ISO 9001-2000 certified plants in different range of

microns, the films have the capacity to sustain the high fidelity graphics and meet the requirements of both rotogravure as well as flexographic printing standards besides having properties of BOPET film like optically brilliant, clear appearance, unequalled mechanical strength and toughness, excellent dielectric properties, good flatness and coefficient of friction (COF), tear-resistant and puncture-resistant characteristics, wide range of thickness as thin as 1 micron up to 350 micron, excellent dimensional stability over a wide range of temperatures, good resistance to most common solvents, moisture, oil and grease, excellent barrier against a wide range of gases. BOPET film is produced from Indian plants and from Dubai & Mexico. Indian plant meets captive & Indian market requirements whereas an overseas plants serve to overseas customers.

The Company 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 the manufacturing of polyester films whereas yarn grade chips are used for the manufacturing of 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, by conveniently switching over to produce different grades of chips based on the demand and orders in hand. The Company manufactures a wide range of polyester chips suitable for various applications. Through continuous R&D efforts, the Company developed different speciality polyester chips, which has been well accepted in the Indian Market as well as International Market. Presently, the Chip unit also caters to 100% requirement of the Specialty Chips at Company's Wholly Owned Subsidiary Companies Flex Middle East, Dubai and Flex Americas, Mexico.

Some of the recent innovations done by Uflex in the plastic film segment are Green PET Film, rPET Film, Direct Embossable PET Film, Antistatic Twistable PET Film, Special Heat-sealable PET Film, Liquid Packaging PET Film, Extrusion coatable BOPP Film, Retortable CPP Film.

The plastic film business of the Company is a major contributor to the consolidated revenue of about 65%. During the year under review, the Company had achieved extraordinary performance in its plastic film business mainly due to the rally in prices and the margin of PET film, while this rally would be short lived, but the Company expects to achieve sustainable profits from this business.

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, rotogravure cylinders for various types of rotogravure printing, Anilox/Coating, Rollers for flexo printing and Shims for holographic embossing and holograms and printing ink

and adhesives and packaging & processing machines. This business involves customization according to the needs of customer. The Company provides complete solutions to the packaging needs of customers and has, among others, mainly all leading FMCG manufacturers as its clients. The Company is the market leader in this sector and a dominant player in India and an emerging player in the overseas market.

The Company has successfully developed several new packaging solutions for various applications suitable for Food Industry, Bakery and Confectionery Industry, Beverage Industry and the Personal Care Products Industry. The Company's strategy for product innovation together with cost leadership and enhancing quality with better services has led to significant growth in sales and making it a major supplier of packaging materials for various multinational corporations in the FMCG sector.

Some of the recent innovations done by the Company in packaging products segment are Slider Zipper with diaphragm, 3D Bags, WPP Bags, Eco-friendly flexi tube for cosmetic & paste, Spot hologram products, Non-plastic laminates for mouth freshener industry. In many of these cases, Uflex has been accredited with National and International awards.

The value added flexible packaging business of the Company has been progressively gaining larger share in the total revenue of the Company and increased to about 35% of the total consolidated revenue and growing at a faster pace both in the domestic and international market. Having attained its dominant position in the domestic market, the Company is emerging a growing player in the international market by giving a tough competition to giant peers group. The Company is expecting to make its strong presence in the international market in coming years having acquired customers like P&G, Nestle, Unilever, Conagra, Cargill etc. on a global scale. This segment contributes large share both in the top line and bottom line which is expected to be progressively increased in the coming years. The Company caters to its domestic and overseas customers from its plants in India at NOIDA & Jammu and plans to set up such plants in overseas market in future.

Printing Cylinder – The Company has world class and state-of-the-art expertise and facilities integrated with best software to produce good quality cylinders. The quality of the cylinders is well accepted in India as well as in the International Market.

During the year the Company has bought special software for making specialised Cylinders up to 2.2 mtrs. 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 has also developed in-house Copper Adetitive for copper plating, which was purchased from out side India previously, thereby

saving foreign exchange for the same. The Company is having a proofing system which can print on actual substrate without engraving the Cylinders.

Flexo Plate - Flexo graphic printing is alternate to Gravure printing for short & medium run jobs and the turn-around time in preparing plate for printing is lesser. In Flexography, Polymer plates are used as Image carrier. These polymer plates carry energy sensitive dye-based coating which is ablated by (Flexo Laser) Imager on the basis of digital data from prepress. Then these plates are exposed through UV Light. In this process UV light passes through ablated dye surface and polymerizes the plate. Further to this process, the plate is developed in solvent bath, in which the non-polymerized polymer washes out (non-printing area) and where ever polymerized that area becomes harden and raises the surface (printing area). Then the developed plate gets ready for printing.

Flexo proof press (Wet Proof) - This is capable of proofing on actual substrate with actual ink and plates. This is the first time in India. Prior to printing, jobs can be proofed to obtain the approval from the customer. It saves lot of press time & waste 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 90% by this Equipment and same can be reused in the washout process, moreover the waste of this process can also be used as fuel for our incinator, furnace etc.

Hologram produced by the Company has been well accepted both by the Government and Private Organization across the country. The Company through aggressive marketing has been able to get substantial orders from different states. Hologram being low cost with better margin, add to the bottom line significantly.

The Company has produced indigenously 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 also manufactures customized need based packaging and processing 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 tailor made machines as well as machines of specific design to suit the needs and requirements of various customers both in India and abroad.

3. Financial and Operational Performance – Overview

The summarized financial results are given hereunder:

Summary of results:

(Rs. in Lacs)

	2010-11		2009-10	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Net Sales including Other Income & Operating Income	355625	236022	241899	167660
EBITDA	114312	63003	47108	31858
Profit Before tax & Exceptional Items	84512	39776	21820	11601
Profit After Tax	69660	28179	18893	8906
Amount available for Appropriation	69798	28202	19018	9040

In fiscal 2011, the Company attained largest profit growth in its history. The plastic film business of the Company substantially improved its bottom line even in the face of highly competitive circumstances.

The above growth & profitability was achieved due to consumer demand for quality products and best-in-class manufacturing achievements at all our plants and untiring efforts of its employees.

4. Expansion Projects

The Company's following expansion plans are in progress and the status of the same are narrated below:

Project at Jammu

The Company is setting up flexible packaging and its other intermediary products production capacity in Baribrahmana, Jammu near to its existing site in Jammu and expected to commence operation from October, 2011. The said project shall add the following capacity:

Flexible packaging laminates	-	20,000 TPA
Holographic plastic films	-	7,200 TPA
Printing inks	-	6,000 TPA
Adhesives	-	3,000 TPA
Printing cylinders	-	15,000 Nos.

Project at Egypt

Flex P. Films (Egypt) SAE, 100% subsidiary of Flex Middle East FZE, Dubai is undertaking expansions of its facilities in Egypt to produce 30000 TPA of PET film & 12000 TPA of CPP film with a total capital outlay of around US\$ 80 million. This project of BOPET film line (30000 TPA) and CPP film line (12000 TPA) is under implementation and is proposed to be completed by the last quarter of financial year 2012.

Project at Mexico

Flex Americas S.A. de C.V., 100% subsidiary of the Company, after successful commissioning of Phase 1 project of BOPET film line with 30000 TPA capacity

that commenced operation from April 2009, is now in process of implementing the Phase-2 project, which shall add one BOPET film line with capacity of 30000 TPA. On completion of 2nd phase, which is expected to commence around July – August, 2011. With this, the Company shall have a total BOPET film capacity of 60000 TPA at Mexico.

New project at Poland

Flex Films Europa Sp z o.o. set up as a 100% subsidiary of Flex Middle East FZE, Dubai, is setting up facilities in Wrzesnia under Walbrzych Special Economic Zone "Invest Park" in Poland to produce 30000 TPA of PET film with an estimated total capital outlay of US\$ 80 million.

Land admeasuring about 6.6107 hectare has been acquired in WSEZ 'Invest Park Zone'. The site is fully developed and requisite infrastructures are fully available. Finalization process for civil contractor is in progress and expected to be completed shortly. Order for main film processing line has been placed with world renowned supplier, viz. Bruckner, Germany. Other equipments orders are under process. The project is expected to be completed by June 2012.

Project at USA

The Company has decided to take a major step forward in our global manufacturing programme by announcing its decision to set up a large new greenfield facility in the USA. The total investment in this new project is going to be US\$ 180 million (INR 815 crores), of which half the amount will be spent on the first phase of the project – the setting up of an 8.7 meter wide, 500 meters/minute state-of-the-art line for the manufacture of Biaxially Oriented Polyester (BOPET) films and a plasma enhanced high-barrier vacuum metalliser. The film line will be one of the world's largest and turn out 30,000 MT of film per year. It will be larger than any other film line presently operating in the USA and is expected to start up by the end of 2012. Our US project will be located in the State of Kentucky and it will be our fifth plant located outside India after Dubai, Mexico, Egypt and Poland.

The MOU for this new venture was signed in New Delhi on the 10th of April, 2011 by Mr. Larry M. Hayes, the Secretary of the Cabinet for Economic Development, Commonwealth of Kentucky and Mr. Pradeep Tyle, CEO of our Global Films Business in the presence of H.E. Steven L. Beshear, the Honourable Governor of Kentucky and our Chairman Mr. Ashok Chaturvedi.

In order to maintain the pace of growth in future, besides above, the Company is also exploring various other options and opportunities for acquisition/new projects/expansions in its core business in India and abroad.

5. Opportunities & Threats

Opportunities

Growth in the Indian economy and demand creates unprecedented opportunities for UFLEX to invest significantly in each of its core business including those

that leverage directly from growth in consumerism & increase in consumption.

The progress of the domestic flexible packaging industry, contributes significantly to food, FMCG and other industries, the development of these industries in turn, further stimulates market demand for flexible packaging, so that flexible packaging industry become a huge market momentum.

Flexible pouches with re-sealable closures consume lower energy and emit less greenhouse gases than rigid packaging. Flexible packaging also has a cost advantage over rigid packaging, including transportation, consuming about 17 percent less energy compared to rigid packaging. Furthermore, flexible packaging scores better than rigid packaging in terms of solid waste generation. This trend of favoring flexible packaging over rigid packaging acts as a key driver for growth. Growth is likely to be driven by the rise in demand for packaged food from the affluent, urban middle-class as well as the intensifying need to meet the changing lifestyles of customers. The growth in demand for exports is another factor enhancing the food industry, consequently driving the food packaging industry. Changes in technology and the replacement of rigid packaging with flexible packaging also act as catalysts for market expansion.

Threats

The Company operates in the flexible packaging industries. Some of the products are commodity grade and are to a large extent fungible with our competitors' products. Demand for the products of the Company is sensitive to changes in industry capacity and output levels, cyclical changes in regional and global economic conditions and changes in consumer demand.

The Indian plastic films market is highly competitive both for PET films and BOPP films. The Company faces stiff competition both from the international as well as domestic manufacturers. The competition is increasing with the addition of new capacities. Increased competition leads to reduced price, decreased sales, lower profit margins thus adversely affecting the business and financial conditions of the Company; however Company's plan is to mitigate these by focusing on improvement of productivity, introduction of innovative products etc.

6. Future Outlook

The flexible packaging industry continues to show steady and positive growth. Despite past and current and financial challenges, the industry has found new ways to stimulate revenue and volume, which has been aided by the development of new and innovative flexible packaging products or a variety of markets.

On account of high barrier properties of flexible packaging, the demand is always growing and the push to make them more widely available and utilized. A recent application of "food-grade flavor molecules" added to polymer structure has resulted in the development of a film that releases odors/aromas

on the inside or outside of a package. The flexible packaging industry has been the center of revolutionary developments and innovations, both of which will not cease anytime soon.

7. Internal Control Systems And Their Adequacy

The Company has an adequate system of internal control relating to purchase of stores, raw materials including components, plant & machinery, equipment and other similar assets and for the sale of goods commensurate with the size of the Company and nature of its business. The Company also has Internal Control System for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

The Company has an effective Budgetary Control System. The Management reviews the actual performance with reference to budgets periodically. The Company has a well-defined organization structure, authority levels and internal rules and regulations for conducting business transactions.

The Company has already formed an Audit Committee and has met five times in the year. Audit Committee ensures proper compliance with the provisions of the Listing Agreement with Stock Exchanges, Companies Act, reviews the adequacy and effectiveness of the internal control environment and monitors implementation of internal audit recommendations. Besides the above, Audit Committee is actively engaged in overseeing financial disclosures and in reviewing your Company's risk management policies.

8. Corporate Social Responsibility

The Company is a socially responsible corporate citizen committed to deliver a positive impact across social, economic and environmental parameters. The Company acknowledges its responsibility on the manner that its activities influence its consumers, employees and stake holders, as well as the environment. The Company seeks to achieve its corporate and social objectives by focusing on the following strategic areas -

- Environmental Responsibility
- Employee Engagement
- Community Initiatives

9. Risk Management

Macro economic conditions do affect the Company's operations. Low demand, economic slow down, political instability, higher inflation, natural calamities may affect the business. Business therefore cannot be risk free. What is therefore important is to correctly assess the risk area wise and to take steps to mitigate the risk before it becomes a potential threat. General risk areas are statutory compliances, economy, financial, government regulations and policies, market related, operational, products and technology, intellectual property etc.

The Company has identified potential risks such as business portfolio risk, financial risk, legal & statutory risk and internal process risk including ERP and IT and has put in place appropriate measures for their mitigation.

10. Company's Standalone Financial Performance & Analysis

A. Fixed Assets

The composition and growth of assets are as under:

(Rs. in lacs)

Particulars	March 31, 2011	March 31, 2010
Land	3713	3817
Buildings	19947	19184
Plant & Machinery	157901	143119
Electrical Fittings & Installations	3852	3808
Office Equipments	3991	3802
Furniture & Fixtures	4813	4658
Vehicles (Including Air Crafts)	5772	5244
Software (Intangible Assets)	709	635
Total	200698	184267
Less : Accumulated Depreciation	91446	84458
Add : CWIP	7618	392
Net Fixed Assets	116870	100201

B. Results of operations

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

(Rs. in lacs)

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Amount	%	Amount	%
INCOME				
Sales & Job works (Net)	223786	94	156274	94
Other Income and Operational Income	12236	5	11385	7
Increase/(Decrease) in finished goods & work-in-progress	2910	1	(875)	(1)
Total Income	238932	100	166784	100
EXPENDITURE				
Material cost	119888	50	91133	55
Other Manufacturing expenses	22509	9	19523	12
Payment & Benefit to Employees	12760	5	10079	6
Administrative, Selling & Other expenses	23145	10	15620	9
Operating Expenses	178302	75	136355	82
Less: Expenses Allocated to Self Constructed Assets	2372	1	1428	1
EBIDT	63003	26	31858	19
Less: Depreciation	9739	4	9266	6
Interest & Financial Charges	13488	6	10991	7
Earning Before Tax & Exceptional Items	39776	17	11601	7

11. 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 3624 employees as on 31st March, 2011. 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.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the Report on the matters mentioned in the said Clause and practice 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 of the Board (As on March 31, 2011)

The Board of Directors of the Company comprises of six Directors with two Executive Directors (including Executive Chairman) and four Independent Non-Executive Directors. The Board consists of eminent persons with considerable professional expertise and experience in business and industry, finance, audit, law and public enterprises. None of the Directors on the Board is a Member of more than ten Committees and Chairman on more than five Committees across all the companies in which he 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 31.03.2011 is as follows:

Name of Director	Designation	Category
Mr. Ashok Chaturvedi	Chairman & Managing Director	Promoter/Executive Chairman
Mr. S.K. Kaushik	Whole-time Director	Executive Director
Mr. Ravi Kathpalia	Director	Independent, Non-Executive
Mr. M.G. Gupta	Director	Independent, Non-Executive
Mr. A. Karati	Nominee Director – ICICI Bank Limited	Independent, Non-Executive
Mr. N.K. Duggal (#)	Nominee Director – IFCI Limited	Independent, Non-Executive
Mr. Javed Yunus (*)	Nominee Director – IFCI Limited	Independent, Non-Executive
Mr. R.P. Agrawal (**)	Director	Non-Executive

(#) IFCI has appointed Shri N.K. Duggal as its Nominee Director on the Board of the Company w.e.f. 22.01.2011.

(*) IFCI has withdrawn the nomination of Shri Javed Yunus w.e.f. 22.01.2011.

(**) Shri R.P. Agrawal has ceased to be a Director of the company w.e.f. 27.09.2010 due to his death.

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 him.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

As mandated by the revised Clause No.49, all the Independent Directors on the Company's Board are Non-Executive and:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its Senior Management, its Subsidiaries and Associates, which may affect independence of the Directors.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years of the Company.
- Are not partner or executive or were not partner or executive of the Statutory Audit Firm or the Internal Audit Firm and Legal Firms, Consulting Firms, which have association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Directors.

- Are not substantial shareholders of the Company, i.e. do not own two percent or more of the block of voting shares.
- Have furnished a declaration at the time of their appointment as also annually that they satisfy the conditions of their being independent as laid down under Clause No. 49 of the Listing Agreement. All such declarations were placed before the Board.

Information supplied to the Board

The Board has complete access to all information with the Company, *inter-alia*, the information as required under the revised Clause No. 49 of the Listing Agreement is regularly provided to the Board as a part of the agenda.

Compliance reports of all applicable laws 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 Board.

b) Board Meetings and attendance record of each Director

Seven Board Meetings were held during the financial year 2010-2011. The dates on which the meetings were held are 07.05.2010, 15.07.2010, 03.08.2010, 13.10.2010, 23.10.2010, 05.12.2010 & 19.01.2011, and the gap between the two meetings were not more than four months.

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)/ Chairmanship(s) of Board Committees in other Companies@
Mr. Ashok Chaturvedi	6	No	4	1 (as Chairman)
Mr. S.K. Kaushik	5	Yes	3	1
Mr. Ravi Kathpalia	7	Yes	5	2
Mr. M.G. Gupta	7	Yes	2	2 (including 1 as Chairman)
Mr. A. Karati	7	Yes	6	6
Mr. N.K. Duggal (#)	--	--	3	1
Mr. Javed Yunus (*)	4	No	7	--
Mr. R.P. Agrawal (**)	2	No	--	2 (including 1 as Chairman)

(\$) The Directorship held by the Directors as mentioned above do not include Directorship in Foreign Companies.

(#) IFCL has appointed Shri N.K. Duggal as its Nominee Director on the Board of the Company w.e.f. 22.01.2011.

(*) Mr. Rajeev Arora, Observer of IFCL attended the meeting on 15.07.2010 on behalf of Mr. Javed Yunus.

(**) Shri R.P. Agrawal has ceased to be a Director of the Company w.e.f. 27.09.2010 due to his death.

@ In accordance with Clause 49 of Listing Agreement, Membership/Chairmanship of only the Audit Committee and Shareholders'/Investors' Grievance Committee in all Public Limited Companies (excluding UFLEX LIMITED) have been considered.

3. Audit Committee

Presently, the Audit Committee comprises of three member Directors viz., Mr. Ravi Kathpalia, Mr. M.G. Gupta and Mr. A. Karati (Nominee-ICICI Bank Limited). Mr. R.P. Agrawal has ceased to be a Member of the Audit Committee w.e.f. 27.09.2010 due to his death. All the members of the Audit Committee are Non-Executive Directors and all are independent. Mr. Ravi Kathpalia is the Chairman of the Audit Committee. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 04.09.2010. All the Members of the Audit Committee have accounting and financial management expertise.

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 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, which include the following:

Role of Audit Committee

1. Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
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 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 No. (2AA) of Section 217 of the Companies Act, 1956.
 - 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 judgement 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. Qualifications 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 utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
8. 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.
9. Discussion with Internal Auditors any significant findings and follow up thereon.
10. 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.
11. 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.
12. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
15. To review the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal Audit Reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of Internal Auditors.
16. Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate.

Powers of Audit Committee

- a) To investigate any activity within its terms of reference.
- b) To seek any information from any employee.

- c) To obtain outside legal or other professional advice.
d) 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 five times on 07.05.2010, 15.07.2010, 03.08.2010, 23.10.2010 & 19.01.2011. The attendance of each Committee members is as under:

Name of Member	No. of Meetings held	Meetings Attended
Mr. Ravi Kathpalia	5	5
Mr. R.P. Agrawal (*)	5	2
Mr. M.G. Gupta	5	5
Mr. A. Karati (Nominee of ICICI Bank Limited)	5	5

(*) Shri R.P. Agrawal has ceased to be a Director of the Company w.e.f. 27.09.2010 due to his death.

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 attended 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. Remuneration Committee

Presently, the Remuneration Committee consists of three members viz Mr. M.G. Gupta (Chairman), Mr. Ravi Kathpalia and Mr. A. Karati (Nominee – ICICI Bank Limited). All the members of the Remuneration Committee are Non-Executive Directors and all are independent. The Company Secretary acts as the Secretary to the Committee.

Mr. R.P. Agrawal ceased to be a Member of the Remuneration Committee w.e.f. 27.09.2010 due to his death. During the year, the Remuneration Committee Meeting had met once on 15th July, 2010. All the Members including Mr. R.P. Agrawal had attended this Meeting.

The 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.

Details of Remuneration paid to Managing/Whole-time Directors for the year ended 31.03.2011 is given below:

Name	Sitting Fee(Rs.)	Salary (Rs.)	Perquisites & Allowances etc. (Rs.)	Commission [Paid] (Rs.)	Total (Rs.)	Date of Reappointment/ Appointment	Service Contract
Mr. Ashok Chaturvedi	NIL	49500000	11604074	4000000	65104074	01.04.2009	5 years
Mr. S.K. Kaushik	NIL	2944520	334669	--	3279189	01.08.2011	3 years

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

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

Name of Directors	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)
Mr. Ravi Kathpalia	1,40,000.00	3,00,000.00	4,40,000.00
Mr. M.G. Gupta	1,40,000.00	1,60,000.00	3,00,000.00
Mr. A. Karati Nominee – ICICI Bank Limited	1,40,000.00	1,20,000.00	2,60,000.00
Mr. Javed Yunus (*) Nominee – IFCL Limited	80,000.00	--	80,000.00
Mr. R.P. Agrawal (#)	40,000.00	60,000.00	1,00,000.00
Mr. P. Abraham (**) Nominee - UTI	20,000.00	--	20,000.00

(#) Shri R.P. Agrawal has ceased to be a Director of the Company w.e.f. 27.09.2010 due to his death.

(*) IFCL has withdrawn the nomination of Shri Javed Yunus w.e.f. 22.01.2011

(**) UTI has withdrawn the nomination of Shri P. Abraham w.e.f. 29.06.2010

5. Shareholders'/Investors' Grievance Committee

The Board of Directors of the Company has constituted a Shareholders'/Investors' Grievance Committee comprising of Mr. Ravi Kathpalia (Chairman), Mr. M.G. Gupta and Mr. S.K. Kaushik. Mr. Ravi Kathpalia has been nominated as a Member & Chairman of the Committee as Mr. R.P. Agrawal has ceased to be the Chairman & Member of the Committee w.e.f. 27.09.2010 due to his death. The Committee, *inter-alia*, approves issue of duplicate certificates and 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 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 – 12 days. The Committee of Officers operate subject to overall supervision and directions of Shareholders'/Investors' Grievance Committee of Directors.

During the year, the Shareholders'/Investors' Grievance Committee had met on 28.09.2010 and 31.03.2011.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the Board has approved the "Code of Conduct for Prevention of Insider Trading" and authorized the Committee to implement and monitor the various requirements as set out in the Code.

The total numbers of complaints received and resolved during the year under review were 14. Outstanding complaints as on 31.03.2011 were nil. There were no valid share transfers pending for registration for more than 30 days as on the said date.

Shri Subhash Khatua, Dy. General Manager (Secretarial) has been designated as Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities.

6. Subsidiary Companies

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such 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 non-listed Indian subsidiary Company, i.e. UTech Developers Limited. SD Buildwell Pvt. Ltd. is step-down Indian Subsidiary Company in terms of Clause 49(III) of the Listing Agreement. Mr. Ravi Kathpalia, Independent Director on the Board of the Company is also a Director on the Board of UTech Developers Limited. SD Buildwell Pvt. Ltd. is a step-down subsidiary of the Company which does not fall under the category of 'material unlisted company' and hence is not required to nominate an Independent Director on its Board as per Clause 49(III) of Listing Agreement.

7. 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 along with requisite details are placed before the Board.

8. Compliance Certificate

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

9. General Body Meetings

(a) The details of Annual General Meetings held in the last 3 years are as under:

AGM	Day, Date & Time	Venue	Special Resolution Passed
19 th	Monday, August 25, 2008 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	Re-appointment of Mr. S.K. Kaushik as Whole-time Director of the Company for a further period of 3 years w.e.f. 01.08.2008.
20 th	Saturday, September 12, 2009 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	Re-appointment of Mr. Ashok Chaturvedi as Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 01.04.2009. Resolution under Section 81(1A) of the Companies Act, 1956 for issue of Securities.
21 st	Saturday, September 4, 2010 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	Revision in the remuneration of Mr. S.K. Kaushik, Whole-time Director of the Company w.e.f. 1 st June, 2010.

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

No.

(c) Are Special Resolutions proposed to be put through Postal Ballot this year?

Yes. Special Resolution for issue & allotment of 135 lacs warrants to Promoter Group of the Company.

The Company had issued Postal Ballot Notices dated 13.10.2010 to all its Members for conducting the Postal Ballot process for seeking Shareholders' approval for issue of 135 lacs warrants on preferential basis to the Promoter Group of the Company. Mr. Mahesh Gupta, FCS, Practising Company Secretary, was appointed as the Scrutinizer to the Postal Ballot process. The Special Resolution was passed by a margin of 29916544 votes out of total 30781362 valid votes casted.

10. Disclosures

a) Related Party Transactions

Related party transactions in terms of Accounting Standard-18 are set out in the notes to accounts. These transactions are not likely to have a conflict with the interest of the Company. The details of all significant transactions with related parties are periodically placed before the Audit Committee and the Board. All the related party transactions are negotiated on arms' length basis and are intended to further the interest of the Company.

b) Disclosure of Accounting Treatment

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

c) Disclosures of Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A Risk Management Committee consisting of Senior Executives of the Company periodically reviews these procedures to ensure that executive management controls risk through properly defined framework. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Audit Committee and the Board.

d) Proceeds from the Preferential Issue of Equity Shares/Warrants/FCCBs

During the year the Company has issued 135 lacs warrants at a price of Rs.300/- per warrant (inclusive of a premium of Rs.290/- per warrant) to the Promoter Group of the Company and the Company has received a payment of upfront amount @ 25% of the issue price. Further, one of the warrant holders has exercised its option for conversion of 35 lac warrants into equity shares after making balance payment of 75% of the issue price per warrant.

e) Particulars of Directors to be appointed/re-appointed

Information pertaining to particulars of Directors to be appointed and re-appointed at the forth coming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

f) Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Clause 49(IV)(F) of the Listing Agreement.

g) Penalties or 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 Statutory Authority on any matter related to Capital Markets during the last three years.

h) Code of conduct

The Company has adopted the code of conduct and ethics for Directors and Senior Management. The code has been circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website www.uflexltd.com. The Board Members and Senior Management have affirmed their compliance with the code and a declaration signed by the Chairman & Managing Director appointed in terms of the Companies Act, 1956 (i.e. the CEO within the meaning of Clause 49-V of the Listing Agreement) is annexed to 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, 2011 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. CEO/CFO Certifications

Mr. Ashok Chaturvedi, Chairman & Managing Director and Mr. R.K. Jain, President (Corporate Finance & Accounts), who are carrying responsibility of CEO & CFO respectively have given CEO/CFO certificate as per format prescribed under Clause No. 49(V) of the Listing Agreement to the Board at its meeting held on 4th August, 2011.

12. Non-Mandatory Requirements under Clause 49 of the Listing Agreement

The status of compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement is provided below:

(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. No maximum tenure for the Independent Directors has been specifically determined by the Board.

(ii) Remuneration Committee

The Company has set up a Remuneration Committee. The composition, terms of reference and other details of the same are provided in this report under the section "Remuneration Committee".

(iii) 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. The complete Annual Report is sent to each and every shareholder of the Company.

(iv) Audit Qualifications

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

(v) Training of Board Members

There is no formal training programme for the Board Members. However, the Board Members are periodically updated on the business model, company profile, entry into new products and markets, global business environment, business strategy and risk involved.

(vi) Mechanism for evaluation of Non-Executive Directors

The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board has so far evaluated Non-Executive Directors collectively to reinforce the principle of collective responsibility.

(vii) Whistle Blower Policy

The Company does not have Whistle Blower Policy for the time being.

13. Means of Communication

The quarterly un-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 also published in 'English' and 'Hindi' newspapers in terms of the Listing Agreement within the stipulated period and in the format as prescribed by the Stock Exchanges and the Company posts its financial results for all quarters on its own website i.e. www.uflexltd.com and another website www.corpfiling.co.in, which is the common filing and dissemination portal for all companies listed on the BSE & NSE.

14. General Shareholders Information**(a) Annual General Meeting to be held**

Date : 10.09.2011

Day : Saturday

Time : 10.00 A.M.

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

(b) Financial Calendar

- Results for quarter ending 30.06.2011 : 1st week of August, 2011
- Results for quarter ending 30.09.2011 : 4th week of October, 2011
- Results for quarter ending 31.12.2011 : 4th week of January, 2012
- Results for year ending 31.03.2012 : 4th week of April, 2012

(c) Book Closure date

05.09.2011 to 10.09.2011 (both days inclusive)

(d) Dividend payment date

Dividend for the financial year 2010-2011, if declared will be paid/credited to the account of the shareholders on or after 10th September, 2011.

(e) Listing of Equity Shares on Stock Exchanges

The equity shares are listed on the following Stock Exchanges:

- 1) Bombay Stock Exchange Limited, Mumbai
- 2) National Stock Exchange of India Limited, Mumbai
- 3) Societe de la Bourse de Luxembourg, Luxembourg (GDRs only)
- 4) Singapore Exchange Limited, Singapore (FCCBs only)

Note: Annual Listing fee for the year 2011-2012 have been duly paid to all the above Stock Exchanges.

(f) Stock Code - Trading symbol – National Stock Exchange : 'UFLEX'

(Equity shares) - Trading symbol – Bombay Stock Exchange : 500148

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

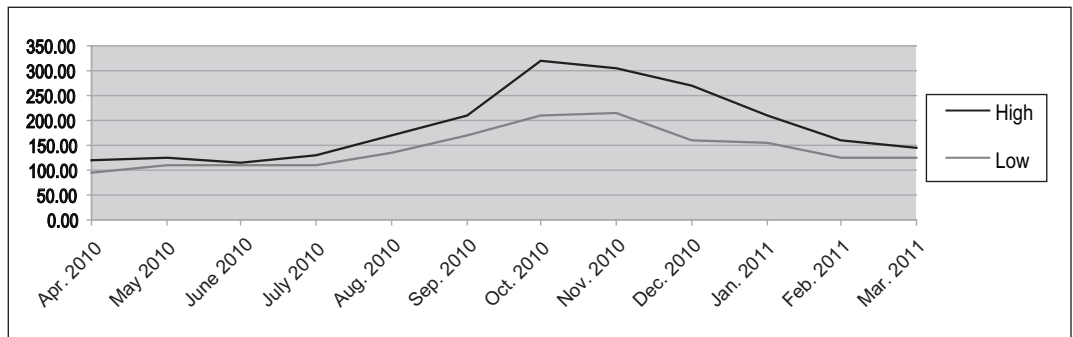
(h) Stock Market Price for the year 2010-2011:

Closing Share prices on National Stock Exchange are as under:

(In Rs.)

Month	High	Low
April, 2010	124.20	93.80
May, 2010	130.45	106.00
June, 2010	117.50	106.90
July, 2010	133.30	109.10
August, 2010	174.70	132.00
September, 2010	215.40	159.60
October, 2010	322.90	206.20
November, 2010	314.50	202.00
December, 2010	274.40	153.10
January, 2011	211.70	150.80
February, 2011	164.80	118.80
March, 2011	150.80	125.00

Share Price movement



(i) Performance in comparison to broad base in 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, 3rd Floor, 99, Madangir

Behind Local Shopping Centre

Near Dada Harsukh Dass Mandir

New Delhi – 110062

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

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 Share holding as on 31.03.2011

Range in Numbers	No. of Shareholders	No. of shares	% of total equity
1 - 500	58431	5809310	8.05
501 - 1000	2253	1796843	2.49
1001 - 2000	999	1514504	2.10
2001 - 3000	340	882402	1.22
3001 - 4000	174	631346	0.87
4001 - 5000	147	687694	0.95
5001 - 10000	234	1712535	2.37
10001 & above	258	58517364	81.07
Transit shares *		628777	0.87
TOTAL	62836	72180775	100.00

* As on March 31, 2011 these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

(m) Categories of Shareholders as on 31.03.2011

Category	No. of shares held	% of share holding
Promoters & Associates	31436759	43.55
Financial Institutions, Mutual Funds & Banks	47208	0.07
Foreign Institutional Investors	6535318	9.05
NRIs	469515	0.65
GDRs	5465840	7.57
Other Bodies Corporate	10520032	14.57
Others (General Public)	17077326	23.66
Shares in transit (Demat) *	628777	0.47
TOTAL	72180775	100.00

* As on March 31, 2011 these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

(n) Dematerialization of Shares and liquidity

Nearly 98.45% of total equity share capital is held in dematerialized form upto 31.03.2011 with NSDL/CDSL. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors.

(o) Outstanding GDRs/FCCBs/Warrants

- (i) The outstanding GDRs represent 5465840 shares as on 31.03.2011, which are nearly 7.57% of the Subscribed Share Capital of the Company.
- (ii) Outstanding Foreign Currency Convertible Bonds (FCCBs) as on March 31, 2011 is 94 aggregating to US\$ 9.40 million. The same can be converted at the option of the respective FCCB holders within a period of 5 years from the date of issue.

(p) Details of issue of equity shares during the period from 01.04.2010 to 31.03.2011

Date	Particulars of Issue/ Cancellation of Shares	No. of Shares	Total No. of Shares
No. of equity shares before the issue/cancellation of shares			65006646
15.07.2010	Shares forfeited	72701	64933945
28.09.2010	Conversion of FCCBs	307118	65241063
30.09.2010	Conversion of FCCBs	307117	65548180
07.10.2010	Conversion of FCCBs	706370	66254550
18.10.2010	Conversion of FCCBs	706369	66960919
21.10.2010	Conversion of FCCBs	153559	67114478
27.10.2010	Conversion of FCCBs	245694	67360172
01.11.2010	Conversion of FCCBs	30711	67390883
05.11.2010	Conversion of FCCBs	368541	67759424
08.11.2010	Conversion of FCCBs	307118	68066542
09.11.2010	Conversion of FCCBs	153558	68220100
10.11.2010	Conversion of FCCBs	30711	68250811
12.11.2010	Conversion of FCCBs	61423	68312234
15.11.2010	Conversion of FCCBs	307118	68619352
23.11.2010	Conversion of FCCBs	61423	68680775
30.11.2010	Conversion of Warrants	3500000	72180775

(q) Plant Locations

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

(r) Address for Correspondence

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

Beetal Financial & Computer Services Private Limited (Unit: UFLEX Limited) BEETAL House, 3 rd Floor, 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Dass Mandir, New Delhi - 110062 Tel. No.011- 29961281 Fax No.011- 29961284	UFLEX Limited 305, 3 rd 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
---	---

The above report has been placed before the Board at its meeting held on 4th August, 2011 and the same was approved.

- have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of a party, during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposit, during the year, under the provisions of Section 58A & 58AA of the Companies Act, 1956 and the rules framed there-under.
7. The internal audit of the Company has been conducted by an independent firm of Chartered Accountants and in our opinion, the company has an internal audit system, commensurate with the size and nature of its business.
8. The Company has made and maintained Cost Records & Accounts, concerning polyester chips activity carried on by the Company, in respect of which, the Central Government has prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the records of the Company, it is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other applicable statutory dues.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other applicable statutory dues, as at the year end; for a period more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Service tax, Custom duty, Wealth tax and Cess, which have not been deposited on account of any dispute. However following amounts are involved (Gross of amount deposited under protest, if any) with under-mentioned forums, in respect of the disputed statutory dues: -
- (i) Aggregate Sales Tax of Rs. 324.93 lacs, pending before (a) Various High Courts (Rs. 152.88 lacs) (b) Tribunal (Rs. 41.61 lacs) (c) Joint Commissioner (Appeals) (Rs. 0.90 lacs) (d) Commissioner (Appeals) (Rs.2.50 lacs) & (e) Assessing Authorities (Rs. 127.04 lacs)
- (ii) Income Tax of Rs. 295.04 Lacs, pending before CIT (Appeals).
- (iii) Aggregate Excise duty of Rs. 5183.56 lacs, pending before (a) Supreme Court (Rs. 150.53 lacs) (b) Tribunal (Rs. 3013.66 Lacs) (c) Various High Courts (Rs.1147.92 lacs), (d) Commissioner (Appeals) (Rs. 7.56 lacs) & (e) Assessing/ Adjudicating Authorities (Rs. 863.89 lacs).
10. The Company has neither accumulated losses as at the year end nor it has incurred cash losses in the financial year under report and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks or debenture holders or financial institutions.
12. The Company has not granted loans and advances, on the basis of security by way of pledge of shares, debentures and other securities. However the Company has maintained adequate records in respect of advance, by way of security deposit, granted to one party, in earlier years and outstanding as at the year-end, against the pledge of shares.
13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has not dealt or traded in shares, securities, debentures and other investments during the year. However, it has maintained proper records in respect of shares, investments in mutual funds and other investments and are held in the name of the Company.
15. According to the information and explanations given to us, and the records examined by us, the Company has given guarantees for loans taken by its Subsidiary and step down subsidiaries from banks. However, in our opinion the terms and condition thereof are not *prima facie* prejudicial to the interest of the Company.
16. To the best of our knowledge & belief and according to the information and explanations given to us and the records of the company examined by us, the term loans availed by the Company during the year have been applied for the purposes for which loan were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has allotted 1,35,00,000 Warrants convertible into equal number of Equity Shares of face value of Rs.10/- each, at a premium of Rs.290/- per equity share to the companies covered in the register maintained under section 301 of the Companies Act, 1956, out of which 35,00,000 warrants were converted into equal number of equity shares by one company, before the date of the Balance Sheet. In our opinion, the price at which these shares/ warrants have been issued is not *prima facie* prejudicial to the interest of the Company.
19. As the Company has neither issued debentures during the year nor have any outstanding balance in respect of debentures as at year end, hence provision of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company. The Company has not raised any money by public issue during the year.
20. The Company has not raised any money by Public Issue during the year
21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

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

CA. S.V.SEHGAL
Partner

Membership No. 080329

Place : NOIDA
Dated : 4th August, 2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
UFLEX LIMITED
(Formerly known as FLEX INDUSTRIES LIMITED)
New Delhi

We have examined the compliance of conditions of Corporate Governance by UFLEX Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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 Registration No. 000374N

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

Place : NOIDA
Dated : 4th August, 2011

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 March, 2011 pursuant to the requirements of Clause 49 of the Listing Agreement.

For **UFLEX LIMITED**

ASHOK CHATURVEDI
Chairman & Managing Director

Place : NOIDA
Dated : 4th August, 2011

AUDITORS' REPORT

To the Members of
UFLEX LIMITED.
(Formerly known as FLEX INDUSTRIES LIMITED)
 NEW DELHI.

1. We have audited the attached Balance Sheet of UFLEX LIMITED as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (03) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement, dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of directors are disqualified as at 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;

- b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

CA. S.V. SEHGAL
 Partner

Place : NOIDA
 Dated : 4th August, 2011

Membership No. 080329

ANNEXURE TO THE AUDITORS' REPORT OF UFLEX LIMITED FOR THE YEAR ENDED 31st MARCH 2011

[Referred to in Paragraph (03) of our Report of even date]

1. In respect of fixed assets of the Company: -
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verification.
 - (c) Substantial part of fixed assets have not been disposed off during the year.
2. In respect of inventories of the Company: -
 - (a) Inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate, in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not significant and were properly dealt with in the books of account.
3.
 - (a) The company has not given any loan during the year, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) During the year, the Company has taken aggregate unsecured loans of Rs. 800.00 Lacs, from two companies, covered in the register maintained under Section 301 of the Companies Act, 1956, which were repaid before the date of the Balance Sheet. The Rate of interest (as applicable in one of the case) and other terms and conditions of these loans were *prima facie* not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system, commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5.
 - (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956,

BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in lacs)

	<u>Schedule Number</u>	<u>As At 31.03.2011</u>	<u>As At 31.03.2010</u>
I. SOURCES OF FUNDS			
Shareholders' Funds			
a) Share Capital	1	7218.08	6497.28
b) Warrants	2	7500.00	-
c) Reserves & Surplus	3	<u>109817.26</u>	<u>72708.77</u>
		124535.34	79206.05
Loan Funds			
a) Secured Loans	4	92725.04	80487.26
b) Unsecured Loans	5	<u>6491.85</u>	<u>30452.63</u>
		99216.89	110939.89
Deferred Tax Liability (Net)	6	<u>14348.38</u>	<u>13518.38</u>
TOTAL :		<u>238100.61</u>	<u>203664.32</u>
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	7	200698.25	184266.66
Less : Depreciation		<u>91445.84</u>	<u>84457.70</u>
Net Block		109252.41	99808.96
Capital Work-in-Progress		<u>7617.59</u>	<u>391.97</u>
		116870.00	100200.93
Investments	8	49296.58	45201.01
Current Assets, Loans & Advances			
a) Inventories	9	17222.94	9539.27
b) Sundry Debtors	10	49312.63	36252.06
c) Cash & Bank Balances	11	10244.51	16357.78
d) Other Current Assets	12	258.98	844.12
e) Loans & Advances	13	<u>35215.59</u>	<u>32672.59</u>
		112254.65	95665.82
Less : Current Liabilities & Provisions			
a) Current Liabilities	14	30905.63	31114.44
b) Provisions	15	<u>9414.99</u>	<u>6289.00</u>
		40320.62	37403.44
Net Current Assets		<u>71934.03</u>	<u>58262.38</u>
TOTAL :		<u>238100.61</u>	<u>203664.32</u>

Notes :

- The Schedules referred to above form an integral part of the Balance Sheet.
- Significant Accounting Policies and Notes forming part of the Accounts as per Schedules 25 & 26 respectively are annexed and form an integral part of the Balance Sheet.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

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 : 4th August, 2011

S.V. Sehgal
Partner

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in lacs)

	Schedule Number	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
A. INCOME			
Gross Sales & Job Work	16	274620.18	186530.55
Less : Inter unit Sales & Job Work		34354.06	20187.61
Less : Excise Duty		16479.69	10068.75
Net Sales & Job Work		223786.43	156274.19
Operating Income	17 A	10663.21	8120.56
Other Income	17 B	1572.75	3264.78
Increase / (Decrease) in Finished Goods & Work-in-Progress	18	2910.23	(875.46)
TOTAL (A) :		238932.62	166784.07
B. EXPENDITURE			
Material Cost	19	119887.70	91133.11
Other Manufacturing Expenses	20	22509.08	19522.68
Payments & Benefits to Employees	21	12759.90	10078.83
Administrative, Selling & Other Expenses	22	23144.94	15619.98
Interest & Financial Charges	23	13488.05	10990.88
Depreciation		9739.30	9265.75
TOTAL		201528.97	156611.23
Less : Expenses Allocated to Self Constructed Assets	24	2372.40	1428.13
TOTAL (B) :		199156.57	155183.10
Profit before Tax and Exceptional Items (A-B)		39776.05	11600.97
(Less) : Provision for Taxation			
- For Income Tax		(10746.00)	(1971.00)
- For Wealth Tax		(20.62)	(16.92)
(Less) : Provision for Deferred Tax (Charge)		(830.00)	(3047.00)
Add : Mat Credit Entitlement		-	1875.00
Exceptional Items (Net of Tax)	26 (Note No.10)	-	465.12
Profit After Tax		28179.43	8906.17
Add / (Less) : Excess / (Short) Provision for earlier years			
- For Income Tax		(20.87)	36.33
- For Fringe Benefit Tax		-	(59.06)
- For Expenses		43.30	17.99
- Diminution in the value of Investment		-	138.11
Amount available for Appropriations		28201.86	9039.54
Appropriations			
Proposed Dividend		5415.86	3246.70
Proposed Dividend Distribution Tax		878.59	539.24
General Reserve		2825.00	1000.00
Debenture Redemption Reserve		-	163.94
Balance carried to Balance Sheet		19082.41	4089.66
		28201.86	9039.54
Earning Per Share			
A. Before Exceptional Items			
a. Basic (Rs.)		41.61	13.19
b. Diluted (Rs.)		38.18	11.79
B. After Exceptional Items			
a. Basic (Rs.)		41.61	13.91
b. Diluted (Rs.)		38.18	12.41

Notes :

- The Schedules referred to above form an integral part of the Profit & Loss Account.
- Significant Accounting Policies and Notes forming part of the Accounts as per Schedules 25 & 26 respectively are annexed and form an integral part of the Profit & Loss Account.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

Rakesh Malhotra
Sr. General Manager
(Corp. Accounts)

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

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

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

Place : NOIDA
Dated : 4th August, 2011

S.V. Sehgal
Partner

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	For the Year Ended 31.03.2011	(Rs.in lacs) For the Year Ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & exceptional items	39776.05	11600.97
Adjustment for :		
Depreciation	9739.30	9265.75
Exchange rate fluctuations (Net)	31.92	62.12
(Profit) / Loss on assets sold (Net)	(55.87)	178.53
Fixed Assets written Off	61.37	7.34
Interest & Financial Charges	13488.05	10990.88
Interest received from Banks / others	(782.99)	(1418.71)
Dividend received on Trade Investments	(117.40)	(117.40)
Dividend received on Non-Trade Investments	(52.73)	(29.31)
Dividend received on Investments in Subsidiaries	-	(1342.23)
Profit on sale of Investments (Net)	(442.81)	(218.80)
Sundry Balances written off (Net)	1951.06	201.04
Expenses For Earlier Years	43.30	17.99
Investment Written-off	-	138.11
Bad & Doubtful Debts (Provision)	817.30	58.61
Operating Profit before Working Capital changes	24680.50	17793.92
Adjustment for :	64456.55	29394.89
Trade and other receivables	(6087.30)	(19847.80)
Inventories	(7683.67)	413.95
Trade and other payables	408.67	6482.97
Cash generated from operating activities	51094.25	(12950.88)
Wealth tax	(20.62)	(16.92)
Fringe Benefit Tax	-	(59.06)
Income Tax	(10766.87)	(1934.67)
Exchange rate fluctuations	(31.92)	(62.12)
Cash from operating activities before exceptional items	40274.84	14371.24
Exceptional Items (Net of Current Taxes)	-	528.12
Net Cash from operating activities (A)	40274.84	14899.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(27189.00)	(8538.20)
Sale proceeds of Fixed Assets	775.13	699.96
Inflow / (Outflow) on Investments (Net)	(3652.76)	(365.15)
Loans to bodies corporate (Net)	(11699.49)	16807.02
Interest received from Banks / others	782.99	1418.71
Dividend received on Trade Investments	117.40	117.40
Dividend received on Non-Trade Investments	52.73	1371.54
Net Cash used in Investing Activities (B)	(40813.00)	11511.28
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipt of Securities Premium Account	15197.19	1.31
Receipts from issue of Warrants (Net of Warrants Converted)	7500.00	-
Share Capital Received	810.38	0.08
Dividend Paid	(3246.70)	(2600.26)
Dividend Distribution Tax	(539.24)	(441.92)
Interest & Financial Charges	(13488.05)	(10990.88)
Borrowings (Net)	(11723.00)	(3336.66)
Net Cash used in Financing Activities (C)	(5575.11)	(17368.33)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(6113.27)	9042.31
Opening Cash and Cash equivalents	16357.78	7315.47
Closing Cash and Cash equivalents #	10244.51	16357.78

Note :

Includes Rs. 1224.60 lacs (Previous Year Rs. 843.38 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
President (Corp. Finance & Accounts)

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

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 : 4th August, 2011

S.V. Sehgal
Partner

SCHEDULES

(Rs. in lacs)

	As At 31.03.2011	As At 31.03.2010
1. SHARE CAPITAL		
AUTHORISED		
1,90,00,000 (Previous Year Same) Preference Shares of Rs.100/- each	19000.00	19000.00
15,00,00,000 (Previous Year Same) Equity Shares of Rs.10/-each	15000.00	15000.00
	<u>34000.00</u>	<u>34000.00</u>
ISSUED, SUBSCRIBED & PAID-UP		
7,21,80,775 (Previous Year 6,50,06,646) Equity Shares of Rs.10/- each, fully called-up	7218.08	6500.67
Less : Amount Unpaid	-	3.39
	<u>7218.08</u>	<u>6497.28</u>
TOTAL :	<u>7218.08</u>	<u>6497.28</u>

Note :

- a) 7,21,80,775 (Previous Year 6,50,06,646) Equity Shares include :-
- (i) 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.
 - (ii) 37,46,830 (Previous Year NIL) Equity Shares allotted on conversion of 122 (Previous Year NIL) Number of Foreign Currency Convertible Bonds (FCCBs).
 - (iii) 35,00,000 (Previous Year NIL) Equity Shares allotted on conversion of equivalent Numbers of Warrants.
- b) During the year the Company has forfeited 72,701 Numbers of Equity Shares in pursuance of resolution passed by the Board of Directors in their meeting held on 15th July, 2010.

(Rs. in lacs)

	As At 31.03.2011	As At 31.03.2010
2. WARRANTS		
Amount received @Rs.20.50 each on allotment of NIL (Previous Year 87,35,000) Warrants	-	1790.68
Less : Amount forfeited & transferred to Capital Reserve.	-	1790.68
	<u>10125.00</u>	<u>-</u>
Amount received @Rs.75.00 each on allotment of 1,35,00,000 (Previous Year NIL) Warrants	2625.00	7500.00
Less : Amount in respect of 35,00,000 (Previous Year NIL) Warrants converted into Equity Shares.	-	-
TOTAL :	<u>7500.00</u>	<u>-</u>

Note:

In terms of the Resolution passed through Postal Ballot declared on 19th November 2010 the Company had allotted 135 Lacs Warrants at a price of Rs.300/- per warrant (inclusive of premium of Rs.290/- per warrant), which gives holders the right to convert warrant into equal number of equity shares of the company at any time within 18 Months from the date of allotment 25th November 2010.

(Rs. in lacs)

	Balance As At 01.04.2010	Additions During the year	Deductions During the year	Balance As At 31.03.2011
3. RESERVES & SURPLUS				
Capital Reserve	2788.18	89.58 *	-	2877.76
Revaluation Reserve	3.39	-	0.08	3.31
Debenture Redemption Reserve	1639.56	-	1639.56	-
Securities Premium Account	43089.42	15197.19	85.69 *	58200.92
General Reserve @	8108.26	4464.64	-	12572.90
Profit & Loss Account	17079.96	19082.41	-	36162.37
TOTAL :	72708.77	38833.82	1725.33	109817.26
Previous Year	65663.18	12072.62	5027.03	72708.77

* Represents forfeited Shares during the year due to non-payment of amount in arrears by the share holders.

@ Includes:

- Rs.0.08 lacs (Previous Year Rs.0.07 lacs) representing the amount transferred from Revaluation Reserve to General Reserve being the difference between depreciation charged on enhanced value of the revalued assets and the depreciation on their historical cost at straight line method prescribed in Schedule XIV of Companies Act, 1956.
- Rs.1639.56 lacs (Previous Year Rs.5026.96 lacs) representing the amount transferred from the Debenture Redemption Reserve.

(Rs. in lacs)

	As At 31.03.2011	As At 31.03.2010
4. SECURED LOANS		
A. ZERO RATE DEBENTURES		
From Financial Institutions	-	3279.12
B. TERM LOAN		
From Financial Institutions	-	1876.88
From Banks	74262.81	54977.74
C. ZERO RATE LOANS		
From Financial Institutions	-	4226.93
D. WORKING CAPITAL FACILITIES		
From Banks	18462.23	16126.59
TOTAL :	92725.04	80487.26

SECURED LOANS**NOTES:**

- Term Loans from Banks (Other than Loan from Allahabad Bank of Rs. 1166.97 lacs and Bank of India) 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.

Term loan from Allahabad Bank of Rs. 1166.97 lac is secured by way of first charge on the specific asset. This is further guaranteed by Chairman & Managing Director of the company.

Term Loans from Bank of India is secured a) on *pari passu* basis by way of second 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 second *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.

- Working capital facilities from banks are secured a) on *pari passu* basis, by way of hypothecation of stocks of raw material, 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.

(Rs. in lacs)

As At
31.03.2011

As At
31.03.2010

5. UNSECURED LOANS

Foreign Currency Convertible Bonds (FCCBs)	4179.24	9782.64
Short Term Loans		
From Banks	472.87	10222.78
From Others	1839.74	10447.21
TOTAL :	6491.85	20669.99
		30452.63

Notes :

- The Company had issued 4%, 850 FCCBs of the face value of US \$ 100,000 each, aggregating to US \$ 85 millions redeemable on March 9, 2012 at 121.89% of the outstanding principal amount.
- These bonds are convertible into equity shares of the Company, at the option of the bondholders, at any time at an exchange rate of Rs. 44.44/\$ and share price of Rs. 144.70 but with conversion price reset on each anniversary of the FCCB issue on 8th of March. The conversion price is adjustable downwards only but not below Rs. 144.70 as determined under rules of SEBI. Up to the year end, Bonds aggregating to US \$ 28.60 million were converted into 79,11,486 equity shares and upto the year end Bonds aggregating to US\$ 47.00 million were bought back by the Company.

6. DEFERRED TAX LIABILITY (NET)

Opening Balance	13518.38	10408.38
Add : Provision of Deferred Tax charge for the year	830.00	3110.00
TOTAL :	14348.38	13518.38

7. FIXED ASSETS

(Rs. in lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
	Value/cost As At 01.04.2010	Additions during the year	Deductions during the year	Value/cost As At 31.03.2011	Upto 31.03.2010	For the year	Deductions	As At 31.03.2011	As At 31.03.2011	As At 31.03.2010
A. TANGIBLE ASSETS										
Freehold Land	360.49	-	104.04	256.45	-	-	-	-	256.45	360.49
Leasehold Land	3456.44	-	-	3456.44 *	-	-	-	-	3456.44	3456.44
Building	19184.06	762.63	-	19946.69 **	6499.34	582.06	-	7081.40	12865.29	12684.72
Plant & Machinery	143119.16	17857.98	3076.39	157900.75	71894.91	7933.72	2519.33	77309.30	80591.45	71224.25
Electrical Installation	3807.57	44.90	-	3852.47	2084.90	184.13	-	2269.03	1583.44	1722.67
Office Equipments	3802.00	246.05	57.43	3990.62	1143.54	254.76	44.44	1353.86	2636.76	2658.46
Furniture & Fixtures	4658.34	186.33	31.45	4813.22	976.19	289.67	30.96	1234.90	3578.32	3682.15
Vehicles (Including Aircraft)	5244.14	791.12	263.04	5772.22	1472.43	370.04	156.99	1685.48	4086.74	3771.71
B. INTANGIBLE ASSETS										
Software	634.46	74.93	-	709.39	386.39	125.48	-	511.87	197.52	248.07
TOTAL	184266.66	19963.94	3532.35	200698.25 ***	84457.70	9739.86 ®	2751.72	91445.84	109252.41	99808.96
Previous Year	175679.21	10298.81	1711.36	184266.66	76017.48	9265.75	825.53	84457.70		
CAPITAL WORK-IN-PROGRESS***									7617.59#	391.97
									116870.00	100200.93

* Includes Rs.365.42 lacs (Previous Year Rs.365.42 lacs) pending execution of title deed.

** Includes Rs. 5.30 lacs (Previous Year Rs.5.30 lacs) acquired on ownership basis, Rs.19.85 lacs (Previous Year Rs. 19.85 lacs) pending execution of title deed.

*** Includes Pre-operative expenses, basis of which is certified by the Management.

Includes Rs 238.56 lacs (Previous year Rs. 5.96 lacs) in respect of Machinery in Transit.

® Includes Rs 0.56 lacs (Previous year Rs. Nil lacs) treated as pre-operative expenses.

8. INVESTMENTS

(Rs.In Lacs)

PARTICULARS	Description	Face Value	As At 31.03.2011		As At 31.03.2010	
			Number	Amount	Number	Amount
1. LONG TERM INVESTMENTS						
A. QUOTED						
Fully Paid Up						
IN SHARES						
Trade :						
Flex Foods Ltd.	Equity	Rs.10/-	5870000	587.00	5870000	587.00
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/-	76200	152.40	76200	152.40
B.A.G.Films Ltd.	Equity	Rs.2/-	49300	4.93	49300	4.93
TOTAL (1-A)				<u>5795.02</u>		<u>5795.02</u>
B. UNQUOTED						
Fully Paid Up						
IN WHOLLY OWNED SUBSIDIARIES						
Flex America Inc.,USA	Equity	US\$ 1	100000	44.72	100000	44.72
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	318000	245.26
Uflex Packaging Inc.,USA	Equity	US\$ 10	250000	1162.04	60000	274.90
Utech Developers Ltd.	Equity	Rs.10/-	100000000	10000.00	100000000	10000.00
Upet Holdings Ltd., Mauritius	Equity	US\$ 1	38400001	17480.80	30400001	13908.00
TRUST SECURITIES AND MUTUAL FUNDS						
UTI- MIS Advantage Plan Growth Plan [Repurchase value Rs. Nil lacs (Previous Year Rs. 36.37 lacs)]	Units	Rs.10/-	-	-	191009.346	34.83
UTI Wealth Builder Fund Series-II Growth Plan [Repurchase value Rs. Nil lacs (Previous Year Rs.15.76 lacs)]	Units	Rs.10/-	-	-	92164.792	9.42
Reliance Dual Advantage Fixed Future Plan [Repurchase value Rs.105.46 lacs (Previous Year Nil)]	Units	Rs.10/-	1000000	100.00	-	-
Non-Trade :						
IN SHARES						
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
Pan Parag India Ltd.** (6% Non Cumulative Redeemable Preference Share)	Pref. Share	Rs.10/-	762000	-	762000	-
TOTAL (1-B)				<u>42201.56</u>		<u>37204.21</u>
TOTAL (1)				<u>47996.58</u>		<u>42999.23</u>
2 SHORT TERM INVESTMENTS						
Investment in Mutual Funds * [Repurchase value Rs. 1312.67 lacs (Previous Year Rs.2203.02 lacs)]				1300.00		2201.78
TOTAL (1)+(2)				<u>49296.58</u>		<u>45201.01</u>

Notes :-

Aggregate Market Value of Quoted Investment is Rs.4768.79 lacs (Previous Year Rs.5218.92 lacs). In the opinion of the Management, decline in the market value of the Investments is temporary.

* Refer Note No.'19' of Schedule -26 (Notes forming part of the Accounts).

** Allotted pursuant to approved Scheme of Arrangement entered into between Kothari Products Ltd. and Pan Parag India Ltd.

(Rs. in lacs)

	As At 31.03.2011	As At 31.03.2010
9. INVENTORIES		
Stores, Packing Material & Fuel	587.19	492.72
Raw Materials	8744.04	4546.71
Work-in-Progress	5761.63	3353.14
Finished Goods	1075.35	573.61
Traded Goods	-	17.31
Material-in-Transit	1054.73	555.78
TOTAL :	17222.94	9539.27

10. SUNDRY DEBTORS

(Unsecured, Considered Good)

A. Debts outstanding for a period exceeding six months	9716.03	10182.39
B. Other debts	41174.78	26830.55
	50890.81 #	37012.94
Less : Provision for Bad & Doubtful Debts	1578.18	760.88
TOTAL :	49312.63	36252.06

Includes Rs.13259.25 lacs (Previous Year Rs.3184.96 lacs) due from subsidiaries.

11. CASH & BANK BALANCES

Cash in hand	61.49	53.63
Balances with Scheduled Banks:		
- On Current Accounts	2927.56	15042.62
- On Cash Credits Accounts	408.87	118.15
- On Fixed Deposits Accounts*	6542.58	694.07
- On Unclaimed Dividend Account	92.26	143.79
- In Margin Money Accounts	211.75	305.52
TOTAL :	10244.51	16357.78

* Include Rs. 920.59 lacs (Previous Year Rs.394.07 lacs) pledged with Banks as margin for Letters of Credits, Guarantees, Bills Discounted and overdraft limit availed.

12. OTHER CURRENT ASSETS

Interest accrued on :

- Loans to Subsidiary	24.94	-
- Loans to Others	156.77	4.93
- Deposits with Banks	77.27	51.95
Dividend receivable from a Subsidiary	-	787.24
TOTAL :	258.98	844.12

(Rs. in lacs)

	As At 31.03.2011	As At 31.03.2010
13. LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Mat Credit Entitlement	406.00	3249.00
Advances recoverable in cash or in kind or for value to be received *	13362.50	20394.34
Security & Other Deposits	1101.81	762.58
Balances with Excise Authorities	2454.98	2100.05
Loans to Employees and others	89.67	65.48
Loans to Bodies Corporate	17800.63	6101.14
TOTAL :	35215.59	32672.59

* Includes Rs. 46.54 lacs (Previous Year Rs.444.75 lacs) due from subsidiaries.

14. CURRENT LIABILITIES

Acceptances	6887.26	7006.81
Sundry Creditors *	17789.23	15440.16
Advances from Customers **	2479.27	4917.39
Unclaimed Dividend***	92.26	68.07
Unclaimed Matured Deposits***	0.18	0.18
Unclaimed Matured Debentures***	2.91	3.21
Other Liabilities	3561.37	3547.40
Interest accrued but not due on Loans	93.15	131.22
TOTAL :	30905.63	31114.44

* Includes Rs. 88.13 lacs (Previous Year Rs.1806.78 lacs) due to a subsidiary.

** Includes Rs. NIL lacs (Previous Year Rs.1978.98 lacs) received from subsidiaries.

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

15. PROVISIONS

Income Tax (Net of Payments & MAT Credit Adjustments)	990.33	699.06
Wealth Tax	20.62	16.92
Proposed Dividend	5415.86	3246.70
Proposed Dividend Distribution Tax	878.59	539.24
Leave Encashment	920.23	783.69
Staff Benefits	205.13	223.74
Warranty	2.55	1.75
Interest on Deferred Liabilities	981.68	777.90
TOTAL :	9414.99	6289.00

(Rs. in lacs)

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010	
16.SALES & JOB WORK			
Gross Sales	271213.51	183179.17	
Less : Inter Unit Sales	31621.78	18281.80	
	<u>239591.73</u>	<u>164897.37</u>	
Less : Excise Duty	16429.84	9951.68	154945.69
Gross Job Work	3406.67	3351.38	
Less : Inter Unit Job Work	2732.28	1905.81	
	<u>674.39</u>	<u>1445.57</u>	
Less : Excise Duty	49.85	117.07	1328.50
TOTAL :	<u><u>223786.43</u></u>	<u><u>156274.19</u></u>	
17.OPERATING AND OTHER INCOME			
A. OPERATING INCOME			
Design & Art Work Recovery	781.27	463.98	
Less : Excise Duty Recovery	49.11	23.95	
	<u>732.16</u>	<u>440.03</u>	
Packing,Forwarding and Insurance Recoveries	93.91	66.78	
Export Incentive	2560.61	1683.85	
Excise Duty Refund	782.73	329.12	
Miscellaneous Operating Income	327.41	264.11	
Sales Tax Refund	-	1912.32	
Licence fees	685.00	1320.00	
Technical & Support Fees	5481.39	2104.35	
TOTAL (A) :	10663.21		8120.56
B. OTHER INCOME			
Rent Received	64.45	65.41	
Profit on sale of Investments (Net)	442.81	218.80	
Profit on sale of assets (Net)	55.87	-	
Miscellaneous Income	56.50	72.92	
Interest :			
- from Banks	257.04	165.84	
[TDS Rs 25.07 lacs (Previous Year Rs.24.66 lacs)]			
- from Others	525.95	1252.87	
[TDS Rs.35.22 lacs (Previous Year Rs.144.33 lacs)]			
Investment Income:			
- Dividend received on Trade Investments	117.40	117.40	
- Dividend received on Non-Trade Investments	52.73	29.31	
- Dividend received on Investments in Subsidiaries	-	1342.23	
TOTAL (B) :	1572.75		3264.78
TOTAL :	<u><u>12235.96</u></u>		<u><u>11385.34</u></u>
18.INCREASE / (DECREASE) IN FINISHED GOODS & WORK-IN-PROGRESS			
Closing Stock :			
Finished Goods	1075.35	573.61	
Work-in-Progress	5761.63	3353.14	3926.75
Less : Opening Stock :			
Finished Goods	573.61	1118.26	
Work-in-Progress	3353.14	3683.95	4802.21
TOTAL :	<u><u>2910.23</u></u>		<u><u>(875.46)</u></u>

(Rs. in lacs)

**For the
Year Ended
31.03.2011**
**For the
Year Ended
31.03.2010**
19. MATERIAL COST**A. Raw Material Consumed**

Opening Stock	4546.71	3927.84
Add : Purchases	<u>153357.14</u>	<u>109457.21</u>
	157903.85	113385.05
Less : Inter Unit Purchases	<u>31414.64</u>	<u>18242.89</u>
	126489.21	95142.16
Less : Closing Stock	<u>8744.04</u>	<u>4546.71</u>
TOTAL (A) :	117745.17	90595.45

B. Material Cost of Traded Goods Sold

Opening Stock	17.31	-
Add : Purchases	<u>2125.22</u>	<u>554.97</u>
	2142.53	554.97
Less : Closing Stock	<u>-</u>	<u>17.31</u>
TOTAL (B) :	2142.53	537.66
TOTAL (A) + (B):	<u>119887.70</u>	<u>91133.11</u>

20. OTHER MANUFACTURING EXPENSES

Power & Fuel Consumed	12361.97	11603.48
Repair & Maintenance-Machinery	2714.28	2141.49
Stores Consumed	2394.57	1806.44
Tools, Jigs & Dies	205.57	163.12
Packing Material Consumed	3822.73	3110.52
Cylinders / Processing Charges for Cylinders	999.65	841.19
Less : Inter Unit Charges	<u>740.73</u>	<u>258.92</u>
		704.73
Design & Development Charges	2.86	3.82
Excise Duty	54.37	(6.65)
Job Work Charges	668.55	544.47
R & D Charges	25.26	19.53
TOTAL :	<u>22509.08</u>	<u>19522.68</u>

21. PAYMENTS & BENEFITS TO EMPLOYEES

Salaries, Wages, Bonus, Benefits and Amenities	11493.33	9124.87
Contribution to Provident Fund and Other Funds	786.50	557.04
Employees Welfare Expenses	<u>480.07</u>	<u>396.92</u>
TOTAL :	<u>12759.90</u>	<u>10078.83</u>

(Rs. in lacs)

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
22. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent, Rates & Taxes	557.83	324.76
Insurance charges	256.99	153.69
Electricity & Water charges	300.67	247.62
Printing & Stationery	165.72	164.82
Postage, Telegram, Telephone & Fax Expenses	404.83	353.20
Vehicle Running & Maintenance Expenses	290.12	242.71
Lease Rent - Vehicles	363.73	260.20
Conveyance & Travelling Expenses	1804.27	1714.16
Repair & Maintenance :		
- Building	280.29	197.86
- Others	566.16	410.28
Legal & Professional Charges	944.82	582.67
Directors' sitting fees	12.00	7.60
General Expenses	1946.88	1224.58
Commission on Sales	276.99	261.90
Advertisement & Publicity	178.36	309.23
Entertainment Expenses	491.95	323.92
Sales Tax	4383.26	3287.87
Charity & Donation	27.64	4.71
Rebate & Discount	587.65	576.58
Freight & Forwarding charges	6442.54	4267.54
Fixed Assets Written -off	61.37	7.34
Loss on assets sold (Net)	-	178.53
Investment Written - off	-	138.11
Exchange Rate Fluctuations (Net)	31.92	62.12
Bad & Doubtful Debts (Provision)	817.30	58.61
Sundry balances written-off (Net)	1951.06	201.04
Claim (Exports)	0.59	58.33
TOTAL :	<u>23144.94</u>	<u>15619.98</u>
23. INTEREST & FINANCIAL CHARGES		
Interest		
- On Loans for Fixed Period	9754.90	7009.08
- On Other Loans / Liabilities	2665.25	2216.54
- On Deferred Liabilities	158.41	132.98
Discounting & Financial Charges	909.49	1632.28
TOTAL :	<u>13488.05</u>	<u>10990.88</u>
24. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS		
Material Cost	1140.36	662.07
Salary & Wages	477.41	308.50
Other Manufacturing Expenses	280.85	159.44
Administrative & Other Expenses	319.07	187.03
Interest & Financial Charges	9.30	6.51
Depreciation	145.41	104.58
TOTAL :	<u>2372.40</u>	<u>1428.13</u>

25. SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. 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.
- 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 Materials

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.

3. Cost of spares, tools, jigs & dies are charged to revenue.

4. 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 Account.

5. Expenses incurred for issue of financial securities are charged to Securities Premium Account.

6. 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.

7. 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 rates prescribed in Schedule-XIV to the Companies Act, 1956.

- 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.
- v) Depreciation on additions / deletions to the fixed assets due to eligible foreign exchange fluctuations is provided on *pro rata* basis from the date of additions / deletions.

8. TURNOVER

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

9. 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.

10. 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. Short term investments are valued at cost or market price, whichever is lower.

11. EMPLOYEE BENEFITS

- i. Defined Long Term benefit (other than leave encashment) 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 Profit & Loss Account.
- ii. Defined long term benefits in respect of leave encashment is charged to profit & loss account based on the leave entitlement of employees remaining unutilised at the end of the year, at the undiscounted amount.
- iii. Defined Contribution Plans are charged to profit & loss account based on the contribution made to the specified fund.
- iv. Short term employee benefits are charged to Profit & Loss Account at the undiscounted amount in the year in which the related service is rendered.

12. CLAIMS BY / AGAINST THE COMPANY

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

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. INTANGIBLE ASSETS

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.

26. NOTES FORMING PART OF THE ACCOUNTS

	As At	(Rs.in lacs)
	31.03.2011	As At
		31.03.2010
1. Contingent liabilities not provided for in respect of :		
i) Guarantees issued by Banks	753.32	201.41
ii) Corporate Gurantee issued for facilities taken by subsidiary / step down subsidiaries from Banks	97286.00	88565.00
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	4775.86	2032.33
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	2524.17	2060.54
v) Show cause notice / demands of Excise Authorities not acknowledged by the Company and are contested / appealed / replied.	5183.56	5426.02
vi) Additional demands raised by the Income Tax Department, which are under rectification & appeal	295.04	38.82
vii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	324.93	538.59
viii) Demand raised by PF authority for alleged lower contribution of PF and are under appeal	20.72	20.72
ix) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	12.20	45.02
x) Premium on Redemption on maturity of outstanding Foreign Currency Convertible Bonds*	914.84	2141.42

* The holders of FCCBs are expected to opt for the conversion rather than redemption and in that case no premium would be payable by the Company. On this basis the amount of premium has not been provided and is shown as contingent liability. However the premium, if liable to be paid would be adjusted against the available Securities Premium Account/ charged to Profit and Loss account at the time of redemption.

	As At	(Rs.in lacs)
	31.03.2011	As At
		31.03.2010
2. Capital Commitments :		
The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	19797.68	8980.72

3. Disclosures for Assets under Operating Leases

The Company has given an asset on operating lease grouped under the category of Vehicles in the "Fixed Assets" - Schedule No. "7". The Company has also taken certain vehicles on operating Lease.

The additional disclosure required in terms of Accounting Standard (AS)-19- on "Leases" are as under:

a) In respect of Assets given on operating lease :		(Rs.in lacs)
	Current Year	Previous Year
i) Gross Carrying Amount	3584.70	3584.70
ii) Accumulated Depreciation	1036.16	835.42
iii) Depreciation for the Year	200.74	200.74

b) Minimum future Lease Rentals on assets under Operating Leases both given / taken:		(Rs.in lacs)
--	--	---------------------

	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	Total
Payable	273.51	425.11	-	698.62
	<i>317.44</i>	<i>329.79</i>	-	<i>647.23</i>
Receivables	60.00	45.00	-	105.00
	<i>60.00</i>	<i>105.00</i>	-	<i>165.00</i>

Note: Previous Year figures have been given in Italic.

		(Rs.in lacs)
	Current Year	Previous Year
4. Managerial Remuneration :		
i) Salaries including HRA	572.45	523.40
ii) Contribution to Provident Fund	61.54	55.99
iii) Commission to Chairman & Managing Director	600.00	40.00
iv) Medical re-imbusement	1.95	4.46
v) Ex-gratia	0.08	-
vi) Perquisite value of electricity, car, furniture & fixtures and rent free accommodation provided,evaluated as per Income Tax Rules, 1962	7.82	9.11
vii) Sitting Fees	12.00	7.60
TOTAL :	1255.84	640.56

5. Computation of Net Profit in accordance with Section 349 of the Companies Act 1956 and calculation of commission payable to Chairman and Managing Director

		(Rs.in lacs)
Particulars	Current Year	Previous Year
Net Profit After Tax	28201.86	9039.54
Add :		
a) Managerial Remuneration		
i) Salaries including HRA	572.45	523.40
ii) Contribution to Provident Fund	61.54	55.99
iii) Commission to Chairman & Managing Director	600.00	40.00
iv) Medical re-imbusement	1.95	4.46
v) Ex-gratia	0.08	-
vi) Perquisite value of electricity, car, furniture & fixtures and rent free accommodation provided,evaluated as per Income Tax Rules, 1962	7.82	9.11
vii) Sitting Fees	12.00	7.60
b) Provision for Bad & Doubtful debts	817.30	58.61
c) Provision for Income Tax & Deferred Tax	11576.00	5018.00
Sub Total	13649.14	5717.17

Particulars	(Rs.in lacs)	
	Current Year	Previous Year
Less :		
a) Profit on sale of Investments / Land	688.22	218.80
b) (Short) provision for Taxation for earlier years	(20.87)	(22.73)
c) Exceptional Items	-	465.12
Sub Total	667.35	661.19

Net profit on which commission is payable	41183.65	14095.52
Maximum Remuneration allowed under the Companies Act,1956 @ 10% of the Net Profit	4118.37	1409.55

Amount of Remuneration paid excluding commission payable to eligible Directors	643.84	592.96
--	---------------	--------

Maximum amount of commission allowed under the Companies Act,1956	3474.53	816.59
Eligible Amount #	1448.14	140.03

Commission approved by the Board	600.00	40.00
----------------------------------	---------------	-------

i) Computed in accordance with the approval received from Ministry of Corporate Affairs, New Delhi, as a terms of re-appointment of Chairman & Managing Director.

ii) The Ministry of Corporate Affairs has also advised that the company has paid excess remuneration to Chairman & Managing Director for the period from 2004-05 to 2008-09. The amount of such excess remuneration works out to be Rs.1184.79 lacs, which in the opinion of the company do not amount to excess remuneration. Accordingly the company had moved an application for the waiver of the same, as per the option given by the Ministry, which is still pending with the Ministry.

6. Auditors' Remuneration, as included in "Legal & Professional charges" under Schedule No."22", is as under:-

	(Rs.in lacs)	
	Current Year	Previous Year
a) Audit Fees	50.00	42.00
b) Tax Audit Fees	14.00	12.00
c) Report & Certification work	16.33	12.38
d) Out of Pocket Expenses	1.69	1.91
TOTAL :	82.02	68.29

7. In the opinion of the Board and to the best of their knowledge, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet.

8. Steps have been taken for identifying suppliers & seeking relevant information in order to make necessary disclosures, as required under Micro, Small & Medium Enterprises Development Act, 2006.

9. 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:

	(Rs. In Lacs)	
	Current Year	Previous Year
a. Reconciliation of opening and closing balances of obligation		
Obligations at period beginning	843.73	664.85
Service cost	160.63	131.38
Past Service Cost	146.75	-
Interest cost	65.24	51.35
Actuarial (gain) / loss	(64.45)	41.90
Benefits paid	(56.42)	(45.75)
Obligations at period end	1095.48	843.73
b. Reconciliation of opening and closing balances of fair value assets		
Plan assets at period beginning, at fair value	758.04	551.21
Expected return on plan assets	72.83	52.37
Actuarial gain / (loss)	(10.71)	43.02
Contributions	298.87	157.19
Benefits paid	(56.42)	(45.75)
Plan assets at period end, at fair value	1062.61	758.04

	<u>Current Year</u>	<u>(Rs. In Lacs)</u> Previous Year
c. Amount Recognized in Balance Sheet		
Present value of the defined benefit obligations at the end of the period	1095.48	843.73
Fair value of plan assets at the end of the period	(1062.61)	(758.04)
Liability recognized in the balance sheet	32.87	85.69
Assumptions		
Interest rate	8% P.A.	8% P.A.
Estimated rate of return on plan assets	8% P.A.	8% P.A.
d. Gratuity cost for the period		
Service cost	160.63	131.38
Interest cost	65.24	51.35
Expected return on plan assets	(72.83)	(52.37)
Actuarial (gain) / loss	(53.74)	(1.12)
Past Service Cost	146.75	-
Net gratuity cost	246.05	129.24
10. EXCEPTIONAL ITEMS		
Discount on Purchase of FCCB	-	634.12
Less : Provision for Income Tax	-	106.00
Less : Provision for Deferred Tax Charge	-	63.00
	<u>-</u>	<u>465.12</u>

11. Loans to Bodies Corporate under the Schedule No.13 "Loans and Advances" includes loan to the following Subsidiaries:

<u>Name of the Company</u>	<u>Amount included</u>	<u>Maximum Amount outstanding during the year</u>
U Tech Developers Ltd.	12200.00	12252.34
	(3252.34)	(17777.34)
Flex America Inc.	-	448.80
	(448.80)	(994.50)
Uflex Packaging Inc.	1800.63	1849.71
	(-)	(-)

Note: Previous Year figures have been given in brackets.

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

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

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

14. The name of the Company stands changed from Flex Industries Limited to UFLEX LIMITED w.e.f. 19th March 2007.

15. 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 :-

	<u>Current Year</u>	<u>Previous Year</u>
(A) (i) Profit for the year, after Adjustments,before exceptional items for computation of; (viz.Numerator) (Rs.in lacs)		
a. Basic Earning	28201.86	8574.42
Add : Interest on FCCB (Net of Tax)	123.60	287.38
b. Diluted Earning	28325.46	8861.80
(ii) Profit for the year, after Adjustments,after exceptional items for computation of; (viz.Numerator) (Rs.in lacs)		
a. Basic Earning	28201.86	9039.54
Add : Interest on FCCB (Net of Tax)	123.60	287.38
b. Diluted Earning	28325.46	9326.92

	Current Year	(Rs. In Lacs) Previous Year
(B) (i) Opening Balance of Equity Shares	65006646	65006646
Add / (Less) :		
Weighted Average Factor of FCCB's converted into Equity shares	1657675	-
Weighted Average Factor of warrant converted into Equity shares	1169863	-
Weighted Average Factor of Equity Share Forfeited	(51787)	-
Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<u>67782397</u>	<u>65006646</u>
(ii) Opening Balance of Equity Shares	65006646	65006646
Add / (Less) :		
Weighted Average Factor of outstanding FCCB's	2886911	6633753
Weighted Average Factor of outstanding Equity Warrants	3527397	3517932
Weighted Average Factor of Equity Share Forfeited	(51787)	-
Weighted Average Factor of FCCB's converted into Equity shares	1657675	-
Weighted Average Factor of warrant converted into Equity shares	1169863	-
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<u>74196705</u>	<u>75158331</u>
(C) Nominal Value Per Share	Rs. 10/-	Rs. 10/-
Earning Per Share		
(D) (i) Before Exceptional Items		
a. Basic (A(ia)/B(i)) (Rs.)	41.61	13.19
b. Diluted (A(ib)/B(ii)) (Rs.)	38.18	11.79
(ii) After Exceptional Items		
a. Basic (A(jia)/B(i)) (Rs.)	41.61	13.91
b. Diluted (A(iib)/B(ii)) (Rs.)	38.18	12.41

16. 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 :

	Current Year	(Rs.in lacs) Previous Year
Domestic Revenue	184017.84	135226.19
Export Revenue :		
USA	27724.00	14325.93
Europe	7377.80	4503.50
Asia	13757.87	6000.05
Africa	6838.20	5347.18
Others	1331.68	1404.07
Total Export Revenue	<u>57029.55</u>	<u>31580.73</u>
Total Revenue*	<u>241047.39</u>	<u>166806.92</u>

* Includes Design & Art Work Recoveries shown under the head "Operating Income"-Schedule No.-17A.

17. 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) **Wholly Owned Subsidiaries** : Flex America Inc., Flex Middle East FZE , Uflex Europe Ltd., Uflex Packaging Inc. Upet Holding Ltd. and UTech Developers Ltd.
- ii) **Fellow Subsidiaries** : **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 Pvt.Ltd. and Tflex Americas LLC**
- iii) **Associate** : Flex Foods Limited
- iv) **Joint Venture** : Qcell Limited
- v) **Key Management Personnel & their relatives (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi) and Mr. S.K. Kaushik, Whole-time Director
- vi) **Enterprises in which the persons referred in (v) along with their relatives exercise significant influence** : Flex International (P) Ltd., Anshika Investments (P) Ltd., Ultimate Flexipack Ltd., A.R.Infrastructure & Projects Pvt.Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshika Consultants (P) Ltd., A.R.Leasing (P) Limited, Cinflex Infotech (P) Ltd., Ultimate Enterprises (P) Ltd., AR Aerotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd., AC Infrastructures (P) Ltd., Club One Airways (P) Ltd., Flex Industries (P) Ltd., AC Infratech (P) Ltd., RC Properties (P) Ltd., A to Z Infratech (P) Ltd. and Ultimate Infratech (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	Wholly owned Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives	Enterprises as referred to in 'a (vi)' above	Total
i) Trade Transactions						
Sale of Goods/Services (Net)	17790.61	13402.01	12.39	-	3053.49	34258.50
	8811.06	1090.95	13.21	-	1179.49	11094.71
Purchase of Goods/Services (Net)	1779.77	26.42	-	-	7991.15	9797.34
	1837.84	-	-	-	4258.46	6096.30
Sale of Fixed Assets / Transfer of undertaking	-	-	-	-	-	-
Dividend Income	-	-	117.40	-	210.00	210.00
	1342.22	-	117.40	-	-	1459.62
Bad debts Written off	-	-	0.08	-	-	0.08
Lease Charges Received	-	-	-	-	55.98	55.98
	-	-	-	-	71.89	71.89
Licence & Support fees Received	64.00	5417.39	-	-	-	5,481.39
	76.00	226.00	-	-	-	302.00
Rent Received	7.80	-	-	30.00	4.08	41.88
	7.80	0.50	-	30.00	4.08	42.38
Rent Paid	-	-	-	195.75	103.60	299.35
	-	-	-	180.00	3.60	183.60
Interest Paid on Loans	-	-	4.46	-	-	4.46
	-	-	23.42	-	-	23.42
Interest Received	29.34	-	-	-	-	29.34
Security Given	-	-	-	-	60.00	60.00
Remuneration	-	-	-	1243.84	-	1243.84
	-	-	-	632.96	-	632.96
ii) Non Trade Transactions						
Investment in Shares	4941.60	-	-	-	-	4941.60
	399.63	-	-	-	-	399.63
Amount received on allotment of warrants / shares	-	-	-	2250.00	15750.00	18000.00
Repayment of Loan Taken	-	-	100.00	-	8700.00	8800.00
	-	-	300.00	-	800.00	1100.00
Loan Taken	-	-	100.00	-	700.00	800.00
	-	-	-	-	8800.00	8800.00
Loan Given	15461.66	-	-	-	-	15461.66
	17629.50	-	-	-	-	17629.50
Recovery of Loan Given	5113.09	-	-	-	-	5113.09
	25487.25	-	-	-	-	25487.25
Total	45187.87	18845.82	334.25	3719.59	36418.30	104505.83
	55591.30	1317.45	454.11	842.96	15327.52	73533.34
Balance as on 31.03.2011						
Debit	18072.76	9170.47	-	-	482.52	27725.75
	6749.96	33.57	5.62	-	56.70	6845.85
Credit	-	-	1.50	-	3297.64	3299.14
	1785.21	665.99	-	-	8657.33	11108.53

Note: Previous Year figures have been given in Italic.

AKC Developers Ltd., fellow subsidiary & Ultra Urban Infratech Ltd. an associate company are not reported above, since the 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.

18. 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 :

	Deferred Tax Assets / (Liability) As At 01.04.2010	Current Year (Charge) / Credit	Deferred Tax Assets / (Liability) As At 31.03.2011
A. Deferred Tax Assets			
Other than unabsorbed depreciation & carry forward of losses.	2554.93	(1735.59)	819.34
Total (A)	2554.93	(1735.59)	819.34
B. Deferred Tax Liabilities			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(16073.31)	905.59	(15167.72)
Total (B)	(16073.31)	905.59	(15167.72)
Net Deferred Tax (Liability) (A-B)	(13518.38)	(830.00)	(14348.38)

19. DISCLOSURE IN RESPECT OF INVESTMENT IN MUTUAL FUNDS

FUND NAME	FACE VALUE (RS.)	OPENING BALANCE		INVESTMENT / PURCHASE / SWITCH IN		REDEMPTION / SALE / SWITCH OUT		BALANCE	
		UNITS IN NOS	RS. IN LACS	UNITS IN NOS@	RS. IN LACS	UNITS IN NOS	RS. IN LACS	UNITS IN NOS	RS. IN LACS
RELIANCE LIQUID FUND -TREASURY PLAN INSTITUTIONAL OPTION - GROWTH OPTION - GROWTH PLAN	10.00	-	-	213,798,113.73	48,751.05	213,798,113.73	48,759.81	-	-
RELIANCE LIQUID FUND -TREASURY PLAN RETAIL OPTION - GROWTH OPTION - GROWTH PLAN	10.00	-	-	32,267,413.92	7,200.00	32,267,413.92	7,200.91	-	-
RELIANCE MONEY MANAGER FUND INSTITUTIONAL OPTION - GROWTH PLAN	1,000.00	175,597.04	2,201.78	2,842,283.04	36,375.02	3,017,880.08	38,699.86	-	-
RELIANCE MONTHLY INTERVAL FUND - SERIES-I INSTITUTIONAL OPTION - GROWTH PLAN	10.00	-	-	3958734.16	500	3,958,734.16	502.68	-	-
RELIANCE MONTHLY INTERVAL FUND - SERIES-II INSTITUTIONAL OPTION - GROWTH PLAN	10.00	-	-	8,099,417.25	1,054.37	8,099,417.25	1,069.83	-	-
RELIANCE MEDIUM TERM FUND - RETAIL PLAN - GROWTH PLAN	10.00	-	-	52,047,377.38	10,158.93	52,047,377.38	10,229.02	-	-
HFDC CASH MANAGEMENT FUND TREASURY ADVANTAGE PLAN - WHOLESAL DAILY DIVIDEND OPTION	10.00	-	-	19,938,661.43	2,000.15	19,938,661.43	2,010.10	-	-
HFDC LIQUID FUND PREMIUM-DAILY REINVESTMENT OPTION	10.00	-	-	16,313,479.83	2,000.00	16,313,479.83	2,000.15	-	-
HFDC LIQUID FUND PREMIUM PLAN -GROWTH OPTION	10.00	-	-	5,350,466.08	1,000.00	5,350,466.08	1,000.14	-	-
HFDC CASH MANAGEMENT FUND TREASURY ADVANTAGE PLAN - WHOLESAL GROWTH	10.00	-	-	16,826,106.84	3,500.14	16,826,106.84	3,573.38	-	-
SBI MAGNUM INSTA CASH FUND - CASH OPTION	10.00	-	-	17,092,677.96	3,500.00	17,092,677.96	3,504.20	-	-
ICICI PRUDENTIAL LIQUID SUPER INSTITUTIONAL PLAN-GROWTH	100.00	-	-	1,832,397.22	2,500.00	1,832,397.22	2,500.31	-	-
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - GROWTH	100.00	-	-	3,142,869.70	5,500.31	3,142,869.70	5,521.70	-	-
UTI- LIQUID CASH PLAN - INSTITUTIONAL PLAN (GROWTH OPTION)	1,000.00	-	-	476,513.63	7,350.00	476,513.63	7,351.14	-	-
UTI- TREASURY ADVANTAGE FUND - INSTITUTIONAL PLAN (GROWTH OPTION)	1,000.00	-	-	806,044.68	10,251.14	737,570.74	9,446.75	68,473.94	900.00
UTI- FIIF MONTHLY INTERVAL FUND SERIES-1 INSTITUTIONAL GROWTH PLAN	10.00	-	-	3,168,602.04	400.00	-	-	3,168,602.04	400.00
DSP BLACKROCK FLOATING RATE FUND - INSTITUTIONAL PLAN - GROWTH	1,000.00	-	-	107,800.23	1,450.08	107,800.23	1,456.94	-	-
DSP BLACKROCK LIQUIDITY FUND- INSTITUTIONAL PLAN - GROWTH	1,000.00	-	-	37,099.41	500.00	37,099.41	500.08	-	-
BIRLA SUN LIFE CASH PLUS-INSTITUTIONAL PREMIUM-GROWTH PLAN	10.00	-	-	5,867,172.81	900.00	5,867,172.81	903.55	-	-
BIRLA SUN LIFE SAVING FUND-INSTITUTIONAL-GROWTH PLAN	10.00	-	-	2,752,959.37	500.09	2,752,959.37	504.25	-	-
TOTAL		175,597.04	2,201.78	406,726,190.69	145,391.28	403,664,711.75	146,734.80	3,237,075.98	1,300.00
Previous Year		-	-	214,447,616.37	77,277.99	214,272,352.78	75,291.26	175,597.04	2,201.78

Note : @ Excludes Units received on declaration of dividend and re-invested.

20. Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of Part II of the Schedule VI of the Companies Act,1956 :-

A. Information in respect of class of goods manufactured and annual capacity :-

Class of Goods	Unit	Installed Capacity*	
		Current Year	Previous Year
Printed, Laminated, Metalised, Co-Extruded, Coated, Embossed and Plain Plastic Films	MT	149400**	136560
Rotogravure Cylinder & Shims	Nos.	54000	66000***
Hologrammed Sticker Sheets	Sheets in lacs	700	700
Packaging & Converting Machines & Structure & Fabricated Items	Nos.	1570#	1570
PET Chips	MT	72000	72000
Printing Ink	MT	12000	10500
Adhesive	MT	9000	6600

* Figures have been certified by the Management, but not verified by the Auditors, being a technical matter.

** Includes capacity of 5000 MT (Previous Year Same) licenced to third party.

*** Includes capacity of 12000 Nos. licenced to third party.

Represent only for Packaging & Converting Machines.

B. (i) Information in respect of production, sales & stock of goods manufactured :-

Class of Goods	Unit	Production	(Rs. in lacs)					
			Gross Sales		Opening Stock		Closing Stock	
			Qty.	Qty.	Value	Qty.	Value	Qty.
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed and Plain Plastic Films	MT	100263	99577	189333.92	354	290.00	607	664.60
		<i>97064</i>	<i>96617</i>	<i>132461.52</i>	<i>536</i>	<i>962.01</i>	<i>354</i>	<i>290.00</i>
Rotogravure Cylinder & Shims	Nos.	20321	20264	1732.50	-	-	-	-
		<i>18526</i>	<i>18471</i>	<i>1785.59</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Hologrammed Sticker Sheets	Sheets in lacs	832	846	5540.89	44	64.04	30	62.79
		<i>755</i>	<i>725</i>	<i>4097.91</i>	<i>15</i>	<i>16.55</i>	<i>44</i>	<i>64.04</i>
Packaging & Converting Machines	Nos.	268	253	8569.29	-	-	-	-
		<i>233</i>	<i>222</i>	<i>6207.59</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Printing Ink	MT	6864	6767	11464.20	66	88.95	149	199.67
		<i>5881</i>	<i>5864</i>	<i>8557.11</i>	<i>62</i>	<i>79.04</i>	<i>66</i>	<i>88.95</i>
Adhesive	MT	6187	6147	8645.85	73	80.73	96	116.37
		<i>4569</i>	<i>4512</i>	<i>5609.90</i>	<i>38</i>	<i>44.25</i>	<i>73</i>	<i>80.73</i>
Pet Chips	MT	12168	12172	8960.36	7	4.33	3	1.85
		<i>6644</i>	<i>6638</i>	<i>4421.63</i>	<i>1</i>	<i>0.68</i>	<i>7</i>	<i>4.33</i>
Others				3623.12		45.56		30.07
				<i>2578.22</i>		<i>15.73</i>		<i>45.56</i>
TOTAL				237870.13		573.61		1075.35
				<i>165719.47</i>		<i>1118.26</i>		<i>573.61</i>

Notes :

1. Previous Year figures have been given in Italic.
2. The figures shown above are inclusive of job work done.
3. The closing stock excludes sales return / closing stock , having no realisable value / transferred to WIP.
4. Figures reported above are exclusive of Inter-unit transactions.

(ii) Information in respect of goods traded :-

Class of Goods		(Rs.in lacs)							
		Opening Stock		Purchases		Sales		Closing Stock	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Machines	Nos.	-	-	4	997.88	4	1,045.58	-	-
		-	-	2	214.11	2	219.08	-	-
Machine Components	Nos.	-	-	479	10.83	479	16.81	-	-
		-	-	3606	13.69	3606	16.89	-	-
Misc.Items			17.31		1116.51		1333.60		-
			-		327.17		387.50		17.31
TOTAL :			17.31		2125.22		2395.99		-
			-		554.97		623.47		17.31

Note : Previous Year figures have been given in Italic.

C. Information in respect of raw materials consumed :-

Description	(Rs.in lacs)			
	Current Year		Previous Year	
	Qty.	Value	Qty.	Value
Plastic Films	11574	13836.18	8921	8983.57
Plastic Granules	52770	37997.63	50516	33898.99
Fibre Chemicals	64918	31666.13	56395	24637.41
Inks	540	1205.64	457	843.42
Adhesives	1795	2485.81	1533	2164.90
Solvents	13724	8106.97	11492	5542.68
Additive	620	865.02	422	354.88
Chemicals	5971	6063.77	4075	3239.28
Resin	1665	3296.34	1405	2520.49
Pigments	1400	2938.92	1189	2345.01
Others		10711.14		6465.89
TOTAL :		119173.55		90996.52

Notes :

- The above excludes Materials consumed for captive use.
- The above includes material consumed during trial run of Rs.1428.38 lacs (Previous Year Rs.401.07 lacs).

D. Information in respect of consumption of imported and indigenous material and percentage thereof :-

Description	(Rs. in lacs)			
	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
Raw Material				
Imported	22397.19	18.79	15609.17	17.15
Indigenous	96776.36	81.21	75387.35	82.85
TOTAL :	119173.55	100.00	90996.52	100.00
Stores, Spares, Tools,Jigs & Dies Consumed				
Imported *	889.76	26.30	764.29	29.13
Indigenous	2493.99	73.70	1859.87	70.87
TOTAL :	3383.75	100.00	2624.16	100.00

*Includes spares of Rs.783.61 lacs (Previous year Rs.654.60 lacs) charged to Repair & Maintenance-Machinery.

E. Other Particulars

(Rs. in lacs)

Description	Current Year	Previous Year
a) CIF Value of Imports		
i) Raw Materials / Traded Goods	22721.15	14130.27
ii) Capital Goods	13786.96	3155.84
iii) Stores & Spares	809.12	649.85
iv) Material-in-Transit - Raw Materials	443.29	162.22
v) Material-in-Transit - Capital Goods / Spare Parts	52.23	48.97
b) Expenditure in Foreign Currency		
i) Travelling expenses	321.51	290.40
ii) Advertisement & Publicity	27.87	173.17
iii) General expenses	26.22	16.05
iv) Rebate & Discount	-	11.93
v) Commission on Sales (Net)	69.43	109.59
vi) Discounting & Bank charges	47.15	47.05
vii) Entertainment Expenses	2.39	35.71
viii) Legal & Professional Charges	26.09	57.16
ix) Repair & Maint. -Others	21.59	28.70
x) Claim Exports	0.59	58.33
xi) Rent	51.04	54.74
xii) Interest on FCCB's	168.52	391.82
xiii) Repair & Maint. -Building	-	3.34
xiv) Repair & Maint. -Machinery	24.88	-
c) Earning in Foreign Exchange		
i) F.O.B. value of Export of Manufactured / Traded Goods	52815.22	29081.61
ii) Design & Art work Recovery	232.01	136.17
iii) Technical & Support Services	5481.39	2104.35
iv) Dividend	-	1342.23
v) Discount Received	-	17.17
vi) Misc. Income	-	0.57

Notes : Signatories to Schedule 1 to 26

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

Rakesh Malhotra
Sr. General Manager
(Corp. Accounts)

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

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

Place : NOIDA
Dated : 4th August, 2011

S.V. Sehgal
Partner

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code Balance Sheet Date

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

Public Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Proceeds from Share Capital /Warrants <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="0"/>
Bonus Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Warrants <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Private Placement <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Total Liabilities <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="1"/>	Total Assets <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="1"/>
--	---

Sources of Funds

Paid-up Capital including Warrants <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="8"/>	Reserves & Surplus <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="6"/>	Secured Loans <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="4"/>
Unsecured Loans <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/>	Deferred Tax Liability (Net) <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="8"/>	

Application of Funds

Net Fixed Assets (Including Capital Work-in-Progress) <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Investments <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="8"/>
Net Current Assets <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="3"/>	Misc. Expenditure <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Including Other Income) <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/>	Total Expenditure <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="4"/>	Profit before Tax <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="5"/>
Net Profit After Tax <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="6"/>	Earning Per Share (in Rs.) <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="6"/> <input type="text" value="1"/>	Dividend Rate % <input type="text" value="7"/> <input type="text" value="5"/>

V. Generic Names of Principal Products/ Services of Company (as per monetary terms)

Item Code No. (ITC Code) :	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="P"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="L"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="O"/> <input type="text" value="F"/> <input type="text" value="P"/> <input type="text" value="L"/> <input type="text" value="A"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="R"/> <input type="text" value="O"/> <input type="text" value="L"/> <input type="text" value="L"/> <input type="text" value="F"/> <input type="text" value="O"/> <input type="text" value="R"/> <input type="text" value="M"/>
Item Code No. (ITC Code) :	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="P"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="L"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="O"/> <input type="text" value="F"/> <input type="text" value="P"/> <input type="text" value="L"/> <input type="text" value="A"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="P"/> <input type="text" value="O"/> <input type="text" value="U"/> <input type="text" value="C"/> <input type="text" value="H"/> <input type="text" value="F"/> <input type="text" value="O"/> <input type="text" value="R"/> <input type="text" value="M"/>
Item Code No. (ITC Code) :	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="P"/> <input type="text" value="O"/> <input type="text" value="L"/> <input type="text" value="Y"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="F"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="M"/>
Item Code No. (ITC Code) :	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="B"/> <input type="text" value="O"/> <input type="text" value="P"/> <input type="text" value="P"/> <input type="text" value="F"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="M"/>
Item Code No. (ITC Code) :	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="R"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="G"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="V"/> <input type="text" value="U"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value="C"/> <input type="text" value="Y"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="R"/>
Item Code No. (ITC Code) :	<input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="H"/> <input type="text" value="O"/> <input type="text" value="L"/> <input type="text" value="O"/> <input type="text" value="G"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="M"/>
Item Code No. (ITC Code) :	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="P"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="G"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="K"/> <input type="text" value="S"/> <input type="text" value="R"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="G"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="V"/> <input type="text" value="U"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="D"/> <input type="text" value="F"/> <input type="text" value="L"/> <input type="text" value="E"/> <input type="text" value="X"/> <input type="text" value="O"/> <input type="text" value="G"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="P"/> <input type="text" value="H"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="K"/> <input type="text" value="S"/>
Item Code No. (ITC Code) :	<input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="0"/>
Product Description :	<input type="text" value="A"/> <input type="text" value="D"/> <input type="text" value="H"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="I"/> <input type="text" value="V"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="B"/> <input type="text" value="A"/> <input type="text" value="S"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value="O"/> <input type="text" value="N"/> <input type="text" value="S"/> <input type="text" value="Y"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value="H"/> <input type="text" value="E"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="S"/>

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

Rakesh Malhotra
Sr. General Manager
(Corp. Accounts)

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

Place : NOIDA
Dated : 4th August, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

Sl. No.	Name of the Subsidiary Company	Financial year of the Subsidiary	Issued, subscribed and paid-up capital of Subsidiary Company as on 31st March 2011	Extent of Interest of the Holding Company as on 31st March 2011	Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the Members of the Holding Company and is not dealt in the Accounts of Holding Company for the Financial Year and Previous Financial Years		Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the Members of the Holding Company and is dealt in the Accounts of Holding Company for the Financial Year and Previous Financial Years	
					Current Year	Previous Year	Current Year	Previous Year
1	Flex America Inc	31/3/2011	1,00,000 of Equity Shares of US\$1 each	100%	US \$ 7,36,633 Equivalent to Rs. 327.51 Lacs	US \$ 1,54,720 Equivalent to Rs. 68.79 Lacs	NIL	NIL
2	Flex Middle East FZE	31/3/2011	107 Equity Shares of AED 1 Million each	100%	US \$ 8,44,72,208 equivalent to Rs.37556.34 Lacs	US \$ 1,32,00,169 equivalent to Rs. 5868.80 Lacs	NIL	US \$ 29,23,497 equivalent to Rs. 1299.79 Lacs
3	Uflex Europe Limited	31/3/2011	1,00,000 Equity Shares of GBP 1 Each	100%	GBP (4,94,128) equivalent to Rs. (353.30) Lacs	GBP (2,12,896) equivalent to Rs. (152.22) Lacs	NIL	NIL
4	UTech Developers Limited	31/3/2011	10,00,00,000 Equity Shares of Rs. 10 Each	100%	Rs.(84.46) Lacs	Rs.147.73 Lacs	NIL	NIL
5	Uflex Packaging Inc.	31/3/2011	250,000 Equity Shares of US \$ 10 Each	100%	US \$ (1,53,291) equivalent to Rs. (68.15) Lacs	US \$ 26,617 equivalent to Rs. 11.83 Lacs	NIL	NIL
6	UPET Holdings Limited	31/3/2011	38,40,001 Equity Shares of US \$ 1 Each	100%	US \$ (9,459) equivalent to Rs. (4.21) Lacs	US \$ (11,230) equivalent to Rs. (4.99) Lacs	NIL	NIL
	Subsidiary of UTech Developers Limited							
7	S.D.Buildwell Private Limited	31/3/2011	10,000 Equity Shares of Rs. 10 Each	54%	NIL	Rs. (0.42) Lacs	NIL	NIL
	Subsidiary of UPET Holdings Limited							
8	UPET (Singapore) Limited	31/3/2011	3,82,00,100 Equity Shares of US \$ 1 Each	100%	US \$ (3,898) equivalent to Rs. (1.73) Lacs	US \$ (3,031) equivalent to Rs. (1.35) Lacs	NIL	NIL
	Subsidiary of UPET (Singapore) Limited							
9	Flex Americas S.A. de C.V.	31/3/2011	3,23,459 Equity Shares of MXN 1000 Each	100%	MXN 2175.94 Lacs Equivalent to Rs. 8114.09 Lacs	MXN 1165.83 Lacs Equivalent to Rs. 4347.39 Lacs	NIL	NIL
	Subsidiary of Flex Middle East FZE							
10	Flex P. Films Egypt S.A.E.	31/3/2011	26,80,000 Equity Shares of 10/- Egyptian Pound Each Equivalent to USD 47,914,115	100%	US \$ (4,87,321) Equivalent to Rs.(216.66) Lacs	US \$ (1208754) Equivalent to Rs.(542.49) Lacs	NIL	NIL
11	Flex Films Europa Sp Z o.o.	31/3/2011	2000 Shares of PLN 50 each	100%	PLN (82,178.33) Equivalent to Rs.(12.87) Lacs	NIL	NIL	NIL
	Subsidiary of UFLEX Packaging INC							
12	Tflex Americas LLC @	31/3/2011	\$ 3,000,000 Units of \$ 1 Each	80%	US \$ (17,68,478.40) Equivalent to Rs.(786.27) Lacs	NIL	NIL	NIL

@ Represents Accumulated amount upto 31st March 2011.

Notes:

- As the end of the Financial Year of the Subsidiaries ended 31st March, 2011 coincides with the end of the Financial Year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.
- AKC Developers Ltd., a fellow subsidiary is not reported above, since the company has transferred the Management and Control under the agreement dated 21st May 2010 with an understanding to transfer the entire shareholding on payment of the amount under the agreement.
- Following Rates are used for conversion of the Amount are as under:
(a) 1 USD Equivalent to Rs. 44.46 (b) 1 GBP Equivalent to Rs.71.50 (c) 1 MXP Equivalent to Rs.3.729 (d) 1 PLN Equivalent to Rs.15.66

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

Rakesh Malhotra
Sr. General Manager
(Corp. Accounts)

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

Place : NOIDA
Dated : 4th August, 2011

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors

UFLEX LIMITED

(Formerly known as Flex Industries Limited)

We have audited the attached Consolidated Balance Sheet of UFLEX LIMITED (here-in-after called "Company") and its subsidiaries, Flex America Inc., Uflex Europe Ltd., Uflex Packaging Inc., Flex Middle East FZE, Upet Holdings Limited, UTech Developers Limited, Flex P. Films (Egypt) S.A.E., Upet (Singapore) PTE Limited, Flex Americas S.A. de C.V., S. D. Buildwell Private Limited, Flex Films Europa Sp Z o.o. & Tflex Americas LLC and Joint venture, Qcell Limited (here-in-after collectively called "**UFLEX Group**") as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the UFLEX Group for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the Subsidiaries and Joint Venture, whose financial statements reflect total assets of Rs 300,949.66 lacs as at 31st March 2011, total revenues of Rs. 190,548.96 lacs and Net Cash Inflows amounting to Rs 15,641.86 lacs, for the year then ended. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

We report that the Consolidated Financial Statements have been prepared by the company's Management in accordance with the requirements of Accounting Standard (AS) 21- "Consolidated Financial Statements"; Accounting Standard (AS) 23- "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 – "Financial Reporting of Interest in Joint Ventures", notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of reports of other auditors on separate Financial statements and on other financial information of the Company, its subsidiaries, its joint venture and its associate, Flex Foods Limited and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India:-

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the UFLEX Group as at 31st March 2011;
- b) In the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **VIJAY SEGHAL & CO.**,
Chartered Accountants
Firm Regn. No.: 000374N

CA. S. V. SEHGAL
Partner

Membership No. 080329

Place : NOIDA
Dated : 4th August, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	<u>Schedule Number</u>		<u>As At 31.03.2011</u>	<u>As At 31.03.2010</u>	(Rs. in lacs)
I. SOURCES OF FUNDS					
Shareholders' Funds					
a) Share Capital	1	7218.08		6497.28	
b) Warrants	2	7500.00		-	
c) Reserves & Surplus	3	<u>174133.07</u>	188851.15	<u>96353.34</u>	102850.62
Minority Interest	4		73.36		886.76
Loan Funds					
a) Secured Loans	5	134605.57		113850.18	
b) Unsecured Loans	6	<u>6518.53</u>	141124.10	<u>32531.63</u>	146381.81
Deferred Tax Liability (Net)	7		16064.97		13457.26
TOTAL :			<u>346113.58</u>		<u>263576.45</u>
II. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	8	276484.84		240715.79	
Less : Depreciation		<u>101231.45</u>		<u>90610.83</u>	
Net Block		175253.39		150104.96	
Capital Work-in-Progress		<u>30995.97</u>	206249.36	<u>15562.76</u>	165667.72
Investments	9		10866.05		9599.31
Current Assets, Loans & Advances					
a) Inventories	10	36506.23		18072.16	
b) Sundry Debtors	11	76850.05		59110.12	
c) Cash & Bank Balances	12	27828.13		19170.52	
d) Other Current Assets	13	252.80		132.93	
e) Loans & Advances	14	<u>59168.01</u>		<u>45664.64</u>	
		<u>200605.22</u>		<u>142150.37</u>	
Less : Current Liabilities & Provisions					
a) Current Liabilities	15	60808.16		47382.53	
b) Provisions	16	<u>10798.89</u>		<u>6458.42</u>	
		<u>71607.05</u>		<u>53840.95</u>	
Net Current Assets			128998.17		88309.42
TOTAL :			<u>346113.58</u>		<u>263576.45</u>
Notes :					

- The Schedules referred to above form an integral part of the Consolidated Balance Sheet.
- Significant Accounting Policies and Notes forming part of the Accounts as per Schedules 26 & 27 respectively are annexed and form an integral part of the Consolidated Balance Sheet.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

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 : 4th August, 2011

S.V. Sehgal
Partner

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule Number	For the Year Ended 31.03.2011	(Rs. in lacs) For the Year Ended 31.03.2010
A. INCOME			
Gross Sales & Job Work	17	397374.99	259345.87
Less : Inter unit Sales & Job Work		34354.06	20187.61
Less : Excise Duty		16479.69	10068.75
Net Sales & Job Work		<u>346541.24</u>	<u>229089.51</u>
Operating Income	18 A	7487.13	10761.60
Other Income	18 B	1434.29	1877.30
Share in Profits of Associates for the Year		162.08	170.80
Increase in Finished Goods & Work-in-Progress	19	10098.57	229.34
TOTAL (A) :		<u>365723.31</u>	<u>242128.55</u>
B. EXPENDITURE			
Material Cost	20	170377.82	132162.94
Other Manufacturing Expenses	21	32711.57	28618.74
Payments & Benefits to Employees	22	17123.38	13199.33
Administrative, Selling & Other Expenses	23	33810.85	22467.90
Interest & Financial Charges	24	16431.98	13143.24
Depreciation		13367.72	12144.98
TOTAL		<u>283823.32</u>	<u>221737.13</u>
Less : Expenses Allocated to Self Constructed Assets	25	2612.16	1428.13
TOTAL (B) :		<u>281211.16</u>	<u>220309.00</u>
Profit before Tax and Exceptional Items (A-B)		<u>84512.15</u>	<u>21819.55</u>
(Less) : Provision for Taxation			
- For Income Tax		(12224.71)	(2044.22)
- For Wealth Tax		(20.62)	(16.92)
(Less) : Provision for Deferred Tax (Charge)		(2607.08)	(3205.98)
Add : Mat Credit Entitlement		-	1875.00
Exceptional Items (Net of Tax)		-	465.12
Profit After Tax		<u>69659.74</u>	<u>18892.55</u>
Add / (Less) : Excess / (Short) Provision for earlier years			
- For Fringe Benefit Tax		-	(59.10)
- For Income Tax		(20.87)	36.33
- For Expenses		43.30	18.34
- Diminution in the value of Investment		-	138.11
Profit for the year before Minority Interest		<u>69682.17</u>	<u>19026.23</u>
Add / (Less) : Minority Interest		116.13	(8.11)
Amount available for Appropriations		<u>69798.30</u>	<u>19018.12</u>
Appropriations			
Proposed Dividend		5415.86	3246.70
Proposed Dividend Distribution Tax		878.59	539.24
Legal Reserve		266.53	134.93
General Reserve		3091.53	1134.93
Debenture Redemption Reserve		-	163.94
Balance carried to Balance Sheet		<u>60145.79</u>	<u>13798.38</u>
		<u>69798.30</u>	<u>19018.12</u>
Earning Per Share			
A. Before Exceptional Items			
a. Basic (Rs.)		102.97	28.54
b. Diluted (Rs.)		94.24	25.07
B. After Exceptional Items			
a. Basic (Rs.)		102.97	29.26
b. Diluted (Rs.)		94.24	25.69

Notes :

- The Schedules referred to above form an integral part of the Consolidated Profit & Loss Account.
- Significant Accounting Policies and Notes forming part of the Accounts as per Schedules 26 & 27 respectively are annexed and form an integral part of the Consolidated Profit & Loss Account.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

Rakesh Malhotra
Sr. General Manager
(Corp. Accounts)

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

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

For Vijay Sehgal & Co.
Chartered Accountants

Place : NOIDA
Dated : 4th August, 2011

S.V. Sehgal
Partner

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	For the Year Ended 31.03.2011	(Rs.in lacs) For the Year Ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax ,exceptional items & Minority Interest	84512.15	21819.55
Adjustment for :		
Depreciation / Amortisation	13641.31	12300.39
Exchange rate fluctuations	(2015.00)	(1365.03)
Foreign Currency Transalation Reserve	(925.20)	(329.66)
(Profit) / Loss on assets sold (Net)	(46.28)	191.78
Fixed Assets written Off	61.37	7.34
Interest & Financial Charges	16431.98	13143.24
Interest received from Banks / others	(778.70)	(1489.82)
Dividend received on Non- Trade Investments	(52.73)	(38.65)
Profit on sale of Investments (Net)	(442.81)	(218.80)
Sundry Balances written off (Net)	2101.72	218.41
Expenses For Earlier Years	43.30	18.34
Investment Written -off	-	138.11
Bad & Doubtful Debts (Provision)	994.09	58.61
Operating Profit before Working Capital changes	29013.05	22634.26
Adjustment for :	113525.20	44453.81
Trade and other receivables	(33148.31)	(20983.73)
Inventories	(18434.07)	4303.69
Trade and other payables	15257.59	2668.16
Cash generated from operating activities	77200.41	30441.93
Wealth tax	(20.62)	(16.92)
Fringe Benefit Tax	-	(59.10)
Income Tax	(12245.58)	(2007.89)
Exchange rate fluctuations	2015.00	1365.03
Cash from operating activities before exceptional items	66949.21	29723.05
Exceptional items(Net of Current Taxes)	0.00	528.12
Net Cash from operating activities (A)	66949.21	30251.17
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(54496.82)	(27616.07)
Sale proceeds of Fixed Assets	863.24	708.63
Inflow / (Outflow) on Investments (Net)	(823.30)	356.58
Loans to bodies corporate (Net)	(1584.26)	8785.08
Capital Reserve / (Goodwill) arising on acquisition	(330.87)	-
Interest received from Banks / others	778.70	1489.82
Dividend received on Investments	52.73	38.65
Net Cash used in Investing Activities (B)	(55540.58)	(16237.31)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipt of Securities Premium Account	15111.50	1.31
Receipts from issue of Warrants (Net of Warrants Converted)	7500.00	-
Preliminary Expenses	-	4.87
Share Capital Received	810.38	0.08
(Deletion) / Addition in Minority Interest	(697.27)	0.11
Dividend Paid	(3246.70)	(2,600.26)
Dividend Distribution Tax	(539.24)	(441.92)
Interest & Financial Charges	(16431.98)	(13143.24)
Borrowings (Net)	(5257.71)	9437.07
Net Cash used in Financing Activities (C)	(2751.02)	(6741.98)
Net Increase in Cash and Cash equivalents (A+B+C)	8657.61	7271.88
Opening Cash and Cash equivalents	19170.52	11898.64
Closing Cash and Cash equivalents #	27828.13	19170.52

Note :

Includes Rs. 5094.06 lacs (Previous Year Rs. 1868.24 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
President (Corp. Finance & Accounts)

S. K. Kaushik
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

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

Place : NOIDA
Dated : 4th August, 2011

S.V. Sehgal
Partner

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	(Rs. in lacs)	
	As At 31.03.2011	As At 31.03.2010
1. SHARE CAPITAL		
AUTHORISED		
1,90,00,000 (Previous Year Same) Preference Shares of Rs.100/- each	19000.00	19000.00
15,00,00,000 (Previous Year Same) Equity Shares of Rs.10/-each	15000.00	15000.00
	<u>34000.00</u>	<u>34000.00</u>
ISSUED, SUBSCRIBED & PAID-UP		
7,21,80,775 (Previous Year 6,50,06,646) Equity Shares of Rs.10/- each, fully called-up	7218.08	6500.67
Less : Amount Unpaid	-	3.39
TOTAL :	<u>7218.08</u>	<u>6497.28</u>

Notes :

- a) 7,21,80,775 (Previous Year 6,50,06,646) Equity Shares includes :-
- (i) 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.
- (ii) 37,46,830 (Previous Year NIL) Equity Shares allotted on conversion of 122 (Previous Year NIL) Number of Foreign Currency Convertible Bonds (FCCBs).
- (iii) 35,00,000 (Previous Year NIL) Equity Shares allotted on conversion of equivalent Numbers of Warrants.
- b) During the year the Company has forfeited 72,701 Numbers of Equity Shares in pursuance of resolution passed by the Board of Directors in their meeting held on 15th July 2010.

	(Rs. in lacs)	
	As At 31.03.2011	As At 31.03.2010
2. WARRANTS		
Amount received @Rs.20.50 each on allotment of NIL (Previous Year 87,35,000) Warrants	-	1790.68
Less : Amount forfeited & transferred to Capital Reserve.	-	1790.68
Amount received @ Rs.75.00 each on allotment of 1,35,00,000 (Previous Year NIL) Warrants	10125.00	-
Less : Amount in respect of 35,00,000 (Previous Year NIL) Warrants converted into Equity Shares	2625.00	-
TOTAL :	<u>7500.00</u>	<u>-</u>

Note:

In terms of the Resolution passed through Postal Ballot declared on 19th November 2010 the Company had allotted 135 Lacs Warrants at a price of Rs.300/- per warrant (inclusive of premium of Rs.290/- per warrant), which gives holders the right to convert warrant into equal number of equity shares of the Holding Company at any time within 18 Months from the date of allotment 25th November 2010.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	(Rs. in lacs)			
	Balance As At 01.04.2010	Additions During the year	Deductions During the year	Balance As At 31.03.2011
3. RESERVES & SURPLUS				
Capital Reserve	2806.27	89.58*	-	2895.85
Legal Reserve	134.93	266.53	-	401.46
Revaluation Reserve	3.39	-	0.08	3.31
Foreign Currency Translation Reserve (arising on consolidation)	(5770.37)	(925.20)	-	(6695.57)
Debenture Redemption Reserve	1639.56	-	1639.56	0.00
Securities Premium Account	43089.42	15197.19	85.69 *	58200.92
General Reserve @	8099.92	4731.17	-	12831.09
Profit & Loss Account	46350.22	60145.79	-	106496.01
TOTAL :	<u>96353.34</u>	<u>79505.06</u>	<u>1725.33</u>	<u>174133.07</u>
Previous Year	79658.83	21721.54	5027.03	96353.34

*Represents forfeited Shares during the year due to non-payment of amount in arrears by the share holders.

@ Includes :

- a) Includes Rs.0.08 lacs (Previous Year Rs.0.07 lacs) representing the amount transferred from Revaluation Reserve to General Reserve being the difference between depreciation charged on enhanced value of the revalued assets and the depreciation on their historical cost at straight line method prescribed in Schedule XIV of Companies Act, 1956.
- b) Rs.1639.56 lacs (Previous Year Rs.5026.96 lacs) representing the amount transferred from the Debenture Redemption Reserve.

	(Rs. in lacs)	
	As At 31.03.2011	As At 31.03.2010
4. MINORITY INTEREST		
Share Capital		
Preference Share Capital	-	825.00
Equity Share Capital	272.56	45.46
Profit & Loss Account		
Balance on Acquisition	(82.72)	7.52
Add: Post acquisition profit / (Loss) till year end	(116.48)	8.78
TOTAL :	<u>73.36</u>	<u>886.76</u>
5. SECURED LOANS		
A. ZERO RATE DEBENTURES		
From Financial Institutions	-	3279.12
B. TERM LOAN		
From Financial Institutions	-	1876.88
From Banks	112787.64	84935.03
C. ZERO RATE LOANS		
From Financial Institutions	-	4226.93
D. WORKING CAPITAL FACILITIES		
From Banks	21817.93	19532.22
TOTAL :	<u>134605.57</u>	<u>113850.18</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in lacs)

	As At 31.03.2011	As At 31.03.2010
6. UNSECURED LOANS		
Foreign Currency Convertible Bonds	4179.24	9782.64
Short Term Loans		
From Banks	472.87	10222.78
From Others	1866.42	12526.21
TOTAL :	6518.53	32531.63
7. DEFERRED TAX LIABILITY (NET)		
Opening Balance	13457.26	10188.19
Add/ (Less) : Provision of Deferred Tax charge/ (Credit) for the year	2607.71	3269.07
TOTAL :	16064.97	13457.26

8. FIXED ASSETS

(Rs. in lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK			
	Value/cost As At 01.04.2010	Additions during the year	Deductions during the year	Value/cost As At 31.03.2011	Upto 31.03.2010	For the year	Deductions	As At 31.03.2011	As At 31.03.2011	As At 31.03.2010	
A. TANGIBLE ASSETS											
Freehold Land	1232.79	-	104.04	1128.75	-	-	-	-	1128.75	1232.79	
Leasehold Land	12512.36	767.78	-	13280.14*	-	-	-	-	13280.14	12512.36	
Building	26200.63	3541.28	-	29741.91**	7016.40	881.59	-	7897.99	21843.92	19184.23	
Plant & Machineries	180009.23	32880.48	3117.27	209772.44	77254.54	11015.74	2521.25	85749.03	124023.41	102754.69	
Electrical Installation	5699.03	101.57	0.08	5800.52	2185.30	290.65	-	2475.95	3324.57	3513.73	
Office Equipments	3953.91	451.86	81.90	4323.87	1177.79	296.66	46.24	1428.21	2895.66	2776.12	
Furniture & Fixtures	4842.82	272.50	34.84	5080.48	1037.15	318.01	31.50	1323.66	3756.82	3805.67	
Vehicles (Including Aircraft)	5705.76	981.45	309.36	6377.85	1547.35	439.17	170.17	1816.35	4561.50	4158.41	
B. INTANGIBLE ASSETS											
GoodWill (Arising on Consolidation)	-	330.87	-	330.87	-	-	-	-	330.87	-	
Software	559.26	88.75	-	648.01	392.30	147.96	-	540.26	107.75	166.96	
TOTAL	240715.79	39416.54	3647.49	276484.84***	90610.83	13389.78@	2769.16	101231.45	175253.39	150104.96	
Previous Year	224469.94	17986.14	1740.29	240715.79	79290.20	12153.17	832.54	90610.83			
									CAPITAL WORK-IN-PROGRESS***	30995.97#	15562.76
										206249.36	165667.72

* Includes Rs.365.42 lacs (Previous Year Rs.365.42 lacs) pending execution of title deed.

** Includes Rs. 5.30 lacs (Previous Year Rs.5.30 lacs) acquired on ownership basis, Rs.19.85 lacs (Previous Year Rs. 19.85 lacs) pending execution of title deed.

*** Includes Pre-operative expenses, basis of which is certified by the Management.

Includes Rs.288.09 lacs (Previous year Rs. 5.96 lacs) in respect of Machinery in Transit.

@ Includes Rs.22.06 lacs (Previous Year Rs.8.19 lacs) treated as pre-operative expenses.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As At		(Rs.in lacs)	
	31.03.2011		As At 31.03.2010	
9. INVESTMENTS				
1. Equity Investments in Associates				
Carrying Value of Investment	445.73		445.73	
Add : Share of Post acquisition Profits	<u>2080.65</u>		<u>1918.57</u>	
	2526.38		2364.30	
Less: Amount transferred to 2 (b) below :	2.89		-	
Less : Dividend received upto the year end	<u>352.20</u>	2171.29	<u>234.80</u>	2129.50
2. Others- Fully Paid-up				
(a) Quoted Equity Shares	5208.02		5208.02	
(b) Unquoted Equity Shares	2086.74		15.00	
(c) Trust Securities and Mutual Funds	<u>1400.00</u>		<u>2246.79</u>	7469.81
TOTAL :		<u><u>10866.05</u></u>		<u><u>9599.31</u></u>

10. INVENTORIES

Stores, Packing Material & Fuel	775.60		695.69	
Raw Materials*	15594.08		7604.87	
Work-in-Progress	8567.38		4404.45	
Finished Goods**	9842.61		4127.76	
Traded Goods	44.44		96.01	
Material-in-Transit	<u>1682.12</u>		<u>1143.38</u>	
TOTAL :		<u><u>36506.23</u></u>		<u><u>18072.16</u></u>

* Includes Rs. 981.27 Lacs (Previous Year Rs.Nil lacs) in respect of material in transit at customs / in highseas with Inter Group Companies.

** Includes Rs. 2991.34 Lacs (Previous Year Rs.1927.10 lacs) in respect of material in transit at customs / in highseas with Inter Group Companies.

11. SUNDRY DEBTORS

(Unsecured, Considered Good)

A. Debts outstanding for a period exceeding six months	14054.81		15148.03	
B. Other debts	<u>64550.21</u>		<u>44722.97</u>	
	78605.02		59871.00	
Less : Provision for Bad & Doubtful Debts	<u>1754.97</u>		<u>760.88</u>	
TOTAL :		<u><u>76850.05</u></u>		<u><u>59110.12</u></u>

12. CASH & BANK BALANCES

Cash in hand	175.69		118.39	
Balances with Scheduled Banks:				
- On Current Accounts	2946.14		15107.28	
- On Cash Credits Accounts	408.87		118.15	
- On Fixed Deposits Accounts*	6642.58		1372.40	
- On Unclaimed Dividend Accounts	92.26		143.79	
- In Margin Money Accounts	4060.14		729.64	
Balances with Foreign Banks:				
- On Current Accounts	10190.12		1558.46	
- On Fixed Deposits Accounts	3176.91		22.41	
Remittance in Transit	<u>135.42</u>		<u>-</u>	
TOTAL :		<u><u>27828.13</u></u>		<u><u>19170.52</u></u>

* Include Rs.941.66 lacs (Previous Year Rs.994.81 lacs) pledged with Banks as margin for Letters of Credits, Guarantees and Bills Discounted.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs.in lacs)

	As At 31.03.2011	As At 31.03.2010
13. OTHER CURRENT ASSETS		
Interest accrued on :		
- Loans	173.96	9.61
- Deposits with Banks	78.84	123.32
TOTAL :	252.80	132.93
14. LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Income Tax Paid (Net of provision)	-	0.70
MAT Credit Entitlement	443.68	3286.68
Advances recoverable in cash or in kind or for value to be received	49449.37	36626.80
Security & Other Deposits	2623.08	1069.19
Balances with Excise Authorities	2454.98	2100.05
Loans to Employees and others	96.90	65.48
Loans to Bodies Corporate	4100.00	2515.74
TOTAL :	59168.01	45664.64
15. CURRENT LIABILITIES		
Acceptances	6887.26	7006.81
Sundry Creditors	35145.52	25335.84
Advances from Customers	12889.42	9271.69
Unclaimed Dividend	92.26	68.07
Unclaimed Matured Deposits	0.18	0.18
Unclaimed Matured Debentures	2.91	3.21
Other Liabilities	5697.46	5562.51
Interest accrued but not due on Loans	93.15	134.22
TOTAL :	60808.16	47382.53
16. PROVISIONS		
Income Tax (Net of Payments)	2226.70	763.78
Wealth Tax	20.62	16.92
Proposed Dividend	5415.86	3246.70
Proposed Dividend Distribution Tax	878.59	539.24
Leave Encashment	920.23	786.80
Staff Benefits	352.66	325.33
Warranty	2.55	1.75
Interest on Deferred Liabilities	981.68	777.90
TOTAL :	10798.89	6458.42

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

			(Rs. in lacs)	
	For the		For the	
	Year Ended		Year Ended	
	31.03.2011		31.03.2010	
17. SALES & JOB WORK				
Gross Sales	393968.32		255450.90	
Less : Inter Unit Sales	<u>31621.78</u>		18281.80	
	362346.54		237169.10	
Less : Excise Duty	<u>16429.84</u>	345916.70	9951.68	227217.42
Gross Job Work	<u>3406.67</u>		3894.97	
Less : Inter Unit Job Work	<u>2732.28</u>		1905.81	
	674.39		1989.16	
Less : Excise Duty	<u>49.85</u>	624.54	117.07	1872.09
TOTAL :		<u><u>346541.24</u></u>		<u><u>229089.51</u></u>
18. OPERATING AND OTHER INCOME				
A. OPERATING INCOME				
Design & Art Work Recovery	781.27		463.98	
Less : Excise Duty Recovery	<u>49.11</u>		23.95	
	732.16		440.03	
Packing, Forwarding and Insurance Recoveries	93.91		66.78	
Exchange Rate Fluctuation (Net)	2015.00		1365.03	
Export Incentive	2560.61		1683.85	
Miscellaneous Operating Income	569.91		383.50	
Sales Tax Refund	-		1912.32	
Excise Duty Refund	782.73		329.12	
Licence Fees	685.00		1320.00	
Technical & Support Fees	<u>47.81</u>	7487.13	3260.97	10761.60
B. OTHER INCOME				
Rent Received	56.65		57.11	
Profit on sale of assets (Net)	46.28		-	
Profit on sale of Investments (Net)	442.81		218.80	
Miscellaneous Income	57.12		72.92	
Interest :				
-from Banks	275.61		221.51	
-from Others	503.09		1268.31	
Investment Income:				
- Dividend received on Non-Trade Investments	<u>52.73</u>	1434.29	38.65	1877.30
TOTAL :		<u><u>8921.42</u></u>		<u><u>12638.90</u></u>
19. INCREASE IN FINISHED GOODS & WORK-IN-PROGRESS				
Closing Stock :				
Finished Goods	9842.61		4127.76	
Work-in-Progress	<u>8567.38</u>		4404.45	
		18409.99		8532.21
Less : Opening Stock :				
Finished Goods*	4127.76		3976.34	
Work-in-Progress	<u>4183.66</u>		4326.53	
		8311.42		8302.87
TOTAL :		<u><u>10098.57</u></u>		<u><u>229.34</u></u>

* Refer Note No.'10' of Schedule-27 (Notes forming part of the Accounts).

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in lacs)

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
20. MATERIAL COST		
A. Raw Material Consumed		
Opening Stock	7604.87	5642.97
Add : Purchases	<u>205456.87</u>	<u>145721.01</u>
	213061.74	151363.98
Less : Inter Unit Purchases	<u>31414.64</u>	<u>18242.89</u>
	181647.10	133121.09
Less : Closing Stock	<u>15594.08</u>	<u>7604.87</u>
TOTAL (A) :	166053.02	125516.22
B. Material Cost of Traded Goods Sold		
Opening Stock *	93.85	5392.39
Add : Purchases	<u>4275.39</u>	<u>1350.34</u>
	4369.24	6742.73
Less : Closing Stock	<u>44.44</u>	<u>96.01</u>
TOTAL (B) :	4324.80	6646.72
TOTAL (A) + (B):	<u>170377.82</u>	<u>132162.94</u>

* Refer Note No.'10' of Schedule-27 (Notes forming part of the Accounts).

21. OTHER MANUFACTURING EXPENSES

Power & Fuel Consumed	17424.35	15752.22
Repair & Maintenance-Machinery	3485.51	2469.87
Stores Consumed	2760.69	2103.90
Tools, Jigs & Dies	205.59	163.12
Packing Material Consumed	7010.96	5827.72
Cylinders / Processing Charges for Cylinders	999.65	841.19
Less : Inter Unit Charges	<u>740.73</u>	<u>258.92</u>
	2.86	704.73
Design & Development Charges	2.86	3.82
Excise Duty	54.37	(6.65)
Job Work Charges	1075.59	1881.32
Other Direct Expenses	406.71	266.22
R & D Charges	<u>26.02</u>	<u>20.74</u>
TOTAL :	<u>32711.57</u>	<u>28618.74</u>

22. PAYMENTS & BENEFITS TO EMPLOYEES

Salaries,Wages,Bonus,Benefits and Amenities	15758.04	12183.78
Contribution to Provident Fund and Other Funds	812.13	589.25
Employees Welfare Expenses	<u>553.21</u>	<u>426.30</u>
TOTAL :	<u>17123.38</u>	<u>13199.33</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in lacs)

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
23. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent,Rates & Taxes	1390.28	1088.39
Insurance charges	500.84	366.85
Electricity & Water charges	347.71	282.83
Printing & Stationery	183.50	186.67
Postage,Telegram,Telephone & Fax Expenses	910.52	929.35
Vehicle Running & Maintenance Expenses	389.05	297.39
Lease Rent - Vehicles	363.73	260.20
Conveyance & Travelling Expenses	2343.99	2029.31
Repair & Maintenance :		
- Building	339.86	214.81
- Others	1047.92	651.97
Legal & Professional Charges	1217.80	487.66
Directors' sitting fees	12.00	7.60
General Expenses	2105.66	1418.33
Commission on Sales	886.05	937.44
Advertisement & Publicity	272.36	345.45
Entertainment Expenses	757.89	407.57
Sales Tax	4383.26	3287.87
Charity & Donation	52.42	4.71
Rebate & Discount	1117.45	1163.53
Freight & Forwarding charges	11666.92	7240.76
Fixed Assets Written -off	61.37	7.34
Investment Written -off	-	138.11
Loss on assets sold (Net)	-	191.78
Bad & Doubtful Debts (Provision)	994.09	58.61
Sundry balances written-off (Net)	2101.72	218.41
Claim (Exports)	0.59	58.33
Marketing Expenses	90.28	31.22
Amortisations	273.59	155.41
TOTAL :	<u>33810.85</u>	<u>22467.90</u>
24. INTEREST & FINANCIAL CHARGES		
Interest		
- On Loans for Fixed Period	11059.14	7978.95
- On Other Loans / Liabilities	3073.65	2673.75
- On Deferred Liabilities	158.41	132.98
Discounting & Financial Charges	14291.20	10785.68
TOTAL :	<u>2140.78</u>	<u>2357.56</u>
	<u>16431.98</u>	<u>13143.24</u>
25. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS		
Material Cost	1304.17	662.07
Salary & Wages	512.54	308.50
Other Manufacturing Expenses	295.95	159.44
Administrative & Other Expenses	340.12	187.03
Interest & Financial Charges	9.86	6.51
Depreciation	149.52	104.58
TOTAL :	<u>2612.16</u>	<u>1428.13</u>

26. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.

2. 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 31st 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. Differences arising in consolidation on account of translations are reflected in "Foreign Currency Translation Reserve (arising on Consolidation)", under "Reserve & Surplus".
- VII. Investment in the associate company, i.e. M/s Flex Foods Limited, 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.
- VIII. The principles of consolidation are consistently followed except for the changes required by statute and / or Accounting Standards.

3. The Consolidated Financial Statements include the results of the following entities :

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
1	Flex America Inc.	USA	Subsidiary	100%
2	Uflex Europe Limited	London-UK	Subsidiary	100%
3	Uflex Packaging Inc.	USA	Subsidiary	100%
4	Tflex Americas LLC	USA	Subsidiary	80%
5	Flex Middle East FZE	Dubai-UAE	Subsidiary	100%
6	Flex P. Films (Egypt) S.A.E.	Egypt	Subsidiary	100%
7	Flex Films Europa Sp Z o.o.	Poland	Subsidiary	100%
8	Upet Holdings Limited	Mauritius	Subsidiary	100%
9	Upet (Singapore) Pte. Ltd.	Singapore	Subsidiary	100%
10	Flex Americas S.A.de C.V.	Mexico	Subsidiary	100%
11	UTech Developers Limited	India	Subsidiary	100%
12	SD Buildwell Private Limited	India	Subsidiary	54%
13	Qcell Limited	Gambia	Joint Venture	40%
14	Flex Foods Limited	India	Associate	47.15%

4. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out in the separate financial statements of UFLEX Limited and its subsidiaries.

27. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As At 31.03.2011	(Rs.in lacs) As At 31.03.2010
1. A Contingent liabilities not provided for in respect of :		
i) Guarantees issued by Banks	753.32	349.50
ii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	4775.86	2032.33
iii) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	12789.43	7122.63
iv) Show cause notice / demands of Excise Authorities not acknowledged by the Holding Company and are contested / appealed / replied.	5183.56	5426.02
v) Additional demands raised by the Income Tax Department, which are under rectification & appeal	311.39	53.71
vi) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	324.93	538.59
vii) Demand raised by PF authority for alleged lower contribution of PF and are under appeal	20.72	20.72
viii) Amount demanded by the erstwhile workers of the holding Company and are pending in labour Court	12.20	45.02
ix) Premium on Redemption of outstanding Foreign Currency Convertible Bonds*	914.84	2141.42
*The Holding Company expect that the holders of FCCBs are expected to opt for the conversion rather than redemption and in that case no premium would be payable by the Holding Company. On this basis the amount of premium has not been provided and is shown as contingent liability. However the premium, if liable to be paid would be adjusted against the available Securities Premium Account/ charged to Profit and Loss account at the time of redemption.		
B The share in the aggregate contingent liability of the Associates	115.65	265.52
2. Capital Commitments :		
a) The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	49202.41	16425.19
b) The share in the aggregate capital commitments of the Associates	150.66	1152.98
		(Rs.in lacs)
	Current Year	Previous Year
3. Managerial Remuneration :		
i) Salaries including HRA	939.05	869.97
ii) Contribution to Provident Fund	61.54	55.99
iii) Commission to Chairman & Managing Director	600.00	40.00
iv) Medical re-imburement	3.17	4.91
v) Perquisite value of electricity, car, furniture & fixtures and rent free accommodation provided,evaluated as per Income Tax Rules, 1962 (Net of recovery)	8.04	9.33
vi) Sitting Fees	12.00	7.60
TOTAL :	1623.80	987.80
4. In the opinion of the Board and to the best of their knowledge, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet.		

5. EXCEPTIONAL ITEMS

	Current Year	Previous Year
Discount on Purchase of FCCB	-	634.12
Less : Provision for Income Tax	-	106.00
Less : Provision for Deferred Tax Charge	-	63.00
	-	<u>465.12</u>

6. a) Rupees have been rounded off to the nearest thousand
b) Previous Year figures have been recasted / regrouped, 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 & it :-
a) Excludes the results of the following Indian companies in which interest was transferred to Joint Venture Partner under the agreement dated 21st May, 2010.

Name of the Company	Nature of Relationship	% of ownership Interest
AKC Developers Ltd.	Subsidiary	70%
Ultra Urban Infratech Limited	Associate	48.78%

- b) Includes the results of the following additional Foreign companies in which interest was acquired during the year.

Name of the Company	Nature of Relationship	% of ownership Interest
TFLEX Americas LLC	Subsidiary	80%
Flex Films Europa Sp Z o.o.	Subsidiary	100%

7. The name of the Holding Company stands changed from Flex Industries Limited to Uflex Limited with effect from 19th March 2007.

8. 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) (i) Profit for the year after Adjustments, before exceptional items (viz. Numerator) (Rs.in lacs)		
a Basic Earning	69798.30	18553.00
Add : Interest on FCCB (Net of Tax)	<u>123.60</u>	<u>287.38</u>
b Diluted Earning	69921.90	18840.38
(ii) Profit for the year, after Adjustments, after exceptional items (viz. Numerator) (Rs.in lacs)		
a Basic Earning	69798.30	19018.12
Add : Interest on FCCB (Net of Tax)	<u>123.60</u>	<u>287.38</u>
b Diluted Earning	69921.90	19305.50

	<u>Current Year</u>	<u>Previous Year</u>
(B) (i) Opening Balance of Equity Shares	65006646	65006646
Add / (Less) :		
Weighted Average Factor of FCCB's converted into Equity shares	1657675	-
Weighted Average Factor of Warrant converted into Equity shares	1169863	-
Weighted Average Factor of Equity Share Forfeited	(51787)	-
Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	67782397	65006646
(ii) Opening Balance of Equity Shares	65006646	65006646
Add / (Less) :		
Weighted Average Factor of outstanding FCCB's	2886911	6633753
Weighted Average Factor of outstanding Equity Warrants	3527397	3517932
Weighted Average Factor of Equity Share Forfeited	(51787)	-
Weighted Average Factor of FCCB's converted into Equity shares	1657675	-
Weighted Average Factor of Warrant converted into Equity shares	1169863	-
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	74196705	75158331
(C) Nominal Value Per Share	Rs. 10/-	Rs. 10/-
<u>Earning Per Share</u>		
(D) (i) Before Exceptional Items		
(a) Basic (A(ia)/B(i)) (Rs.)	102.97	28.54
(b) Diluted (A(ib)/B(ii)) (Rs.)	94.24	25.07
(ii) After Exceptional Items		
(a) Basic (A(ia)/B(i)) (Rs.)	102.97	29.26
(b) Diluted (A(iib)/B(ii)) (Rs.)	94.24	25.69

9. ADDITIONAL DISCLOSURE FOR JOINT VENTURE

Company's share in assets, liabilities, income and expenses of the Joint Venture, as included in Consolidated Financial Statements are as under :

	<u>Current Year</u>	<u>Previous Year</u>
Reserve & Surplus	(1355.49)	(433.65)
Fixed Assets		
Gross Block	2887.36	2791.17
Less : Depreciation	709.58	253.14
Net Block	2177.78	2538.03
Capital Work-in-Progress	891.1	1237.14
Current Assets, Loans and Advances	3068.88	3775.17
Inventories	44.44	76.54
Sundry Debtors	220.48	159.54
Cash & Bank Balances	41.39	21.75
Loans & Advances	58.66	209.05
Current Liabilities & Provisions	364.97	466.88
Current Liabilities	448.73	718.35
Total Income	1848.13	945.06
Total Expenses	2469.74	1471.01

10. During the year under review, due to strategic reasons, UTech 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 its 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 Utech Developers Ltd. upto the Balance Sheet, which is included in the Schedule-15- " Current Liabilities".

As per the agreement, Utech Developers Ltd. has transferred the management and control of its subsidiary to the Joint Venture Partner and accordingly the financial statements of the subsidiary of Utech Developers Ltd., are not incorporated into the Consolidated Financial Results. The following amount which was included in the carrying amount of the Financial Statements as at 31st March 2010, are shown as deduction in the current financial statements and the Investment amount is shown as Unquoted investment at its carrying value in the Schedule -9- "Investment":

	(Rs.in lacs)	
Particulars		
Deferred Tax Assets		0.63
Investments		0.76
Fixed Assets		
- Gross Block	86.22	
- Less : Depreciation	6.04	
- Net Block	80.18	
- Capital Work-in-Progress	5775.66	5855.84
Current Assets, Loans and Advances		
- Inventories	222.95	
- Sundry Debtors	253.77	
- Cash & Bank Balances	841.51	
- Other Current Assets	69.12	
- Loans & Advances	277.31	
	1664.66	
Current Liabilities & Provisions		
- Current Liabilities	1238.39	
- Provisions	7.22	
	1245.61	
Net Current Assets		419.05
Total Assets		6276.28
Less :		
Minority Interest	886.65	
Secured Loans	3320.79	4207.44
Carrying Value of Investment		2068.84
Other Items:		
Work-in-progress (Refer Schedule No.'19')		220.79
Traded Goods (Refer Schedule No.'20')		2.16
Profit on the sale of ownership will be recognized upon transfer of shareholding of subsidiary of Utech Developers Ltd., to Joint Venture Partner and compliance of all other conditions under the agreement.		

11. 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) **Associate** : Flex Foods Limited

ii) **Key Management Personnel & their relatives (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director , Mr. S.K. Kaushik, Wholetime Director, Mrs. Rashmi Chaturvedi (Director of Flex Middle East FZE), 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. Anantshree Chaturvedi (Director of Flex Middle East FZE) 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 Pvt.Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshikha Consultants (P) Ltd., A.R.Leasing (P) Limited, Cinflex Infotech (P) Ltd., Ultimate Enterprises (P) Ltd., AR Aerotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd., AC Infrastructures (P) Ltd., Club One Airways (P) Ltd., Flex Industries (P) Ltd., AC Infratech (P) Ltd., RC Properties (P) Ltd., A to Z Infratech (P) Ltd. and Ultimate Infratech (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	Enterprises as referred to in 'a (iii)' above	Total
i) Trade Transactions				
Sale of Goods/Services (Net)	12.39	-	3053.49	3065.88
	<i>13.21</i>	-	<i>1179.49</i>	<i>1192.70</i>
Purchase of Goods/Services (Net)	-	-	7991.15	7991.15
	-	-	<i>4258.46</i>	<i>4258.46</i>
Sale of Fixed Assets / Transfer of undertaking	-	-	-	-
	-	-	<i>210.00</i>	<i>210.00</i>
Lease Charges Received	-	-	55.98	55.98
	-	-	<i>71.89</i>	<i>71.89</i>
Rent Received	-	30.00	4.08	34.08
	-	<i>30.00</i>	<i>4.08</i>	<i>34.08</i>
Rent Paid	-	195.75	103.60	299.35
	-	<i>180.00</i>	<i>3.60</i>	<i>183.60</i>
Debit Balance Written - off	-	-	-	-
	<i>0.08</i>	-	-	<i>0.08</i>
Interest Paid on Loans	4.46	-	-	4.46
	<i>23.42</i>	-	-	<i>23.42</i>
Dividend Income	117.40	-	-	117.40
	<i>117.40</i>	-	-	<i>117.40</i>
Security Given	-	-	60.00	60.00
	-	-	-	-
Remuneration	-	1611.80	-	1611.80
	-	<i>980.20</i>	-	<i>980.20</i>
ii) Non Trade Transactions				
Loan Taken	100.00	-	700.00	800.00
	-	-	<i>8800.00</i>	<i>8800.00</i>
Amount received on allotment of warrants shares	-	2250.00	15750.00	18000.00
	-	-	-	-
Repayment of Loan Taken	100.00	-	8700.00	8800.00
	<i>300.00</i>	-	<i>800.00</i>	<i>1100.00</i>
Total	334.25	4087.55	36418.30	40840.10
	<i>454.11</i>	<i>1190.20</i>	<i>15327.52</i>	<i>16971.83</i>
Balance as on 31.03.2011				
Debit	-	-	482.52	482.52
	<i>5.62</i>	-	<i>56.70</i>	<i>62.32</i>
Credit	1.50	21.07	3297.64	3320.21
	-	<i>22.89</i>	<i>8657.33</i>	<i>8680.22</i>

Note:

Ultra Urban Infratech Ltd.an associate company is not reported above,since the Company 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 payment of the amount due under an agreement.

Note: Previous Year figures have been given in Italic.

Notes : Signatories to Schedule 1 to 27

For and on behalf of the Board of Directors

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

S. K. KAUSHIK
Whole-time Director

Ashok Chaturvedi
Chairman & Managing Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

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

Place : NOIDA
Dated : 4th August, 2011

S.V. Sehgal
Partner

DETAILS OF THE SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Value	Capital (Note No.1)	Reserves	Total Assets	Total Liabilities	Investments (Note No.2)	Turnover (Note No.3)	Profit before Taxation	Prov For Taxation	Profit after Taxation
Flex America Inc.	USD MN	0.10	1.26	9.55	9.55	-	62.35	1.16	0.42	0.74
Uflex Packaging Inc.	INR	44.46	560.76	4,244.49	4,244.49	-	27,723.02	514.42	186.92	327.50
	USD MN	2.50	(0.12)	11.61	11.61	-	17.55	(0.14)	0.01	(0.15)
Tflex Americas LLC	INR	1,111.50	(51.66)	5,161.25	5,161.25	-	7,802.22	(65.38)	2.77	(68.15)
	USD MN	3.00	(2.21)	5.72	5.72	-	2.12	(1.67)	-	(1.67)
Uflex Europe Ltd.	INR	1,333.80	(982.83)	2,542.25	2,542.25	-	941.30	(743.40)	-	(743.40)
	GBP MN	1.00	(0.75)	0.56	0.56	-	0.52	(0.49)	-	(0.49)
Flex Middle East FZE	INR	711.43	(535.02)	248.27	248.27	-	372.59	(353.30)	-	(353.30)
	USD MN	29.30	136.51	234.57	234.57	-	202.11	84.47	-	84.47
Flex P. Films (Egypt) S.A.E.	INR	13,026.76	60,694.15	104,288.04	104,288.04	-	89,860.14	37,556.34	-	37,556.34
	USD MN	47.91	(1.70)	112.19	112.19	-	17.70	(0.28)	(0.33)	0.05
Flex Films Europa Sp Z o.o.	INR	21,302.62	(754.07)	49,880.56	49,880.56	-	7,870.83	(123.39)	(146.39)	23.00
	PLN MN	4.90	(0.08)	4.94	4.94	-	-	(0.08)	-	(0.08)
Upet Holdings Limited	INR	767.92	(12.87)	774.07	774.07	-	-	(12.87)	-	(12.87)
	USD MN	38.40	(0.04)	38.36	38.36	-	-	(0.01)	-	(0.01)
Upet (Singapore) Pte. Ltd.	INR	17,072.64	(18.25)	17,054.64	17,054.64	-	0.08	(4.21)	-	(4.21)
	USD MN	38.20	(0.01)	38.20	38.20	-	-	-	-	-
Flex Americas, S.A .de C. V.	INR	16,983.75	(5.53)	16,982.22	16,982.22	-	-	1.73	-	1.73
	MXN MN	419.22	292.25	1,541.02	1,541.02	-	1,337.38	304.70	87.10	217.60
UTech Developers Ltd.	INR	15,633.72	10,898.78	57,468.93	57,468.93	-	49,874.35	11,362.94	3,248.26	8,114.68
	INR	10,000.00	923.05	30,638.21	30,638.21	2,032.00	7.93	(121.10)	(36.64)	(84.46)
SD Buildwell Private Ltd.	INR	3,243.40	(0.77)	3,245.38	3,245.38	-	-	-	-	-

Notes :

- Including Share Application Money.
- Excluding Investment in Subsidiary and Joint Venture considered in Consolidated Financial Statement.
- Including Operating and Other Income.
 - 1 US \$ to INR 44.46
 - 1 GBP to INR 71.50
 - 1 MXN to INR 3.729
 - 1 PLN to INR 15.66



UFLEX LIMITED

Regd. Office :

305, Third Floor, Bhanot Corner, Pamposh Enclave,
Greater Kailash - I, New Delhi - 110 048

DP ID*	
--------	--

Client ID*	
------------	--

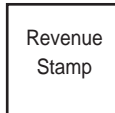
PROXY FORM

Proxy No. :

Regd. Folio No. No. of shares held I/We
of in the district
of being a Member/Members of the above named
Company hereby appoint
of in the district of
..... or failing him/her of in
the district of as my/our proxy to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on **Saturday, the 10th September, 2011 at 10.00 A.M.** at Air Force Auditorium, Subroto Park, New Delhi-110 010 and at any adjournment thereof.

Signed this day of 2011.

Signature



.....

*** Applicable for investors holding shares in electronic form.**

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the scheduled time of the Meeting. The Proxy need not be a Member of the Company.



UFLEX LIMITED

Regd. Office :

305, Third Floor, Bhanot Corner, Pamposh Enclave,
Greater Kailash - I, New Delhi - 110 048

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

DP ID*	
--------	--

Client ID*	
------------	--

Name of attending Member (In Block Letters)	Regd. Folio No.
Name of Proxy (in Block Letters) (To be filled in if the Proxy attends instead of the Member)	Number of Shares held

I hereby record my presence at the 22nd Annual General Meeting of the Company being held at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on **Saturday, the 10th September, 2011 at 10.00 A.M.**

.....
Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

- Notes :**
- i) Members/Proxy holders are requested to bring the Attendance Slip with them duly filled in when they come to the Meeting and hand over at the entrance. No attendance slip will be issued at the time of the Meeting.
 - ii) Members/Proxy holders desiring to attend the Meeting should bring their copy of the Annual Report for reference at the Meeting.

***Applicable for investors holding shares in electronic form**

