

TWENTY EIGHTH

# ANNUAL REPORT 2016-2017



*'A part of your daily life'*

## UFLEX LIMITED



'A part of your daily life'

# UFLEX LIMITED

CIN: L74899DL1988PLC032166

## TWENTY EIGHTH ANNUAL REPORT 2016-2017

### BOARD OF DIRECTORS

ASHOK CHATURVEDI  
*Chairman & Managing Director*

M. G. GUPTA  
ACHINTYA KARATI  
INDU LIBERHAN  
TARA SANKAR SUDHIR BHATTACHARYA  
ARVIND MAHAJAN (w.e.f. 03.08.2016)  
VIJAY KUMAR GUPTA  
(upto 16.05.2017)  
*Nominee IFCI*

V. ANISH BABU (w.e.f. 16.05.2017)  
*Nominee IFCI*

PRADEEP Poddar (w.e.f. 30.05.2017)  
AMITAVA RAY  
*Whole-time Director*

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

AJAY KRISHNA

### AUDITORS

#### Statutory Auditors

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

#### Internal Auditors

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

#### Cost Auditors

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

#### Secretarial Auditors

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

### REGISTERED OFFICE

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

### CORPORATE OFFICE

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

### SUBSIDIARY COMPANIES

UFlex Packaging Inc., USA  
Flex Films (USA) Inc., Kentucky, USA  
UFlex Europe Limited, UK  
Flex Middle East FZE, UAE  
Flex P. Films (Egypt) S.A.E., Egypt  
Flex Films Europa Sp.zo.o., Poland  
Flex P Films (Brasil) Comercio De Filmes  
Plasticos Ltda, Brazil (till 28.03.2017)

UPET Holdings Ltd., Mauritius  
UPET (Singapore) Pte. Ltd., Singapore  
Flex Americas S.A. de C.V., Mexico  
UTech Developers Limited  
SD Buildwell Pvt. Ltd.  
USC Holograms Pvt. Ltd.  
Refex Energy (Rajasthan) Pvt. Ltd.  
(w.e.f. 07.07.2016)  
Bundelkhand Projects Pvt. Ltd.  
(w.e.f. 07.07.2016)

### BANKERS

#### UFLEX Ltd., India - Bankers

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

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

United Arab Bank, Dubai  
National Bank of Oman, Dubai  
Flex Americas S.A. de C.V.,

#### Mexico - Bankers

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

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

#### Egypt - Bankers

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

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

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

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

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

### REGISTRAR AND SHARE TRANSFER AGENT

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

### WORKS

#### India

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

#### Dubai

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

#### Mexico

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

#### Egypt

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

#### Poland

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

#### USA

1221, North Black Branch Road,  
Elizabethtown, KY 42701

### ZONAL OFFICES

#### Mumbai

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

#### Kolkata

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

#### Bengaluru

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

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of UFLEX Limited will be held on Monday, 31<sup>st</sup> July, 2017 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - a) Audited Financial Statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and the Auditors thereon; and
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the report of Auditors thereon.
2. To declare the dividend for the year 2016-2017 on the equity shares of the Company.
3. To appoint a Director in place of Shri Amitava Ray (DIN: 00184143), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. KAAP & Associates, Chartered Accountants (Firm Registration No. 019416N), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. Vijay Sehgal & Co., Chartered Accountants (Firm Registration No. 000374N), the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 33<sup>rd</sup> Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution

as an Ordinary Resolution:

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Shri Arvind Mahajan (DIN 02410540), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 3<sup>rd</sup> August, 2016 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri Arvind Mahajan as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term up to 2<sup>nd</sup> August, 2018 and whose office shall not be liable to retire by rotation.”

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

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Shri Pradeep Narendranath Poddar (DIN 00025199), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> May, 2017 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose Shri Pradeep Narendranath Poddar as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term up to 29<sup>th</sup> May, 2020 and whose office shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Jitender, Navneet & Co., Cost Accountants re-

appointed as the Cost Auditors of the Company by the Board of Directors, for the conduct of the audit of the cost records of the Company for the financial year 2017-18 at a remuneration of Rs. 18.70 Lacs excluding service tax, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

By Order of the Board

**AJAY KRISHNA**

Sr. Vice President (Legal) &  
Company Secretary

Place : NOIDA

Dated : 30<sup>th</sup> May, 2017

ACS No. 3296

**Regd. Office:**

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

**IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 24<sup>th</sup> July, 2017 to 31<sup>st</sup> July, 2017 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

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

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will

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

5. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs. 21,24,696 (Rupees Twenty One Lac Twenty Four Thousand Six Hundred Ninety Six only) being the unpaid and unclaimed dividend amount pertaining to Dividend, 2008-09 to the Investor Education and Protection Fund of the Central Government.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Electronic copy of the Annual Report of the 28<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28<sup>th</sup> Annual General Meeting of the Company inter

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

9. The Company has paid the Annual Listing Fees for the year 2017-2018 to the following Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.
10. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority. As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified. The Company also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on 9<sup>th</sup> December, 2016 informing for Transfer of such Shares to IEPF Account. As and when the same will be notified by the Authority, the shares will be transferred / credited in the Demat Account of Authority.
11. In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Vijay Sehgal & Company, Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. KAAP & Associates, Chartered Accountants

(Firm Registration No. 019416N) as the Statutory Auditors at the Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s KAAP & Associates, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. KAAP & Associates, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

## 12. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).
- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- i) The voting period begins on **28<sup>th</sup> July, 2017 (9:00 AM)** and ends on **30<sup>th</sup> July, 2017**

**(5:00 PM).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **24<sup>th</sup> July, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders." Tab.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

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

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for **UFLEX LIMITED** on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the *cut-off date* i.e. **24<sup>th</sup> July, 2017**
14. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the *cut-off date* only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
15. Shri Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
16. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of “ballot paper” or “polling paper” for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
17. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.

18. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.uflexltd.com](http://www.uflexltd.com) and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.
19. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company.

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

#### **Item No. 5**

Shri Arvind Mahajan was appointed as an Additional Director by the Board with effect from 3rd August, 2016 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Mahajan will hold office up to the date of the ensuing AGM.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Shri Mahajan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received from Shri Mahajan (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Shri Mahajan is a retired Director General, Corps of Electronics and Mechanical Engineers in Indian Army. The matter regarding appointment of Shri Mahajan as an Additional Director was placed before the Nomination and Remuneration Committee and it has recommended his appointment.

The resolution seeks the approval of members for the appointment of Shri Mahajan as an Independent Director of the Company for a term up to 2nd August, 2018 pursuant to Section 149 and other applicable

provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Shri Mahajan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

No director, key managerial personnel or their relatives, except Shri Mahajan, to whom the resolution relates, is interested or concerned in the resolution.

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

#### **Item No. 6**

Shri Pradeep Narendranath Poddar was appointed as an Additional Director by the Board with effect from 30<sup>th</sup> May, 2017 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Poddar will hold office up to the date of the ensuing AGM.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Shri Poddar for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received from Shri Poddar (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Shri Poddar is a Bachelor of Chemical Engineering from UDCT (now UICT), Mumbai University and PGDM (MBA) from IIM-Ahmedabad.

The matter regarding appointment of Shri Poddar as an Additional Director was placed before the Nomination and Remuneration Committee and it has recommended his appointment.

The resolution seeks the approval of members for the appointment of Shri Poddar as an Independent Director of the Company for a term up to 29th May,



2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Shri Poddar the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

No director, key managerial personnel or their relatives, except Shri Poddar, to whom the resolution relates, is interested or concerned in the resolution.

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

**Item No. 7**

The Board of Directors on the recommendation of Audit Committee re-appointed M/s. Jitender, Navneet & Co., Delhi, Cost Auditors, (Firm Registration No.00119) for the Financial Year 2017-18. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders.

The Board accordingly recommends the Ordinary resolution set out at Item No. 7 of the accompanying notice for the approval of the members.

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

By Order of the Board

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

Place : NOIDA  
Dated: 30<sup>th</sup> May, 2017

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

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

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

Name of Director	Shri Amitava Ray	Shri Arvind Mahajan	Shri Pradeep Poddar
Date of Birth	30.10.1945	24.12.1947	09.09.1954
Date of Appointment	02.02.2016	03.08.2016	30.05.2017
Experience in specific Functional areas	He has served at UFLEX Limited as President & Chief Executive Officer of Flexible Packaging Business. In this role he led the Company's Flexible Packaging business, driving its growth strategy in Domestic and Exports markets with particular emphasis on globalization, innovation and industry leadership.	Shri Mahajan is retired from Indian Army as Director General, Corps of Electronics and Mechanical Engineers. Shri Mahajan's areas of specialization are finance, law, management, sales, marketing, administration, research, corporate governance and technical operation.	He has vast experience at the highest levels of Management and is a veteran of the consumer goods industry.

Name of Director	Shri Amitava Ray	Shri Arvind Mahajan	Shri Pradeep Poddar
<b>Qualification</b>	Shri Amitava Ray is an Honours Graduate in Economics & Mathematics from Presidency College Kolkata and PGDM from Kolkata University.	Shri Arvind Mahajan holds a Post Graduate Degree in Automobile Engineering from Military College of Electronics & Mechanical Engineering, Secunderabad; Masters Diploma in Business & Administration Management) from Symbiosis Institute of Management Studies, Pune. He is Doctor of Philosophy (Ph.D) (Technology & National Security) from Chaudhary Charan Singh University, Meerut.	Shri Poddar holds a Degree in Chemical Engineering & PGDM (MBA) from IIM, Ahmedabad.
<b>Directorship in other Public Limited Companies / excluding private companies which are subsidiary of public company</b>	M/s CICO Technologies Limited M/s Bengal Ceramics Limited M/s FRC Composites India Limited M/s CICO Technotrade Limited	--	M/s Welspun India Limited M/s Monsanto India Limited M/s Welspun Flooring Limited
<b>Member/ Chairman of Committee of the Board of the Public Limited Companies on which he is Director</b>	<ul style="list-style-type: none"> <li>Audit Committee, UFLEX Limited – Member</li> <li>Corporate Social Responsibility (CSR) Committee, UFLEX Limited – Member</li> <li>Stakeholders' Relationship Committee, UFLEX Limited – Member</li> </ul>	--	<ul style="list-style-type: none"> <li>Audit Committee, Monsanto India Limited – Member</li> <li>Corporate Social Responsibility (CSR) Committee, Monsanto India Limited – Member</li> <li>Stakeholders' Relationship Committee, Monsanto India Limited – Member</li> <li>Nomination &amp; Remuneration Committee, Monsanto India Limited – Member</li> </ul>

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

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

Sl. No.	Name of Director	No. of Equity Shares	Other convertible Instruments
01.	Shri M.G. Gupta	8061	Nil
02.	Shri A. Karati	Nil	Nil
03.	Shri V. Anishbabu (Nominee – IFCI)	Nil	Nil
04.	Shri T.S. Bhattacharya	Nil	Nil
05.	Smt. Indu Liberhan	Nil	Nil
06.	Shri Arvind Mahajan	Nil	Nil
07.	Shri Pradeep Poddar	Nil	Nil

## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting this Twenty Eighth Annual Report together with the Standalone & Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

The summarized financial results for the year ended 31<sup>st</sup> March, 2017 and for the previous year ended 31<sup>st</sup> March, 2016 are as follows:

	[Rs. in Crores]			
	Consolidated Year Ended		Standalone Year Ended	
	2017	2016	2017	2016
<b>Revenue from Operations</b>	<b>6504.78</b>	6365.52	<b>3887.48</b>	3801.36
Other Income	<b>20.51</b>	34.92	<b>17.11</b>	37.82
Share in Profit of Associates for the Year	<b>4.07</b>	3.67	<b>0.00</b>	0.00
<b>Total Income</b>	<b>6529.36</b>	6404.11	<b>3904.59</b>	3839.18
<b>Profit before Finance Cost, Depreciation &amp; Tax</b>	<b>898.87</b>	843.17	<b>510.41</b>	510.84
Finance Cost	<b>186.82</b>	175.84	<b>118.78</b>	107.83
Depreciation	<b>317.54</b>	285.54	<b>187.68</b>	166.99
<b>Profit before Tax</b>	<b>394.51</b>	381.79	<b>203.95</b>	236.02
Less: Tax Expenses	<b>43.76</b>	64.85	<b>10.40</b>	34.37
<b>Profit for the year before Minority Interest</b>	<b>350.75</b>	316.94	<b>193.55</b>	201.66
Non Controlling Interest	<b>(2.29)</b>	(3.10)	<b>0.00</b>	0.00
<b>Profit for the year</b>	<b>348.46</b>	313.84	<b>193.55</b>	201.66
Total Other Comprehensive Income for the Year	<b>(141.68)</b>	55.56	<b>8.55</b>	4.55
<b>Total Comprehensive Income for the Year</b>	<b>206.78</b>	369.40	<b>202.10</b>	206.21

During the year under review, your Company has achieved consolidated total income and net profit of Rs.6529.36 crore and Rs. 348.46 crore respectively as against total income and net profit of Rs. 6404.11 crore and Rs. 313.84 crore respectively during the previous financial year ended 31<sup>st</sup> March, 2016.

Further, your Company has achieved standalone total income of Rs. 3904.59 crore and net profit of Rs.193.55 crore as against total income of Rs. 3839.18 crore and net profit of Rs. 201.66 crore

during the previous financial year ended 31<sup>st</sup> March, 2016.

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

The Details of financial performance of all subsidiaries and associates are contained in Note No. 48 of the Notes to Accounts to the Consolidated Financial Statements.

### TRANSFER OF UNCLAIMED DIVIDEND

An amount of Rs. 21,24,696 (Rupees Twenty One Lac Twenty Four Thousand Six Hundred Ninety Six only) was transferred to Investor Education and Protection Fund (IEPF) during the year under review.

### DIVIDEND

Your Directors are pleased to recommend a dividend @ Rs.3.50 per share for the financial year ended March 31, 2017 after considering future needs of the company for growth.

The dividend, if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 24<sup>th</sup> July, 2017. In respect of shares held in dematerialized form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner.

### CHANGE IN NATURE OF BUSINESS

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

### SHARE CAPITAL

The paid-up equity share capital outstanding as on 31<sup>st</sup> March, 2017 was Rs. 72.21 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31<sup>st</sup> March, 2017 none of the Directors of the Company except the following held shares or convertible instruments of the Company:

Mr. Ashok Chaturvedi, CMD	5,02,533 Equity Shares
Mr. M.G. Gupta, Director	8,061 Equity Shares

### FIXED DEPOSITS

The company neither had any fixed deposits outstanding as at 31<sup>st</sup> March 2017 nor fresh/renewal of deposits were accepted during the financial year

2016-2017. There were no unclaimed deposits as at March 31, 2017.

## DIRECTORS

During the year, Mr. Arvind Mahajan (DIN: 02410540) has been appointed as an Additional Director (Independent) on the Board of the Company w.e.f. 3<sup>rd</sup> August, 2016. Your Directors welcome Mr. Mahajan on the Board of the Company.

The IFCI Limited has withdrawn the Nomination of Mr. Vijay Kumar Gupta as Nominee of IFCI Limited and nominated Mr. V. Anishbabu (02830575) as new Nominee w.e.f. 16<sup>th</sup> May, 2017. The Board of Directors placed on record their appreciations for the valuable contribution made by Mr. Vijay Kumar Gupta. Your Directors welcome Mr. V. Anishbabu on the Board of the Company.

Mr. Pradeep Poddar (DIN: 00025199) has been appointed as an Additional Director (Independent) of the Company w.e.f. 30<sup>th</sup> May, 2017. Your Directors welcome Mr. Poddar on the Board of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Amitava Ray, Whole-time Director (DIN 00184143) of the Company retire by rotation and being eligible, offers himself for reappointment. The brief resume and other details as required under Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 are provided in the Notice of Annual General Meeting of the Company.

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

## RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2017, the applicable

accounting standards have been followed along with proper explanation relating to material departures, if any;

- b. that the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the Profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

## STATUTORY AUDIT & AUDITORS

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Vijay Sehgal & Co., Chartered Accountants (Firm Registration No. 000374N), Delhi as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. KAAP & Associates, Chartered Accountants (Firm Registration No. 019416N) as the Statutory Auditors of the Company by the Members at the 28<sup>th</sup> Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s. KAAP & Associates, Chartered Accountants (Firm Registration No. 019416N), as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion

of 28<sup>th</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 28<sup>th</sup> Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. The Report given by M/s. Vijay Sehgal & Co., Chartered Accountants (Firm Registration No. 000374N), Statutory Auditors on the financial statement of the Company for the year 2016-17 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act. M/s. Vijay Sehgal & Co., over many years have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards, rigour and quality in their audit. The Board place on record its appreciation for the services rendered by M/s. Vijay Sehgal & Co., as the Statutory Auditors of the Company.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31<sup>st</sup> March, 2017 are self-explanatory and therefore do not call for any further comments.

#### **Internal Auditors**

The Board of Directors of your Company has re-appointed M/s. Jain Singhal & Associates LLP, Chartered Accountants, New Delhi, as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2017-2018.

#### **Cost Auditors**

The Board of Directors of your Company has re-appointed M/s. Jitender, Navneet & Co., Delhi, Cost Accountants (Firm Registration No.00119) as Cost Auditors of the Company for the financial year 2017-2018.

#### **Secretarial Auditors**

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

of the Secretarial Auditor is annexed to the Report as per **Annexure 'A'**.

#### **SUBSIDIARY COMPANIES**

Flex Middle East FZE, UAE, UFlex Europe Limited, UK, UFlex Packaging Inc., USA, Flex P. Films (Brasil) Comercio De Films Plasticos Ltda (upto 28<sup>th</sup> March, 2017), UPET Holdings Ltd., Mauritius, UTech Developers Limited, India and USC Holograms Pvt. Ltd., India are Subsidiary Companies u/s 2(87) of the Companies Act, 2013. Further, UPET (Singapore) Pte. Ltd., Singapore, Flex Americas, S.A. de C.V., Mexico, Flex P. Films (Egypt) S.A.E, Egypt, Flex Films Europa Sp.zo.o., Poland, Flex Films (USA) Inc., SD Buildwell Pvt. Ltd., Refex Energy (Rajasthan) Private Limited and Bundelkhand Projects Private Limited are step-down subsidiaries of the Company. During the Year, Flex P. Films (Brasil) Comercio De Films Plasticos Ltda was ceased to be a WOS Company w.e.f. 28<sup>th</sup> March, 2017.

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

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

#### **Consolidated Financial Statements**

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part of this Report.

## CORPORATE SOCIAL RESPONSIBILITY

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

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

## CORPORATE GOVERNANCE

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

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

### Disclosure under Companies Act, 2013

#### (i) Extracts of Annual Return

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

#### (ii) Meetings

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

#### (iii) Composition of Audit Committee

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

#### (iv) Related Party Transactions

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

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

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

Details of Loans, Guarantees and Investments are given in the accompanying Financial Statements.

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

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

## INTERNAL FINANCIAL CONTROLS

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

## VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

## BOARD EVALUATION

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

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

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. There were no complaint received from any employee during the financial year 2016-2017 and hence no complaint is outstanding as on 31.03.2017 for redressal.

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

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2017 and the date of this report affecting financial position of the Company.

**RISK MANAGEMENT POLICY**

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

In respect of the Risk Associated at Transactional Level, the company has appropriate control mechanism and operating effectiveness of the Internal Financial Controls and Legal Compliance System. The company has created appropriate structures with proper delegation of duties and responsibilities of employee at each level on enterprise basis for compliances thereof.

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

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

**INTERNAL POLICY ON REMUNERATION**

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

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will

be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

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

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

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

**AWARDS**

During the year under review, your Company received 30 awards and Accolades conferred by reputable organizations based out of India and overseas. The details of the Awards and Accolades are given in the company's web-site at <http://www.uflexltd.com>.

**PERSONNEL**

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

**ACKNOWLEDGEMENT**

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

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

Place : NOIDA                      Chairman & Managing Director  
Dated : 30<sup>th</sup> May, 2017                      (DIN 00023452)

**ANNEXURE - A**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UFLEX LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable as the Company did not issue any securities during the financial year under review.**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued any debt securities during the financial year under review.**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not get delisted its equity shares from any stock exchange during the financial year under review.**



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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the company with National Stock Exchange of India Limited & BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that based on the compliance mechanism established by the Company and on the basis of the Certificates issued by the Departmental Heads of the Company taken on record by the Board of Directors at their meeting(s) and reports of Internal Auditors of the Company. We are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**Place: Delhi For Mahesh Gupta and Company  
Dated: 30<sup>th</sup> May, 2017 Company Secretaries**

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

This report is to be read with our letter of even date which is annexed as '**Annexure –A-1**' and form an integral part of this report.

**ANNEXURE – A-1**

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

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

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

**Place: Delhi**  
**Dated: 30<sup>th</sup> May, 2017**

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

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

## ANNEXURE – ‘B’ CSR Report for the FY 2016-17

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of Companies Act, 2013 and the same is placed on the Company's website <a href="http://uflexltd.com">www.uflexltd.com</a> and the weblink for the same is <a href="http://uflexltd.com/pdf/CSR%20Policy/UFLEX%20-%20CSR%20Policy.PDF">http://uflexltd.com/pdf/CSR%20Policy/UFLEX%20-%20CSR%20Policy.PDF</a>
2.	The Composition of the CSR Committee	Mr. M.G. Gupta, Chairman Mr. A.Karati, Member Mr. Amitava Ray, Member
3.	Average net profit of the company for last three financial years: Average net profit	Rs.15,444.05 Lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs.308.88 Lacs
5.	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year;	The Company has spent Rs. 488.92 Lacs
	b) Amount unspent, if any;	--
	c) Manner in which the amount spent during the financial year is detailed below:	The manner in which the amount is spent in detailed in the <b>ANNEXURE “B-1”</b>

### ANNEXURE “B-1” :CSR ACTIVITIES AT UFLEX

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	<b>Khelo Dilli (30 Centres)</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Delhi Districts: All	54 Lakh	(1) Direct Expenditure: Rs. 51,33,250/- (2) Overheads: Rs.2,66,750/-	Rs. 54,00,000/-	STAIRS - A registered NGO
2	<b>Cricket Scholarship</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Delhi Districts: All	5 Lakh	(1) Direct Expenditure: Rs. 4,76,095/- (2) Overheads: Rs. 23,905/-	Rs. 5,00,000/-	STAIRS - A registered NGO

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3	<b>Cricket Championship</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Himachal Pradesh Venue: HPCA Ground	5 Lakh	(1) Direct Expenditure: Rs. 4,77,768/- (2) Overheads: Rs. 22,232/-	Rs. 5,00,000/-	STAIRS - A registered NGO
4	<b>Khelo Himachal (Adoption of 4 STAIRS sports promotion centres) and support to Uflex STAIRS Khel Mahotsava</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Himachal Pradesh District: Una	15 Lakh	(1) Direct Expenditure: Rs. 14,32,500/- (2) Overheads: Rs.67,500/-	Rs. 15,00,000/-	STAIRS - A registered NGO
5	<b>Khelo Haryana (Adoption of 4 centres)</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Haryana District: Sirsa	15 Lakh	(1) Direct Expenditure: Rs. 14,26,875/- (2) Overheads: Rs.73,125/-	Rs. 15,00,000/-	STAIRS - A registered NGO
6	<b>Khelo Uttar Pradesh and support to Stairs4Abilty</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Uttar Pradesh District: Kushinagar	10 Lakh	(1) Direct Expenditure: Rs. 9,54,450/- (2) Overheads: Rs. 45,550/-	Rs. 10,00,000/-	STAIRS - A registered NGO
7	<b>Stairs School Football League</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Delhi Districts: All	90 Lakh	(1) Direct Expenditure: Rs. 85,54,520/- (2) Overheads: Rs.4,45,480/-	Rs.90,00,000/-	STAIRS - A registered NGO
8	<b>Stairs School Football League</b>	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Gujarat (Entire)	170 Lakh	(1) Direct Expenditure: Rs. 1,62,32,000/- (2) Overheads: Rs. 7,68,000/-	Rs.170,00,000/-	STAIRS - A registered NGO

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
9	Stairs School Football League	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Uttar Pradesh (Entire)	38.5 Lakh	(1)Direct Expenditure: Rs. 36,57,500/- (2)Overheads: Rs: 1,92,500/-	Rs. 38,50,000/-	STAIRS - A registered NGO
10	Supporting the game of Cricket	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Uttar Pradesh	34.50 Lakh	Direct Expenditure: Rs. 34,50,000/-	Rs. 34,50,000/-	Uttar Pradesh Cricket Association
11	Sports Gear for the Under Privileged Children	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Delhi	13 .85 Lakh	Direct Expenditure: Rs.13,85,000/-	Rs. 13,85,000/-	STAIRS - A registered NGO
12	Supporting the Game of Football through Sponsorship	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	Location: Jammu	0.5 Lakh	Direct Expenditure: Rs.50,000/-	Rs. 50,000/-	Pandit Prem Nath Dogra Memorial Football Gold Cup Tournament
13	Ecosystem Restoration through Community Action	Companies Act 2013; Section 135, Schedule VII, item iv Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water	Location : Noida (2 Villages)	20 Lakh	(1) Direct Expenditure: Rs. 18,40,000/- (2) Overheads: Rs. 1,60,000/-	Rs. 20,00,000/-	FIINOVATION and AROH FOUNDATION - registered organizations
14	Promoting Healthcare including preventive health care	Companies Act 2013; Section 135, Schedule VII, item i Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	Location : Delhi	2.570 Lakh	Direct Expenditure: Rs.2,57,026/-	Rs.2,57,026/-	Mahavir International - A voluntary Non Religious Social Service Organization

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
15	Promoting Healthcare including preventive health care	Companies Act 2013; Section 135, Schedule VII, item i Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	Location : Delhi	5 Lakh	Direct Expenditure: Rs. 5,00,000/-	Rs. 5,00,000/-	Indian Cancer Society through Mexican Embassy in New Delhi
16	Women Empowerment	Companies Act 2013; Section 135, Schedule VII, item iii Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Location: Haryana	5 Lakh	Direct Expenditure: Rs. 5,00,000/-	Rs. 5,00,000/-	Shrimati Pushpa Wati Loomba Memorial Foundation
17	Protection of national heritage, art and culture and promotion and development of traditional art	Companies Act 2013; Section 135, Schedule VII, item v Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Location : Delhi	5 Lakh	Direct Expenditure: Rs.5,00,000/-	Rs. 5,00,000/-	Natya Vriksha - A society formed by renowned dancer Geeta Chandran
			<b>TOTAL</b>	<b>Rs. 4,88,92,026</b>		<b>Rs. 4,88,92,026</b>	

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2017

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

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

## ANNEXURE – ‘C’

### REPORT ON CORPORATE GOVERNANCE

#### CORPORATE GOVERNANCE

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits the Report on Corporate Governance followed by the Company.

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

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

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

#### 2. Board of Directors

##### a) Composition & Category of the Board (As on March 31, 2017)

The Board of Directors of the Company comprises of eight Directors with two Executive Directors (including Executive Chairman) and five Independent Non-Executive Directors (including one Woman Director) and one Non-Executive-Nominee Director. The Board consists of eminent persons with considerable professional expertise and experience in business and industry, finance, audit, law, banking and public enterprises. None of the Independent Directors of the Company serve as an Independent Director in more than Seven Listed Companies and where any Independent Director is serving as a Whole-time Director in any Listed Company, such Director is not serving as Independent Director in more than three Listed Companies. 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 31.03.2017 is as follows:

Name of Director	Designation	Category
Mr. Ashok Chaturvedi DIN : 00023452	Chairman & Managing Director	Promoter/Executive Chairman
Mr. Amitava Ray DIN : 00184143	Whole-time Director	Executive Director
Mr. M.G. Gupta DIN : 00023524	Director	Independent, Non-Executive
Mr. A. Karati DIN: 00024412	Director	Independent, Non-Executive
Mr. Vijay Kumar Gupta@ DIN : 06806431	Nominee Director – IFCI Limited	Non-Executive
Mr. T.S. Bhattacharya DIN : 00157305	Director	Independent, Non-Executive
Mrs. Indu Liberhan DIN: 03341420	Director	Independent, Non-Executive
Mr. Arvind Mahajan(*) DIN : 02410540	Additional Director	Independent, Non-Executive

(\*) Mr. Arvind Mahajan was appointed as Additional Director vide Resolution passed by Circulation effected on 3<sup>rd</sup> August, 2016.

(@)Nomination of Mr. Vijay Kumar Gupta as Nominee Director was withdrawn and nominated Mr. V. Anishbabu (DIN: 02830575) as new Nominee w.e.f. 16<sup>th</sup> May, 2017.

Note: Mr. Pradeep Narendranath Poddar (DIN : 00025199) was appointed as an Additional Director (Independent, Non-Executive) w.e.f. 30<sup>th</sup> May, 2017.

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

Five Board Meetings were held during the financial year 2016-2017. The dates on which the meetings were held are 27.05.2016, 23.06.2016, 17.08.2016, 25.11.2016 and 11.02.2017 and the gap between the two meetings was not more than 120 days.

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

Name of the Director	Attendance Particulars		No. of other Directorship and Committee Member/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship (in Public Co.)	No of Membership(s) of Board Committees in other Companies (*)	No of Chairmanship(s) of Board Committees in other Companies (*)
Mr. Ashok Chaturvedi	5	No	2	--	--
Mr. Amitava Ray	5	Yes	4	--	--
Mr. M.G. Gupta	5	Yes	3	3	--
Mr. A. Karati	5	Yes	8	7	1
Mr. Vijay Kumar Gupta	4	No	--	--	--
Mr. T.S. Bhattacharya	3	No	6	3	1
Mrs. Indu Liberhan	5	No	--	--	--
Mr. Arvind Mahajan@	3	NA	1	--	--

(@) Mr. Arvind Mahajan was appointed as Additional Director vide Resolution passed by Circulation effected on 3<sup>rd</sup> August, 2016.

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

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

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

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

As on 31<sup>st</sup> March, 2017, none of the Non-Executive Directors of the Company held shares or convertible instruments of the Company except Mr. M. G. Gupta, Director who holds 8061 equity shares.

**e) Board Procedure**

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

**f) Information supplied to the Board**

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

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

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

The periodical reports submitted by the Internal Auditors and by the concerned executives of the Company



with regard to compliance of all laws applicable to the Company including steps taken by the Company to rectify instances of non-compliances, if any, are being reviewed by the Audit Committee and the Board.

#### **h) Independent Directors**

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

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

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment except Mr. Arvind Mahajan, who was appointed for two years. Their appointments have been approved by the Members of the Company at the Annual General Meeting of the Company.

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

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

As stipulated the Code of Conduct for Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 28<sup>th</sup> March, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

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

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

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

### **3. Audit Committee**

Presently, the Audit Committee comprises of Five Members Directors viz., Mrs. Indu Liberhan , Mr. M.G. Gupta, Mr. A. Karati, Mr. Amitava Ray and Mr. T.S. Bhattacharya. All the Members of the Audit Committee are Non-Executive and Independent Directors, except Mr. Amitava Ray. Mrs. Indu Liberhan is the Chairperson

of the Audit Committee. During the year Mr. T.S. Bhattacharya was appointed as Member of the Audit Committee w.e.f.11<sup>th</sup> February, 2017. Majority of the members of Audit Committee have accounting and financial management expertise. The Company Secretary acts as the Secretary to the Audit Committee.

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

### **Role of Audit Committee**

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

- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the whistle blower mechanism;
- 19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

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

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

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

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

During the year, the Audit Committee had met four times on 27.05.2016, 17.08.2016, 25.11.2016 & 11.02.2017. The attendance of each Committee members is as under:

<b>Name of Member</b>	<b>No. of Meetings held</b>	<b>Meetings Attended</b>
Mrs. Indu Liberhan	4	4
Mr. M.G. Gupta	4	4
Mr. A. Karati	4	4
Mr. Amitava Ray	4	4
Mr. T.S. Bhattacharya@	4	--

@ Mr. T.S. Bhattacharya was appointed as Member of the Audit Committee w.e.f. 11<sup>th</sup> February, 2017.

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

Since, Mrs. Indu Liberhan, Chairperson of the Audit Committee could not attend the Annual General Meeting due to illness, Mr. M.G. Gupta, Senior Member of the Audit Committee was authorized by Resolution passed by Circulation on 1<sup>st</sup> August, 2016, to provide any clarifications and matters relating to Audit to the Members of the Company.

#### 4. Nomination and Remuneration Committee

##### Terms of Reference

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

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

Presently, the Nomination and Remuneration Committee consists of three Members viz. Mr. M.G. Gupta (Chairman), Mrs. Indu Liberhan and Mr. A. Karati. All the members of the Nomination and Remuneration Committee are Non-Executive Directors and all are Independent. Mr. M.G. Gupta (Chairman of Nomination and Remuneration Committee) was present in the last Annual General Meeting held on 02.08.2016. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met twice on 25.07.2016 & 11.02.2017. All the Members have attended these Meetings.

##### Performance Evaluation for Independent Director

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

#### 5. Remuneration of Directors

**Details of Remuneration paid to Managing/Whole-time Directors for the year ended 31.03.2017 is given below:**

Name	Sitting Fee (Rs.)	Salary (Rs.)	Perquisites & Allowances etc. (Rs.)	Commission Payable (Rs.)	Total (Rs.)	Date of Re-appointment/ Appointment	Service Term
Mr. Ashok Chaturvedi	--	6,78,00,000	97,63,550	3,00,00,000#	10,75,63,550	01.02.2014	5 years
Mr. Amitava Ray	--	2,01,00,000	10,35,534	--	2,11,35,534	02.02.2016	5 years

# Commission as approved by the Board of Directors.

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

The company does not have any stock option scheme.

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

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

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

Name of Directors	Amount (Rs.)		
	Board Meetings	Committee Meetings	Total
Mr. M.G. Gupta	2,50,000	7,50,000	10,00,000
Mr. A. Karati	2,50,000	5,50,000	8,00,000
Mr. Vijay Kumar Gupta Nominee – IFCI Limited	2,00,000	--	2,00,000
Mr. T.S. Bhattacharya	1,50,000	50,000	2,00,000
Mrs. Indu Liberhan	2,50,000	3,50,000	6,00,000
Mr. Arvind Mahajan	1,50,000	--	1,50,000

## 6. Stakeholders' Relationship Committee

Presently the Stakeholders' Relationship Committee consists of Mr. M.G. Gupta (Chairman), Mr. A. Karati and Mr. Amitava Ray.

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

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

During the year, the Stakeholders' Relationship Committee had met on 26.04.2016, 18.10.2016 and 21.01.2017. All the Members had attended the meetings.

The total numbers of complaints received and resolved during the year under review were 25. Outstanding complaints as on 31.03.2017 were Nil. There were no valid share transfers pending for registration for more than 10 days as on the said date.

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

### Prohibition of Insider Trading

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

## 7. Corporate Social Responsibility (CSR) Committee

Presently, the CSR Committee has three Members consisting of Mr. M.G. Gupta as Chairman and Mr. A. Karati & Mr. Amitava Ray as Members.

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

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

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

One meeting of the Corporate Social Responsibility Committee was held on 25.03.2017 during the year and Mr. M.G. Gupta and Mr. A. Karati had attended this Meeting.

## 8. Subsidiary Companies

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

- Financial statements, in particular the investments made in the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- All minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

The Company has two un-listed Indian Subsidiary Companies i.e. UTech Developers Limited & USC Holograms Private Limited and three Step-down Indian Subsidiary Companies, i.e. S.D. Buildwell Private Limited, Refex Energy (Rajasthan) Private Limited (w.e.f. 07.07.2016) and Bundelkhand Projects Private Limited (w.e.f. 07.07.2016). These companies do not fall under the category of 'material unlisted subsidiary company'.

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

## 9. General Body Meetings

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

AGM	Day, Date & Time	Venue	Special Resolution Passed
25 <sup>th</sup>	Friday, August 8, 2014 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. 01.08.2014. - Resolution under Section 180(1)(c) of the Companies Act, 2013. - Resolution under Section 186 of the Companies Act, 2013.
26 <sup>th</sup>	Wednesday, July 22, 2015 At 10.00A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	NIL
27 <sup>th</sup>	Tuesday, August 2, 2016 At 10.00A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	NIL

- Whether Special Resolutions were put through Postal Ballot?

Yes, the company has put special resolution through Postal Ballot. The Company has successfully completed the process of obtaining approval of its Members on the following Resolution through Postal Ballot during year 2016-17:

- Consent for Borrowings by the Company by way of Special Resolution

Voting Pattern and Procedure for Postal Ballot :

- The Board of Directors of the Company had appointed Mr. Mahesh Kumar Gupta, Prop. M/s Mahesh Gupta & Co., Practicing Company Secretary to act as Scrutinizer for conducting the Postal Ballots voting process.
- The Company had completed the dispatch of the Postal Ballot Notice dated 20<sup>th</sup> October, 2016 together with the Explanatory Statement on 24<sup>th</sup> October, 2016 along with forms and prepaid postage business reply envelopes to all the shareholders whose name(s) appeared on the

- Register of Members / list of beneficiaries as processed by CDSL & NSDL.
- iii. The voting under the postal ballot was kept open from 25<sup>th</sup> October, 2016 to 24<sup>th</sup> November, 2016 (either physically or through electronic mode)
  - iv. Particulars of Postal Ballot Forms received from the Members using the electronic platform of CDSL were entered in a register maintained for the purpose.
  - v. The Postal Ballot forms were kept under his safe custody and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
  - vi. All Postal Ballot Forms received / receivable upto the close of working hours on 24<sup>th</sup> November, 2016 the last date and time fixed by the Company for receipt of the Forms, had been considered for his scrutiny.
  - vii. Envelopes containing Postal Ballot Forms received after close of business hours on 24<sup>th</sup> November, 2016 had not been considered for his scrutiny.
  - viii. On 25<sup>th</sup> November, 2016 the Results were announced as under:

**A) Consent for Borrowings by the Company by way of Special Resolution**

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

Mode of Voting	Number of Members voted	Number of votes cast in favour of the resolution	% of total number of valid votes cast
E-voting	101	36383834	90.15
Postal Ballot	12	2205835	5.46
<b>Total</b>	<b>113</b>	<b>38589669</b>	<b>95.61</b>

**ii) Voted against the Resolution:**

Mode of Voting	Number of Members voted	Number of votes cast against the resolution	% of total number of valid votes cast
E-voting	14	1770135	4.39
Postal Ballot	3	702	0.00 (negligible)
<b>Total</b>	<b>17</b>	<b>1770837</b>	<b>4.39</b>

**iii) Invalid Votes:**

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

**10. Means of Communication**

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

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

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

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

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

## 11. Disclosures

### a) Related Party Transactions

None of the transactions with any of related parties were in potential conflict with the Company's interest at large. Suitable disclosure as required by the Indian Accounting Standards-24 (Ind AS-24) has been made in the notes to the Financial Statements.

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

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

### b) Whistle Blower Policy / Vigil Mechanism

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

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

### c) Disclosure of Accounting Treatment

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

### d) Disclosures of Risk Management

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

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

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

### f) Management Discussion and Analysis

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

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

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

However, during the Financial Year 2015-2016, the company has paid penalty of Rs.1,07,000/- (Rs.50,000/- to NSE and Rs.57,000/- to BSE) for not appointing woman director in time.

### h) Code of conduct

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

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



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

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2017 have been prepared as per applicable Indian Accounting Standards (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

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

A section on the Risk Management is covered in detail under Management Discussion and Analysis Report forming part of Annual Report. However, Company has not undertaken any hedging activity during the year.

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

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

**(i) The Board**

The Chairman of the Company is the Executive Chairman.

All the Directors including Independent Directors are appointed/re-appointed by the Board from time to time. The Board of Directors of the Company appointed the Independent Directors for 5 consecutive year except Mr. Arvind Mahajan, who was appointed for a period of two years w.e.f. 3<sup>rd</sup> August, 2016.

**(ii) Shareholders' Rights**

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

**(iii) Audit Qualifications**

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

**(iv) Reporting of Internal Auditors**

The Internal Auditors directly report to the Audit Committee.

**13. CEO/CFO Certifications**

The Chairman & Managing Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at its meeting held on 30<sup>th</sup> May, 2017.

**14. General Shareholders Information**

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

Date : 31.07.2017

Day : Monday

Time : 10:00 A.M.

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

**(b) Tentative Financial Calendar**

- Results for quarter ending 30.06.2017 : 1<sup>st</sup> week of August, 2017
- Results for quarter ending 30.09.2017 : 1<sup>st</sup> week of November, 2017
- Results for quarter ending 31.12.2017 : 1<sup>st</sup> week of February, 2018
- Results for year ending 31.03.2018 : 4<sup>th</sup> week of May, 2018

**(c) Book Closure date**

24<sup>th</sup> July, 2017 to July 31, 2017 (Both Days Inclusive)

**(d) Dividend payment date**

Dividend for the financial year 2016-2017, if declared will be paid/credited to the account of the shareholders on or after 31<sup>st</sup> July, 2017

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

The equity shares are listed on the following Stock Exchanges:

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

**Note:** Annual Listing fees for the year 2017-2018 have been duly paid to all the above Stock Exchanges.

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

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

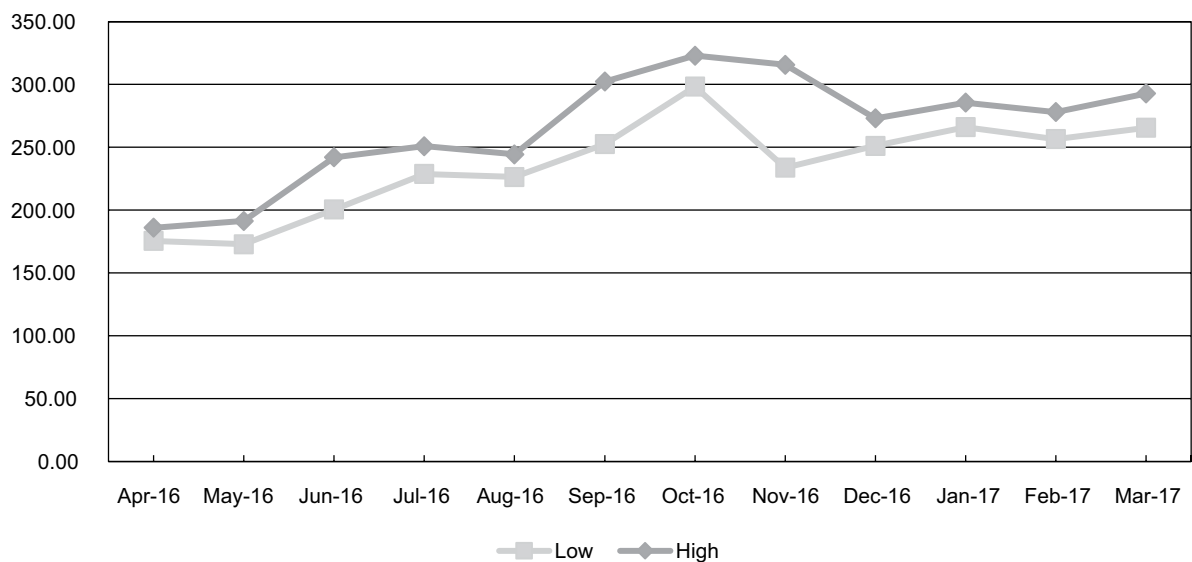
**(g) Demat ISIN Number in NSDL & CDSL :INE516A01017**

**(h) Stock Market Price for the year 2016-2017:**

Closing Share prices on National Stock Exchange are as under:

**(in Rs.)**

Month	High	Low
April, 2016	186.00	175.50
May, 2016	191.45	172.85
June, 2016	242.00	200.55
July, 2016	250.90	228.80
August, 2016	244.45	226.40
September, 2016	302.30	252.60
October, 2016	322.90	298.30
November, 2016	315.70	233.80
December, 2016	273.05	251.20
January, 2017	285.60	266.10
February, 2017	278.05	256.60
March, 2017	292.80	265.55



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

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

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

**For shares held in physical form:**

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

Beetal Financial & Computer Services Pvt. Ltd.

(Unit : UFLEX Limited)

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

Near Dada Harsukh Dass Mandir, New Delhi – 110062

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

E-mail: beetal@beetalfinancial.com

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

**(k) Share Transfer System**

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

**(l) Distribution of Shareholding as on 31.03.2017**

Category (Share)	Holders	Shares	% to Total Shares
Up to 500	45697	4439227	6.15
501 - 1000	1989	1589627	2.20
1001 - 2000	907	1370078	1.90
2001 - 3000	352	909769	1.26
3001 - 4000	146	534532	0.74
4001 - 5000	125	586876	0.81
5001 - 10000	205	1484630	2.06
10001 -20000	96	1356835	1.88
Above 20000	156	59939912	83.00
<b>TOTAL</b>	<b>49673</b>	<b>72211486</b>	<b>100.00</b>

**(m) Categories of Shareholders as on 31.03.2017**

Category	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	11	31784339	44.02
(2)	Foreign	--	--	--
<b>Total Shareholding of Promoter and Promoter Group</b>		<b>11</b>	<b>31784339</b>	<b>44.02</b>
(B)	Public Shareholding			
(1)	Institutions	133	8137968	11.27
(2)	Non-institutions	49529	32289179	44.71
<b>Total Public Shareholding</b>		<b>49662</b>	<b>40427147</b>	<b>55.98</b>
(C)	Non Promoter-Non Public	--	--	--
(C1)	Shares underlying DRs	--	--	--
(C2)	Shares held by Employee Trusts	--	--	--
<b>Total (A+B+C)</b>		<b>49673</b>	<b>72211486</b>	<b>100.00</b>

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

Nearly 98.874%. of total equity share capital is held in dematerialized form upto 31.03.2017 with NSDL/ CDSL. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors.

**(o) GDRs**

All the GDRs have been converted into Equity Shares with effect from 25<sup>th</sup> April, 2016. Due to said conversion, there will no further impact on the Equity Share Capital of the Company as the underlying shares representing outstanding GDRs have already been included in the Equity Share Capital.

**(p) Plant Locations**

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

**(q) Address for Correspondence**

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

Beetal Financial & Computer Services Private Limited (Unit: UFLEX Limited) BEETAL House, 3rd Floor, 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Dass Mandir New Delhi – 110062 Tel. No.011- 29961281-83 Fax No.011- 29961284 E-mail: <a href="mailto:beetal@beetalfinancial.com">beetal@beetalfinancial.com</a>	UFLEX Limited 305, 3rd Floor, Bhanot Corner Pamposh Enclave, Greater Kailash-I New Delhi - 110048 Tel. No. : 011-26440917, 26440925 Fax No. : 011-26216922 E-mail : <a href="mailto:flexsec@vsnl.net">flexsec@vsnl.net</a>
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**15. Disclosures with respect to demat suspense account/unclaimed suspense account**

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

Sl. No.	Particulars	No. of Share-holders	No. of equity shares held
1.	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the year	659	55413
2	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	3	199
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	3	199
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year	656	55214

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

**16. Compliance Certificate**

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

The above report has been placed before the Board at its meeting held on 30<sup>th</sup> May, 2017 and the same was approved.

## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

### THE MEMBERS OF UFLEX LIMITED

We have examined the compliance of conditions of Corporate Governance by UFLEX LIMITED ('the Company') for the year ended 31<sup>st</sup> March, 2017 as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

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

Place : DELHI  
Dated : 30<sup>th</sup> May, 2017

## DECLARATION

### To the Members of UFLEX LIMITED

I, Ashok Chaturvedi, Chairman & Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Rules of Code of Conduct for the financial year ended 31<sup>st</sup> March, 2017 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **UFLEX LIMITED**

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2017

## ANNEXURE - D

### MANAGEMENT DISCUSSION AND ANALYSIS

#### FORWARD-LOOKING STATEMENTS

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

#### 1. Global Economy

The year 2016 witnessed headwinds of change on the global turf. With BREXIT Vote, US Presidential Elections, Demonetization in India among other events in the backdrop, the International Monetary Fund in its spring version of World Economic Outlook pegged the global growth at 3.1 percent for the year 2016. While stronger than expected economic activity was seen in the advanced economies during the second half of 2016, near term growth prospects for developing economies have taken a drubbing with downside revision for a number of large yet emerging economies like India, Brazil and Mexico. Throughout the second half of 2016, oil prices gradually rose reflecting an agreement among major oil producing economies to trim supply. The U.S. dollar has appreciated in real effective terms by over 6 percent since August 2016. The currencies of advanced commodity exporters have also strengthened, reflecting the firming of commodity prices, whereas the Euro and especially the Japanese Yen have weakened. Several emerging market currencies depreciated substantially in recent months—most notably, Egyptian Pound, the Turkish lira and the Mexican peso—while the currencies of several commodity exporters—most notably Russia appreciated.

Economic activity in both advanced and emerging economies is forecast to accelerate in 2017-18 with a projected global growth of 3.4% in 2017 and 3.6% in 2018. The primary factor underlying the strengthening global outlook over 2017-18 is, however, the projected pickup in emerging economies' growth which is a silver lining. (Source: International Monetary Fund).

#### 2. Indian Economy

According to the Economic Survey 2016-17 the Real GDP growth rate of India for FY 2016-17 was pegged at 6.5%. The International Monetary Fund's spring narrative attributes this to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the currency note withdrawal and exchange initiative.

The Economic Survey 2016-17 projects the GDP growth in the range of 6.75-7.50 percent for FY 2017-18. The Survey further maintains that over the medium-run, the implementation of GST; follow-up to demonetization and enacting other structural reforms should take the economy towards its potential real GDP growth of 8 percent to 10 percent. (Source: Economic Survey 2016-17).

#### 3. Industry Structure & Developments

Given its myriad benefits in terms of superior aesthetics, improved functionalities, light-weighting, sustainability advantages and optimized barrier properties, Flexible packaging has been one of the fastest growing sectors in the packaging industry over the past 10 years. According to Smithers Pira, Globally the industry is expected to grow at an annual average rate of 3.4% during 2015-2020 to reach USD 248 Billion. Asia is expected to lead the demand with its market share progressing from 42% in 2015 to nearly 45% by 2020. Food sector within the FMCG is the biggest consumer of flexible packaging with a gargantuan share of over 70%.

Flexible packaging products consume far less raw material than rigid packaging options and also occupy lesser space on the expensive retail shelves. Flexible packaging also offers a number of sustainability advantages including low raw material consumption owing to light weighting thus leaving lesser carbon footprint. Flexible packaging paves way for reduced energy usage at all the three critical stages throughout its life cycle i.e. manufacturing, transportation and disposal besides generating relatively less waste as compared to conventional packaging formats. Flexible packaging offers all properties needed for primary packaging such as lightweight, high performance, high barrier, low contamination,

keeping the product completely sealed off from the environment that are required for an enhanced consumer experience.

Flexible packaging is the most economical method to package, preserve and distribute food, beverages, consumables, pharmaceuticals and other products that need extended shelf life. It can be designed with barrier properties tailored to fit the products being packaged keeping in mind the end-use, whereas other packaging formats generally provide a one-size-fits-all approach. Flexible packaging can now be made in a wide variety of innovative shapes, sizes and appearances, and can include components such as handles and opening and reclosing features such as zips and spouts to name a few. Changing consumer lifestyle, growth of DINK (Double Income No Kids) population, propensity to spend more on the back of increasing disposable income has enhanced dependence on processed, pre-cooked and packed foods, which has augured well for the overall growth of the flexible packaging industry. The industry has witnessed introduction of new and efficient films used in manufacturing flexible packaging materials. Smaller unit packs/sachets dispensing measured and controlled portions are a rage in FMCG and pharmaceutical sector. Modified Atmosphere Packaging (MAP), vacuum skin packaging are some of the current trend setting packaging solutions that have been developed to meet ever-evolving demands of the end-users. Spout valves are being provided in the flexible packs to enable nitrogen flushing of packed food items for enhancing shelf life. IoT (internet of things) is being integrated to enhance the overall functionality and intelligence quotient of flexible packaging.

Some other developments in the flexible packaging industry of late have been multilayer co-extruded polymeric structures that provide more flexibility in terms of desired functionality, thickness, and cost-effectiveness without over-engineering/over dressing as it is called. Growing adoption of track-and-trace technologies, such as RFID and barcodes in premium product segments including wines and spirits are gaining prominence by the days. Special Inks are being used in process of converting that can be deciphered and detected only in UV ambience. Flexible packaging technology has advanced dramatically over the past 10 years and is now a consumer household mainstay, steadily moving into new markets

across applications. Flexible Packaging materials have progressed from simple monolayer bags and wrappings to coextruded or laminated engineered multilayer and coated constructions, comprising multiple materials such as polymers, paper, metal foils, coatings, sealant layers and other additives. These developments provide properties such as high barrier to atmospheric gases, extended shelf life and convenience all of which are increasingly demanded in packaging for food, consumables and pharmaceuticals. The properties of flexible packaging can be tailored and customized to provide specific combinations required by different products.

The global flexible packaging market is segmented based on end user, packaging types, printing processes, material, and geography. By end user type, the global flexible packaging market is segmented into consumer products, industrial, medical & pharmaceuticals, retail food, retail non-food, institutional food, institutional non-food, and others. By packaging type, the global flexible packaging market is broadly segmented into stand-up pouches, flat pouches, converted roll-stock, gusseted bags, wicket bags, laminated flexi-tubes, aseptic cartons/ packs, big bags among others. By material type, the global flexible packaging market is broadly categorized into Polypropylene (PP), Polyethylene (PE), Polyethylene Terephthalate (PET), Poly Vinyl Chloride (PVC), Ethylene Vinyl Alcohol (EVOH), Polyamide (PA), and others (including but not restricted to paper, aluminum, and cellulosic).

By geography, the global flexible packaging market is largely segmented into North America, Europe, Asia Pacific, the Middle East and Africa, and Latin America. Currently, North America dominates the global flexible packaging market in terms of revenue share. However, Asia Pacific is expected to expand at the fastest growth rate in the global flexible packaging market owing to the rising disposable income, increasing demand, and changing end-user trends which are expected to have a positive impact on the global flexible packaging industry. Currently, rising population and the significant demand for beverages, packaged foods, pharmaceuticals, and personal care products are driving flexible packaging growth in countries such as India and China, whereas the North American and European flexible packaging markets are expected to witness tepid growth in the coming years, due to high saturation.

## 4. Business Review

### (i) Films Business

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

The Company's OPP films comprising BOPP (Bi-axially Oriented Polypropylene) and CPP (Cast Polypropylene) films are highly cost effective, functionally efficient and therefore have rapidly penetrated into high barrier sensitive packaging segment across the world. These films are primarily being used for applications like packaging & conversion; industrial coatings; printing & lamination; encapsulation; overwraps (for CDs, cigarettes, cartons), confectionery packaging; anti-fog (for food products), textile bags; biscuit/sandwich overwrap among several others. BOPP Films are known for low moisture transmission rates thus finding extensive use in manufacturing packaging material for snack food. High tensile strength, low elongation and thermal shrinkage further render it suitable for processing on high-speed printing, coating/laminating and other converting machines. BOPP Film is known to have a combination of excellent slip and optical properties. The high gloss and excellent clarity provides good aesthetic appeal whereas controlled slip properties make it suitable to perform well on various form fill seal (FFS), overwrapping and converting machines in order to improve or maintain high productivity.

The Company manufactures OPP film at its Indian plant (Noida) which largely caters to the captive & domestic market while the Egypt plant caters to the international market. The plant capacity for OPP Film at Noida is 34,000 TPA and that at the plant in Egypt is 47,000 TPA.

Even The CPP film is extremely dynamic and versatile with high gloss, transparency, good heat sealability, good twisting property, superior tear and puncture resistance. These factors pave way for its application in food wraps, packing bakery products, anti-wraps, anti-fog packaging, garment bags, retort packaging, deep freeze applications, etc.

BOPET (Bi-axially Oriented Polyethylene Terephthalate) Film is a polyester film using

high quality resins at state-of-the-art film manufacturing plants of the Company at India; Dubai; Egypt; Poland; Mexico and United States of America with a cumulative production capacity in excess of 2,56,000 TPA. Indian plants meet captive & Indian market requirements whereas overseas plants serve overseas markets across the globe. BOPET Films exhibit superior mechanical properties; improved resistance to chemicals; good barrier to oxygen; excellent receptivity to surface treatment & coatings and high resistance to abrasion.

BOPET Films have excellent dielectric properties good flatness and coefficient of friction (COF), tear resistance and puncture resistance, excellent dimensional stability over a wide range of temperature, good resistance to common solvents, moistures, oil and grease and poses excellent barrier against a wide range of atmospheric gases among other benefits. This variant therefore finds extensive use in metallizing; thermal lamination; lidding functions; holographic applications; pressure sensitive tapes; cable wrapping among several others.

The Company also manufactures high barrier metallized films that are considered as ultimate solution for packaging a wide array of products requiring extended shelf life apart from a host of applications in the textile and capacitor industries. The Company has 14 state-of-the-art metallizers with plasma treatment facilities for ensuring better metal deposition. Metallized films are manufactured at all film manufacturing plants of the Company, i.e. India, Dubai, Poland, Egypt, Mexico and USA with cumulative production capacity of over 93,600 TPA.

The Company also has the facility to produce polyester chips of film, yarn and bottle grades. The Company has made use of its batch processing manufacturing facilities set up in India by conveniently switching over to produce different grades of chips based on the demand and orders at hand. The Company manufactures polyester chips suitable for packaging film applications only. Presently the Chip Unit also caters to the requirements towards Specialty Chips of Company's overseas Subsidiaries.



## (ii) Flexible Packaging Business

The main products of this business are laminates made of various combinations of Polyester, BOPP, poly, metalized & holographic films and others in roll form and in various preformed pouches & bags of several sizes and profiles, laminated flexi-tubes. Also aligned with the core business of Flexible Packaging are allied activities involving manufacturing of packaging and converting machines; rotogravure cylinders, flexo-polymer plates, elastomers & sleeves; inks & adhesives and holographic materials.

The Company has the technical ability, and innovative skills to engineer flexible packaging solutions with optimized barrier properties, superior aesthetics, enhanced functionalities; high eco-friendliness and infallible brand protection features. The Company is one of the global leaders producing bespoke world class flexible packaging solutions. The guiding vectors of the Company's Business Strategy are:

- Innovation to create value added differentiation;
- Proximity to Customers;
- Speed to Market Reach for reaping the first mover advantage;
- Ability to offer end-to-end flexible packaging solutions across the spectrum;
- Ability to execute any quanta of order and ensuring Just In Time (JIT) deliveries anywhere across the globe;

The Company offers packaging solutions for a variety of products such as snack foods, candy and confectionery, sugar, rice & other cereals, beverages, tea & coffee, desert mixes, noodles, wheat flour, soaps and detergents, shampoos & conditioners, vegetable oil, spices, marinades & pastes, cheese & dairy products, frozen food, sea food, meat, anti-fog, pet food, pharmaceuticals, contraceptives, garden fertilizers and plant nutrients, motor oil and lubricants, automotive and engineering components among several others. **Thus the company currently offers flexible packaging solutions for solids, semi-solids, powders, granular materials,**

**viscous fluids, pastes and gels. With the aseptic packaging material manufacturing plant for offering packaging solutions for non-aerated liquid products going operational in 2017 at Sanand, Gujarat, the Company will complete its entire bouquet of product offering.**

Thus to summarize, The Company offers end to end flexible packaging solutions for:

- Solid Products/ Granular/ Powder ( 10 grams to 40 kg)
- Semi Liquid Products (10 ml to 200 ml)
- From mid-2017 the Company will be able to offer flexible packaging solutions for packing liquid products (90 ml to 1000 ml)

### Some updates from Films and Flexible Packaging Businesses

#### (a) *Uflex engineered thinnest PET ALOx speciality film*

The Company launched 9.5 micron speciality ALOx polyester film, FLEXALOXPROTECT™ F-PGX. Engineered by Uflex's fully owned subsidiary company Flex Americas S.A. de C.V at the Mexico plant, this happens to be the thinnest PET ALOx film available globally.

#### (b) *Uflex launched Super Barrier Polyester Film*

Uflex launched Super Barrier Polyester Film, FLEXPET™ F-PGB-12. This 12 micron Bi-axially Oriented Polyethylene Terephthalate (BOPET) film owing to a specially modified surface treatment (on one side) offers very high barrier to oxygen.

#### (c) *Uflex engineered low seal initiation temperature matte film for manufacturing big bags*

The Low SIT High Seal Strength Matte Bi-axially Orientated Polypropylene Film engineered by the Film Business of Uflex offers a number of positives like High Haze; Low Seal Initiation Temperature (SIT); Low Gloss on matte side; Excellent Matte Dispersion; Good Contact Transparency and Excellent Homogeneity. Immaculately engineered Big Bags by the Packaging Business of Uflex

are made by combining high COF, Low SIT, High Seal Strength Matte Bi-axially Oriented Polypropylene Film and High Performance Woven Polypropylene (WPP) fabric.

**(d) Uflex launched whole new Three Dimensional Packaging for rice**

In this specially engineered package the front, back and bottom laminates comprise a three layered Matte BOPP/MET PET/Poly structure with premium matte finish and the side gussets are made of PET/PET/Transparent Poly. The side gusset comes fitted with a handle further spelling immense ease of carrying for the end-user. The transparent side gussets allow the consumers to see the product packed inside.

**(e) Uflex launched Profile Pouch for Liquids with Sonically Sealed Spout**

The Company launched 'Profile Pouch for Liquids with Sonically Sealed Spout' in India and offered it to Paras Dairy for packing its ghee (clarified butter). The laminate of the pouch engineered at Uflex's packaging plant at Noida is a three ply structure comprising Isotropic PET/ Isotropic PET/ Co-ex Nylon Polyethylene (PE). The major differentiator in this pack lies in its dispensing mechanism. Conventionally, spouts are heat seal welded to the pouches often resulting in leakage and polymer degeneration, but in this case at Uflex, sound waves at a very high frequency are generated and passed between the spout surface and the laminate. These high frequency waves vibrate the molecules of both PE layer of the laminate and that of the spout surface enabling a strong leak-proof seal.

**(f) Uflex unveiled ASEPTO™, its much awaited Aseptic Liquid Packaging Material Brand**

Uflex unveiled 'ASEPTO™' its Aseptic Liquid Packaging Material Brand. Uflex's Aseptic Liquid Packaging manufacturing plant that will be commercially operational in 2017 perfectly echoes Government of India's 'Make In India' ethos. ASEPTO™ is derived from the word aseptic which means sterile. Aseptic packaging ensures that food remains free from bacteria and other harmful microorganisms for a period of at least 8 months under room temperature.

**(g) Uflex launched the game changer in pharma packaging**

Films Business of Uflex undertook extensive R&D activities for almost two years to come up with a special polyester film that obviates the problems/hazards posed by BOPA (BON) and PVC substrates that have been conventionally used in cold formed Alu-Alu laminates. The special polyester film has replaced the top and bottom substrates of the conventional cold -formed Alu – Alu laminate to a whole new structure comprising 36 micron special polyester/ 50 micron soft aluminium foil/ 36 micron special polyester.

**(h) Major breakthrough for Uflex's Flexfresh™ liner bags in Europe**

A prominent European Retail Chain conducted a *litmus trial* with Flexfresh™ liner bags by shipping blueberries from South America to Europe. This journey usually takes more than 5 weeks by sea. The results were absolutely stellar! While the loose blueberries resulted in an average weight loss of 19.96%, those packed in Flexfresh™ shed merely 0.76% weight after a period of 7 weeks, thus registering a phenomenal 96% reduction in weight loss upon arrival.

**(i) Uflex transformed Tortilla Chips' Packaging for America's Healthiest Grocery Store**

The engineers at Uflex Packaging Business with a clear brief from an American client designed a three layered; 12.5 micron coated Polyester / 18 micron BOPP (both sides treated) / 35 micron Polyethylene packaging structure as a 3D flat bottom pouch. Polyester provides excellent barrier from oxygen and also exhibits good thermal resistance owing to its melting temperature that is as high as 150-160 degrees Centigrade. BOPP acts as a strong barrier to moisture. Polyethylene (PE) serves as a sealant layer besides imparting strength and sturdiness to the pouch. To impart a paper like organic look, special registered matte coating was applied on the glossy polyester film.

**(j) Uflex set up a Fully Automatic Robotic Laser Engraving Line for manufacturing rotogravure cylinders**

The Company shook hands with Ms. Think Lab, Japan and set up a Fully Automatic Robotic

Laser Engraving Line for manufacturing rotogravure cylinders at the Noida facility. The robotic laser engraving line has reduced the cumbersome process of manufacturing rotogravure printing cylinders to a single operator job. While over 200 cylinders are manufactured per day using the conventional process at Uflex, through the robotic laser engraving line spread in approximately 1/10th of the entire cylinder manufacturing shop floor area at Noida, a single operator can produce additional 60 cylinders per day.

**(k) Uflex extends alliance with WaveFront Technology for manufacturing Fresnel Lens Packaging Films in Europe**

In 2016 Uflex Limited and WaveFront Technology Inc. announced an extension of their existing alliance in India to bring manufacturing of Fresnel lens packaging films to Europe. The set up operates within Flex Films Europa Sp. Z O.O's (subsidiary company of Uflex) facility in Wrzesnia, Poland with WaveFront Technology Europe leading the Sales & Marketing activities. The concept of Design-Develop-Deliver the Fresnel Lens Packaging films in Europe derives its strength by working with Flex Films in Poland and by utilizing the holographic skills and capabilities of Uflex.

**(l) Uflex shakes hands with Italy's Comiflex to manufacture C.I. Flexo Printing Machines**

At DRUPA 2016, Uflex shook hands with Italian firm Comiflex to manufacture C.I. Flexo Printing Machines under a Technology Transfer Agreement with the latter at Uflex's manufacturing plant in Noida (India). While Uflex is commended for its engineering/manufacturing capabilities, Comiflex SRL is a renowned entity in the field of designing and producing high quality C.I. Flexo Machines. This alliance is therefore being seen as the marriage between Technology of Comiflex and Manufacturing Prowess of Uflex and is progressing very well. All technical designs and drawings from Comiflex have been transferred to the design department of Uflex and the team is now assembling the first 1.3 meter web, 8 color, central drum CI Flexo Printing Machine in Noida that is being designed to operate at a speed of 400 meters

per minute. The machine is expected to be ready by mid-2017.

**(m) Uflex launched ESL Aseptic Flexi-Pouch Machine for packaging milk**

In September 2016 Uflex launched ESL Aseptic Flexi-Pouch Machine for packaging milk in a pouch made from five to seven layered extruded/blown polyethylene film with strong barrier properties including a black layer for U.V. protection. This solution extends the shelf life of milk up to 90 days. Uflex is the only company in India to manufacture this kind of sophisticated machines. As a fully integrated packaging solution provider, Uflex offers the especially extruded/blown film too.

**5. Financial and Operational Performance – Overview**

The summarized financial results are given hereunder:

**Summary of results:**

(Rs. in Crores)				
	2016-17		2015-16	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Total Income	6529.36	3904.59	6404.11	3839.18
Profit before Finance Cost, Depreciation & Tax	898.87	510.41	843.17	510.84
Profit before Tax	394.51	203.95	381.79	236.02
Profit for the year	348.46	193.55	313.84	201.66

**6. Expansion Project**

The major expansion project of the aseptic liquid packaging material manufacturing plant at Sanand, Gujarat is under advanced stage of commissioning and will be commercially operation by mid-2017. This plant is coming up on 21 acres of the 72 acre land parcel that Uflex bought at Sanand, Gujarat. Remaining land may cater to any future expansion of Uflex's existing business as well as for aseptic packaging manufacturing as the need be. Upholding the Company's commitment

towards environmental sustainability, the aseptic liquid packaging material manufacturing facility has been designed to be a zero discharge plant. Solar panels and Passive Architecture-Envelop Insulation have been used to preserve natural light besides conserving power energy.

The total investment envisaged towards the Aseptic Packaging plant is INR 580 crore (approx. USD 85 million) and once operational, it will employ around 250 people and will produce 7 billion packs per annum.

Presently the Indian Aseptic Liquid Packaging Market is growing @17-18% per annum and the market is expected to double up in the next five years to approximately 20 billion packs per annum. Drawing parallels, China boasts of a tremendous growth story which has already reached approximately 80 billion packs. In India with similar population the growth potential is humungous. Aseptic Packaging Manufacturing is the BIG THING for taking Uflex to the NEXT LEVEL of Business Excellence.

In addition to the above, the Company also has plans to invest towards modernization of its existing manufacturing systems and processes, R&D & deployment of newer technologies to provide yet better flexible packaging solutions.

## 7. Opportunities; Key Trends & Threats

### Opportunities

Flexible packaging has been the prime-mover of the packaging industry. Owing to developments across consumer and industrial markets that use polymeric films, improvements in manufacturing practices, and continued technological innovations, the packaging market has been able to continually grow and evolve. As a result of the various features that come along with flexible packaging right from the ease of handling, storage, to being cost efficient, flexible packaging has carved a strong position for itself on the global turf.

Opportunities for the global flexible packaging market are riding on the back of rising disposable incomes. Stand-up and see through pouches with re-closable options are spelling out tremendous ease and convenience for deferred use. Stick packages and single serve packs/unit packs are much in demand ensuring controlled portion administration particularly in the pharmaceutical

and concentrate segments. Optimized barrier properties, metallized laminates and co-extruded polymeric structures are further expected to add immense value to end users and therefore to the brand owners. There is a growing trend of multinational brands sourcing globally thereby driving M&A activities among converters. Converters in their individual capacities are also looking at rapid expansion to reap in the benefits of the ever swelling global demand for flexible packaging. Opportunities are expanding manifold for flexible packaging as it has been proved beyond reasonable doubt that this type of packaging requires much less energy during the entire life-cycle i.e. manufacturing, transportation and disposal than its rigid counterpart thereby leaving lesser carbon footprint.

One of the main factors driving the growth of flexible packaging market is the rise in its demand and wide acceptance of this type of packaging across segments such as food and beverages, industrial goods and Fast Moving Consumer Goods (FMCG). Enhanced functionality and improved aesthetics have made flexible packaging perfect for branding and display of goods and products at the point of sale (POS), in turn driving sectoral growth. Backed by investments in technology and equipment, the flexible packaging industry has the potential to enjoy a high growth rate close to 20 percent per annum in the coming years.

### Key Trends for the flexible packaging industry in FY 2017-18 are:

**Sustainability will be the key:** There is an ever increasing clamor for down gauged packaging. Light weighting and reduction at source therefore will be important governing points for packaging companies. Moreover, the pull now coming straight from the end users assuming greater responsiveness towards the environment, packaging will irrevocably echo these sentiments in their designs and processes. Yet more emphasis will be paid by the buyers towards recycling and reprocessing of post-consumer propelling the packaging suppliers to contribute significantly towards Circular Economy;

**Value added brand protection features:** With counterfeiting plaguing the brands and eroding their hard earned equity, there will be an invigorated attempt in FY 2017-18 to take this menace head-on. Looking at the long term positive effect that anti-counterfeiting measures

have on brand image, more and more brands will chose for impregnable brand protection solutions;

**Packaging shapes and structures congruent to brand image:** Brands are well personified assets and enjoy an image that the marketers are very conscious and sensitive about. It is hoped that several consumer packaged goods companies world over will opt to give their packaging designs a fresher look in line with the attributes that their brand stands tall for. One must not forget that *'Good packaging protects your product while Great packaging protects your brand'*.

**Coming to terms with online shopping:** FY 2017-18 will be throbbing for e-commerce and online shopping particularly in the FMCG space. Custodians are likely to leave no stone unturned for making their brands look as appealing and striking on click and mortar as they do in the case of a brick and mortar set up. Packaging will be revved up for rendering an unmatched online experience on e-tailing front. There will be more personalization and simplification of messages for the end users. E-commerce being a growing market, there will be a rise in protective packaging as the trade has made inroads to the smallest of towns apart from hitting the metros across the country.

**Functionality zoom:** In FY 2017-18 brands will pro-actively work with their packaging suppliers to increase functionality of the packs that are seen as a clear extension to the overall product experience offered to the consumers/ end-users. More emphasis will be laid than ever on re-sealability; re-closability; ease of opening; ease of carrying and disposing etc.

**Pushing up the product to package ratio:** Efforts will be invigorated to ensure that more product is packed inside the pre-defined enclosure. The size and shape of packaging will be continually pruned and optimized for making economic sense out of the expensive retail shelves across the globe. Thus boosting the numerator and pushing down the denominator will be the earnest attempt by the brands and packaging suppliers.

**Intelligent packaging:** In an ever evolving landscape, packaging intelligence is likely to get more astute, intuitive, active and smart through FY 2017-18. With IoT (Internet of things) already ruling the roost, packaging as an enabler will be far more intuitive and help providing instantaneous

information to the consumers about the packed products. Be it the ingredients; physical location of goods in transit; conditions in which the product was produced and packed or the real time condition assessment of the product packed inside the packet. Packaging will pave way for accessing all pertinent information through the hand held devices used by consumers and other actors across the value chain. Thus packaging will be rendered more engaging for the GEN-Y in FY 2017-18 and the years that follow.

### Threats

Flexible packaging markets remain highly competitive at both the national and regional levels, often with narrow margins. The global flexible packaging industry continues to be highly fragmented although a small yet growing number of multinational converters are adopting a global strategy to grow in sync with their clients who are expanding their footprint in emerging markets including Eastern Europe, Asia, Africa and Latin America. There is an increasing concern among consumers for environmentally sustainable packaging solutions that has made R&D towards light weighting of substrates and packaging structures rather ubiquitous. There is a growing clamor for packaging that contributes to the Circular Economy leaving lesser waste and thus lower carbon foot print. The contemporary sustainability narrative now puts a much larger onus on to the packaging manufacturers to innovate and ensure reduction at source.

Worldwide more and more bio-degradable products are being used. Packaging films are often considered environment unfriendly; face significant opposition from various strata of society and are subjected to severe regulatory and statutory scrutiny although it has been proved beyond reasonable doubt that this type of packaging requires much less energy throughout all the critical stages of its life cycle i.e. during manufacturing, transportation and disposal when compared with its rigid counterpart.

## 8. Future Outlook

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

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

The players in the flexible packaging industry worldwide are coming up with more and more innovative and effective flexible packaging products. Flexible packaging designs such as zippers, pouring spouts, peel-off lids, and microwavable pouches provide consumers with convenience in accessing and disposing the products like never before. Such packaging designs are being increasingly improvised to meet the growing consumer demand for food and beverage products offering higher convenience and portability. Many packaging companies/ converters are planning to devise innovative products to match ever evolving brand expectations. A lot of emphasis is being paid on intelligent packaging. Most of the converters are focused on inventing new packaging designs or attempting to revamp existing packaging to be able to offer better value proposition to the brands.

Flexible packaging inherently is highly adaptable. The clever and solution driven designs that the packaging companies are coming up with further drives the sustainability quotient of the products which they pack. Flexible packaging helps in minimizing wastage of goods/products by offering appropriate portion sizes and re-closable options.

Uflex Limited being a fully integrated end-to-end flexible packaging materials and solution company, the window of opportunity is promisingly big. Innovation to create value added differentiation; ability to execute any quantum of order ;ensuring just in time delivery anywhere in the globe and an enviable speed to market reach to reap the first mover advantage puts the company in a good stead to double up its top-line in the next 3-4 years.

## 9. Internal Control System, their Adequacy and Operative Effectiveness

The Company has laid down internal financial controls. The policies and procedures adopted by the Company ensure orderly and efficient conduct of its business, safe-guarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable information.

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

Both the Internal Financial Control and Enterprise Legal Compliance Systems are subject to review by the Management in respect of their adequacy and operational effectiveness. These systems in turn are also reviewed by the Internal Auditors, Statutory Auditors and the Audit Committee. Finally, the Board of Directors of the Company also reviews and takes note of them.

## 10. Risk Management

Risk is an integral part of business. Risk can be broadly categorized into two categories: (a) Risk Associated at Transactions Level; (b) Risk Associated at Decision Making Level.

### Risks Associated at Transactions Level

The Company has formalized & documented a detailed Manual on Internal Financial Control covering each activity involving Financial and Operational transactions, the probable risk underlying those activities and the control tools to prevent such risks either through manual or automated process.

Similarly, the Company has also formalized & documented a detailed Manual on Legal Compliance System listing all applicable laws, defining of responsibility centres for necessary compliances thereof and the compliance tasks to be performed under each applicable laws.

As Management is primarily responsible for the designing, implementation, maintenance, adequacy, monitoring & control mechanism and the operating effectiveness of the Internal Financial Control & Legal Compliance Systems, the Company has created appropriate structures with proper delegation of duties and responsibilities of employees at each level on enterprise basis for the compliances thereof. They also review periodically the adequacy of the enterprise level Internal Financial Control and Legal Compliance System in view of changes in business environment, technological changes & regulatory & legal changes and also based on the suggestion by the Internal Auditor, Statutory Auditors & Audit Committee.

Both the Internal Financial Control and Legal Compliance System are subject to review by the Internal Auditor on quarterly basis. They review the adherence, adequacy and effectiveness of the Internal Financial Control operating in the Company and Legal Compliances by the Company of the applicable laws. Based on their review they submit detailed reports covering their suggestions, recommendations & observations to the management and the Audit Committee.

The detailed Audit Reports of the Internal Auditors are reviewed by the Audit Committee comprehensively with the Management and the Internal Auditors. Based on their review, they make necessary directions if any to the Management and / or to the Internal Auditors for the actions / steps to be taken by them. The brief of the report is also given to the Board by the Chairman of the Audit Committee.

#### **Risks Associated at Decision Making Level**

All the Financial, Operational and Legal risks associated at transactions and operational levels are taken care through the above systems. In addition to these, there are other risks which arise during the course of decision making on strategic and corporate financial matters of the Company.

The Company has identified following nature of risks which may be associated with the decisions

on Strategic & Corporate Financial matters of the Company.

- Political, Social and Economic Risks
- Market Risk
- Technology Selection Risk
- Capital Structuring Risk
- Exchange & Interest Rate Risk

The management of the Company evaluates the above risks before taking any decision on strategic & corporate financial matters. A detailed report is submitted by the management on these matters to the Audit Committee and the Board for their review.

On the basis of the aforesaid Risk Management Process followed by the Company, the Audit Committee review & evaluate in detail the establishment and adherence of the Company's Enterprise Risk Management System and also review & evaluate the adequacy and efficacy of the same.

The Board reviews the recommendation of the Audit Committee on the establishment, adherence, adequacy and efficacy of the Company's Enterprise Risk Management framework.

**11. Results of Operations**
**(Rs. in Crore)**

Particulars	STANDALONE		CONSOLIDATED	
	Year ended 31-Mar-17 Amount	Year ended 31-Mar-16 Amount	Year ended 31-Mar-17 Amount	Year ended 31-Mar-16 Amount
<b>INCOME</b>				
Revenue from Operations	<b>3887.48</b>	3801.36	<b>6504.78</b>	6365.52
Other Income	<b>17.11</b>	37.82	<b>20.51</b>	34.92
Share in Profit of Associates for the Year	<b>0.00</b>	0.00	<b>4.07</b>	3.67
<b>Total Income</b>	<b>3904.59</b>	3839.18	<b>6529.36</b>	6404.11
<b>EXPENDITURE</b>				
Cost of Materials consumed	<b>2114.11</b>	2017.76	<b>3492.95</b>	3412.18
Purchase of Stock-in-Trade	<b>19.21</b>	125.79	<b>75.16</b>	170.58
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	<b>(22.81)</b>	(1.62)	<b>(14.08)</b>	(33.68)
Employee benefits expense	<b>351.38</b>	310.84	<b>547.39</b>	496.12
Other expenses	<b>960.19</b>	897.76	<b>1564.44</b>	1537.93
Expenses Allocated to Self Constructed Assets	<b>(27.91)</b>	(22.18)	<b>(35.36)</b>	(22.18)
<b>Total Operating Expenses</b>	<b>3394.18</b>	3328.34	<b>5630.49</b>	5560.94
<b>EBIDT</b>	<b>510.41</b>	<b>510.84</b>	<b>898.87</b>	<b>843.17</b>

**Human Resource Development/Industrial Relations**

The Company's Human Resources (HR) philosophy has always been directed towards establishing and building a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken several pragmatic steps for strengthening organizational competency through engagement and development of employees as well as installing effective systems for improving the productivity, quality and accountability at functional levels.

With the ever-changing and turbulent business scenario, the Company's basic focus is to upgrade the skillset and knowledge levels of the existing human assets by providing appropriate learning, training and development at all levels, motivating them to face the vagaries of business ecosystem in a VUCA world, inculcating the attitude for prompt and deft action and shouldering multifarious responsibilities demanded by the job.

The effort to rationalize and streamline the work force is a continuous process. The Company had 7541 permanent employees at global level as on 31<sup>st</sup> March, 2017. The industrial relations scenario remained harmonious and conducive throughout the year.

**12. Environment, Occupational Health & Safety**

Your Company is committed to conducting its operations with utmost concern towards the environment and ensuring a safe and healthy workplace for all employees. The collective endeavor of the Company's employees at all levels is directed towards sustaining and continuously improving standards of environment management, and occupational health & safety in an endeavor to meet and exceed international benchmarks.



**ANNEXURE - E**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company have been stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Flexible Packaging Material	22209 - Manufacture of other plastics products n.e.c.	89.86%
2	Engineering Business	28299 - Manufacture of other special-purpose machinery n.e.c.	10.08%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	FLEX MIDDLE EAST FZE P.O. BOX 17930, NEAR ROUND ABOUT 12, JEBEL ALI FREE ZONE, DUBAI, UNITED ARAB EMIRATES	Foreign Company	Subsidiary	100%	2(87)
2	FLEX P. FILMS (BRASIL) COMMERCIO DE FILMS PLASTICOS LTDA ALAMEDA SANTOS, 455, CONJUNTO 311, 01419-000, CERQUEIRA CESAR, SAO PAULO, BRASIL <i>(Upto 28<sup>th</sup> March, 2017)</i>	Foreign Company	Subsidiary	100%	2(87)
3	UFLEX EUROPE LIMITED SUITE 3, LEVEL 5, BERKELEY SQUARE, HOUSE, BERKELEY SQUARE, LONDON W1Y6BY, UK	Foreign Company	Subsidiary	100%	2(87)
4	UFLEX PACKAGING INC. 2115 LINWOOD AVENUE SUITE # 410 FORTLEE, NJ 07024	Foreign Company	Subsidiary	100%	2(87)
5	UPET HOLDINGS LIMITED C/O INTERNATIONAL MANAGEMENT (MAURITIUS) LTD, LES CASCADES BUILDING, EDITH CAVELL STREET, PORT LOUIS, MAURITIUS	Foreign Company	Subsidiary	100%	2(87)
6	UTECH DEVELOPERS LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I NEW DELHI – 110 048	U45200DL2006PLC156675	Subsidiary	100%	2(87)
7	USC HOLOGRAMS PRIVATE LIMITED SURVEY NO. 50/2, BANDLAGUDA JAGIR, A.P. EXCISE ACADEMY, RAJENDRA NAGAR MANDAL, HYDERABAD, TELANGANA – 500 008	U74140TG2013PTC086996	Subsidiary	68%	2(87)
8	FLEX AMERICAS S.A. de C.V. BOULEVARD DE LOS RIOS 5680, ZONA PUERTO INDUSTRIAL ALTAMIRA, TAMAULIPAS MEXICO C.P. 89603	Foreign Company	Subsidiary	100%	2(87)
9	FLEX P. FILMS (EGYPT) S.A.E R2 PLOT NO. 3 IN ENGINEERING SQUARE (E2), IN NORTH EXTENSION OF INDUSTRIAL ZONE, 6 OCTOBER CITY, ARAB REPUBLIC OF EGYPT	Foreign Company	Subsidiary	100%	2(87)
10	FLEX FILMS (USA) INC. 1221, NORTH BLACK BRANCH ROAD, ELIZABETHTOWN, KY 42701	Foreign Company	Subsidiary	100%	2(87)
11	FLEX FILMS EUROPA SP. ZO.O. PO. BOX 62 300 WRZESNIA UL. GEN. WLADYSLAWA SIKORSKIEGO 48, POLAND	Foreign Company	Subsidiary	100%	2(87)
12	UPET (SINGAPORE) PTE. LIMITED 10, JALAN BESAR, 10-12 SIM LIM TOWER, SINGAPORE 208787	Foreign Company	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
13	SD BUILDWELL (P) LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I, NEW DELHI – 110 048	U45400DL2008PTC174387	Subsidiary	100%	2(87)
14	FLEX FOODS LIMITED LAL TAPPAR INDUSTRIAL AREA, PO-RESHAM MAJRI, HARIDWAR ROAD, DEHRADUN, UTTARAKHAND	L15133UR1990PLC023970	Associate	47.15%	2(6)
15	REFEX ENERGY (RAJASTHAN) PRIVATE LIMITED* 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I, NEW DELHI – 110 048	U40100DL2009PTC226628	Subsidiary	62.91%	2(87)
16	BUNDELKHAND PROJECTS PRIVATE LIMITED** A-108, SECTOR-4 NOIDA GAUTAM BUDDHA NAGAR UP 201301	U74120UP2003PTC027714	Subsidiary	62.91%	2(87)

\* "Associate" till 6<sup>th</sup> July, 2016 with a holding of 31.44% and subsidiary w.e.f. 07.07.2016

\*\* Subsidiary w.e.f. 7<sup>th</sup> July, 2016

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

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

Category of Shareholder (II)	No. of Shares held at the beginning of the Year				No. of Shares held at end of the Year				% Change during the year
	Demat	Physical	Total	% of the total shares	Demat	Physical	Total	% of the total shares	
<b>A. Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
a) Individuals / Hindu Undivided Family	2321729	--	2321729	3.22	2321729	--	2321729	3.22	--
b) Central Government / State Government(s)									
c) Bodies Corporate	29462110	500	29462610	40.80	29462110	500	29462610	40.80	--
d) Financial Institutions / Banks	--		--		--		--		
e) Any Other (specify)	--		--		--		--		
<b>Sub - Total (A)(1)</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>--</b>
<b>(2) Foreign</b>									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Bodies Corporate	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>31783839</b>	<b>500</b>	<b>31784339</b>	<b>44.02</b>	<b>--</b>

Category of Shareholder (II)	No. of Shares held at the beginning of the Year				No. of Shares held at end of the Year				% Change during the year
	Demat	Physical	Total	% of the total shares	Demat	Physical	Total	% of the total shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	38494	22030	60524	0.08	37288	22030	59318	0.08	--
b) Banks / Financial Institutions	112759	2788	115547	0.16	129631	2788	132419	0.18	<b>+0.02</b>
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	6353380	24204	6377584	8.83	7922027	24204	7946231	11.00	<b>+2.17</b>
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Any Other (specify)	--	--	--	--	--	--	--	--	--
<b>Sub - Total (B)(1)</b>	<b>6504633</b>	<b>49022</b>	<b>6553655</b>	<b>9.08</b>	<b>8088946</b>	<b>49022</b>	<b>8137968</b>	<b>11.27</b>	<b>+2.19</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	8172689	18598	8191287	11.34	6919287	18548	6937835	9.61	<b>-1.73</b>
i) Overseas	-	-	-	-	--	--	--	-	-
b) Individuals-									
i. Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	9107563	756458	9864021	13.66	8908329	730132	9638461	13.35	<b>-0.31</b>
ii. Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	6081712	14900	6096612	8.44	5241550	14900	5256450	7.28	<b>-1.16</b>
c. Any Other (specify)									
-- NRIs	4157576	--	4157576	5.76	4886636	--	4886636	6.77	<b>+1.01</b>
-- Foreign Bodies Corporate	--	--	--	--	5465840	--	5465840	7.57	<b>+7.57</b>
-- Clearing Members (in Transit Position)	98156	--	98156	0.14	103957	--	103957	0.14	--
<b>Sub - Total (B)(2)</b>	<b>27617696</b>	<b>789956</b>	<b>28407652</b>	<b>39.34</b>	<b>31525599</b>	<b>763580</b>	<b>32289179</b>	<b>44.71</b>	<b>+5.38</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>34122329</b>	<b>838978</b>	<b>34961307</b>	<b>48.42</b>	<b>39614545</b>	<b>812602</b>	<b>40427147</b>	<b>55.98</b>	--
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	5465840	--	5465840	7.57	--	--	--	--	<b>-7.57</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>71372008</b>	<b>839478</b>	<b>72211486</b>	<b>100</b>	<b>71398384</b>	<b>813102</b>	<b>72211486</b>	<b>100</b>	--

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	FLEX INTERNATIONAL PVT LTD	9197577	12.74	--	9197577	12.74	--	--
2	ANSHIKA INVESTMENTS PVT LTD	5771092	7.99	--	5771092	7.99	--	--
3	A.R.LEASING PVT LTD	4994891	6.92	--	4994891	6.92	--	--
4	APOORVA EXTRUSION PVT LTD	4323162	5.99	--	4323162	5.99	--	--
5	ANSHIKA CONSULTANTS PVT LTD	3778524	5.23	--	3778524	5.23	--	--
6	ASHOK CHATURVEDI	1264533	1.75	--	502533	0.70	--	-1.05
7	RASHMI CHATURVEDI	1041145	1.44	--	125145	0.17	--	-1.27
8	ANANT OVERSEAS PVT LTD	1000000	1.38	--	1000000	1.38	--	--
9	ASHOK KUMAR CHATURVEDI (KARTA)	16051	0.03	--	1694051	2.35	--	+2.32
10	MAHAJAN POLYBAG PVT LTD*	145562	0.20	--	--	--	--	-0.20
11	NARU INVESTMENTS PVT LTD*	119767	0.17	--	--	--	--	-0.17
12	A.L. CONSULTANTS PVT LTD	78533	0.11	--	355486	0.49	--	+0.38
13	MAGIC CONSULTANTS PVT LTD*	41878	0.06	--	41878	0.06	--	--
14	SAMBHAV FINLEASE PVT LTD*	8299	0.01	--	--	--	--	-0.01
15	DEDICATED INVESTMENTS PVT LTD*	1992	0.00	--	--	--	--	--
16	MODA ELEGANZA PVT LTD*	1333	0.00	--	--	--	--	--
<b>Total</b>		<b>31784339</b>	<b>44.02</b>	<b>--</b>	<b>31784339</b>	<b>44.02</b>	<b>--</b>	<b>--</b>

\*Merged with M/s A.L. CONSULTANTS PVT LTD. W.E.F 12<sup>th</sup> May, 2016

**(iii) Change in Promoters' Shareholding**

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

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

For Each of the Top 10 Shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
Sl. No.	Name	No of shares at the beginning the year (01/04/2016)	% of total Shares of the company	No of shares at the end of the year (31/03/2017)	% of total Shares of the company
1	KEBALE TRADING COMPANY LIMITED	-	-	5465840	7.57
2	KESWANI HARESH	1887056	2.61	2618401	3.63
3	DILIPKUMAR LAKHI	2959215	4.10	2410858	3.34
4	MONTAGE ENTERPRISES PRIVATE LIMITED	2204695	3.05	2204695	3.05
5	ILAND FS TRUST CO LTD	1547172	2.14	1113631	1.54
6	RICKY ISHWARDAS KIRPALANI	1030311	1.43	897956	1.24
7	OLD MUTUAL GLOBAL INVESTORS SERIES PUBLIC LIMITED COMPANY	230187	0.32	584794	0.81
8	DIMENSIONAL EMERGING MARKETS VALUE FUND	515077	0.71	500947	0.69
9	RICKY ISHWARDAS KIRPALANI	500000	0.69	500000	0.69
10	KOTHARI PRODUCTS LIMITED	492056	0.68	492056	0.68
11	CITY OF NEW YORK GROUP TRUST	387541	0.54	394405	0.55
12	MORGAN STANLEY ASIA (SINGAPORE) PTE.	713243	0.99	151773	0.21
13	DEUTSCHE BANK TRUST COMPANY AMERICAS	5465840	7.57	-	-

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>Mr. Ashok Chaturvedi</b>					
1	At the beginning of the year	1264533	1.75	1264533	1.75
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): <b>(Decrease in shareholding through Inter-se Transfer on :</b> 1) 22-03-2017 2) 28-03-2017	(430000) (332000)	(-0.59) (-0.46)	834533 502533	1.15 0.70
3	<b>At the End of the year</b>	<b>502533</b>	<b>0.70</b>	<b>502533</b>	<b>0.70</b>
<b>Mr. M.G. Gupta</b>					
1	At the beginning of the year	8061	0.01	8061	0.01
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	<b>At the End of the year</b>	<b>8061</b>	<b>0.01</b>	<b>8061</b>	<b>0.01</b>
<b>Mr. A. Karati</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. Amitava Ray</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. T. S. Bhattacharya</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mrs. Indu Liberhan</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. Arvind Mahajan (w.e.f. 3<sup>rd</sup> August, 2016)</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. Vijay Kumar Gupta</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. R.K. Jain</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--
<b>Mr. Ajay Krishna</b>					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
<b>3</b>	<b>At the End of the year</b>	--	--	--	--

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	80,318.15	12,761.20	-	93,079.35
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	297.08	35.64	-	332.72
<b>Total (I + ii + iii)</b>	<b>80,615.23</b>	<b>12,796.84</b>	<b>-</b>	<b>93,412.07</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	30,354.94	42,251.16	-	72,606.10
• Reduction	12,408.74	29,096.38	-	41,505.12
<b>Net Change</b>	<b>17,946.20</b>	<b>13,154.78</b>	<b>-</b>	<b>31,100.98</b>
Indebtedness at the end of the financial year				
i) Principal Amount	98,264.35	25,915.98	-	124,180.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	469.83	71.06	-	540.89
<b>Total (i + ii + iii)</b>	<b>98,734.18</b>	<b>25,987.04</b>	<b>-</b>	<b>124,721.22</b>

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

Sl. No.	Particulars of Remuneration	Mr. Ashok Chaturvedi Chairman & Managing Director	Mr. Amitava Ray Whole-time Director	Total Amount
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	678.00	211.36	889.36
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21.89	--	21.89
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission (Payable)			
	- as 1.32% of profit #	300.00	--	300.00
	- others, specify...	--	--	--
5.	Others			
	- Medical Reimbursement and Contribution to Provident Fund etc.	75.75	--	75.75
	<b>Total (A)</b>	<b>1075.64</b>	<b>211.36</b>	<b>1287.00</b>
	Ceiling as per the Act	1133.17	1133.17	2266.34

*# Profit as per Section 198 of the Companies Act, 2013*
**B. Remuneration to other Directors:**
**1. Independent Directors**
**(Rs. In Lacs)**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. A. Karati	Mr. M .G. Gupta	Mr. T.S. Bhattacharya	Mrs. InduLiberhan	Mr. Arvind Mahajan\$	
1.	• Fee for attending board / committee meetings	8.00	10.00	2.00	6.00	1.50	27.50
	• Commission	--	--	--	--	--	--
	• Others, please specify	--	--	--	--	--	--
	<b>Total B(1)</b>	<b>8.00</b>	<b>10.00</b>	<b>2.00</b>	<b>6.00</b>	<b>1.50</b>	<b>27.50</b>

*(\$ Mr. Arvind Mahajan was appointed as Director w.e.f. 3<sup>rd</sup> August, 2016.*



## 2. Other Non-Executive Director

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Vijay Kumar Gupta, Nominee – IFCI		
1.	• Fee for attending board / committee meetings • Commission • Others, please specify	2.00	--	2.00
		--	--	--
<b>Total B(2)</b>		2.00		2.00
<b>Total (B) = (1+2)</b>				29.50
<b>Total Managerial Remuneration</b>				1316.50
<b>Overall Ceiling as per the Act</b>				2492.98

(Rs. In Lacs)

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. R.K. Jain Group President (F&A) [CFO]	Mr. Ajay Krishna, Sr. Vice President (Legal) & Company Secretary	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	204.19	72.57	276.76
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.11	0.40
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission	--	--	--
	- as % of profit	--	--	--
	- others, specify...	--	--	--
5.	Others	9.97	0.15	10.12
	-Medical Reimbursement and Contribution to Provident Fund			
<b>Total</b>		214.45	72.83	287.28

(Rs. in Lacs)

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

## ANNEXURE – ‘F’

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

#### PARTICULARS OF REMUNERATION

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

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

Non-Executive Directors	Ratio to Median Remuneration
Madan Gopal Gupta	3.27
Arvind Mahajan	0.49
Achintya Karati	2.62
Tara SankarSudhir Bhattacharya	0.65
Vijay Kumar Gupta	0.65
Indu Librehan	1.96
<b>Executive Directors</b>	
Ashok Chaturvedi	352.66
Amitava Ray	69.29

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

Name of Person	% Increase in remuneration
<b>Non Executive Directors</b>	
Madan Gopal Gupta	17.64
Arvind Mahajan	Not Applicable
Achintya Karati	23.07
Tara SankarSudhir Bhattacharya	Nil
Vijay Kumar Gupta	100
Indu Librehan	33.33
<b>Executive Directors</b>	
Ashok Chaturvedi (M.D.)	4.83
Amitava Ray (WTD)	541.05 (*)
<b>KMP</b>	
Ravinder Kumar Jain (CFO)	3.69
Ajay Krishna (CS)	19.55

(\*) the figure is arrived at after comparing one month’s salary paid in FY 15 – 16 as WTD against salary paid during the complete FY 16 – 17

- (c) The percentage increase in the median remuneration of employees in the financial year : 10.26%
- (d) The number of permanent employees on the rolls of company : as on 31.03.2017 employees are 6229, However the data taken for calculation of median remuneration of the employee was 6872.

- (e) The explanation on the relationship between average increase in remuneration and company performance: On an average, employees received an increase of 10.26%. The Increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

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

Particulars	Rs/Lac
Remuneration of Key Managerial Personnel(KMP) during financial year 2016-17 (Aggregated)	1574.26
Revenue from operations	388748.30
Remuneration (as % of revenue)	0.40
Profit before tax (PBT)	20395.24
Remuneration (as % of PBT)	7.72

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

Particulars	Unit	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	Variation
Closing rate of share at BSE	Rs.	277.90	174.25	59.48%
EPS (Consolidated)	Rs.	48.25	43.46	11.02%
Market Capitalisation	Rs/lac	200675.71	125828.51	59.48%
Price Earning Ratio	Ratio	5.76	4.00	44.00%

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

The average increase in salaries of employees in 2016-17 was **10.25%**. Percentage increase in the managerial remuneration for the year was **18.65%**

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

Particulars	Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
	Ashok Chaturvedi	Amitava Ray	Ravinder Kumar Jain	Ajay Krishna
	Rs/lac	Rs/lac	Rs/lac	Rs/lac
Remuneration	1075.63	211.35	214.45	72.83
Revenue	388748.30	388748.30	388748.30	388748.30
Remuneration (as% revenue)	0.27%	0.05%	0.05%	0.01%
Profits before tax (PBT)	20395.24	20395.24	20395.24	20395.24
Remuneration (as % of PBT)	5.27%	1.03%	1.05%	0.36%

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

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

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

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

The company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through

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

For & On behalf of the Board

**Ashok Chaturvedi**  
Place : NOIDA Chairman & Managing Director  
Dated : 30<sup>th</sup> May, 2017 (DIN 00023452)

## ANNEXURE 'G' 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

Energy is a primary input for almost all activities and is, therefore, vital for improvement in quality of life. Its use in sectors such as industry, commerce, transport, telecommunications, wide range of agriculture and household services has compelled us to focus our attention to ensure its continuous supply to meet our ever increasing demands.

Energy related problems are not new. These problems are as old as they were 2500 years ago. The early Romans and Greeks faced fuel shortage as wood was their primary source of Energy. They had to import wood from very faraway places.

Fossil fuel is still the main source of energy today and we are facing the peak of oil and gas utilization. Fossil fuel resources took millions of years to form and are finite. These resources may be exhausted in the years to come.

Historical evidence shows that world energy demand has increased at almost the same rate as gross world product (GWP). People living in industrialized or developed countries are relatively in small percentage of the world's total population, but they consume a huge share of the total energy produced in the world.

Energy policy today has two choices (paths). One path leads to the fossil fuels (hard path), which means continuing as we have been for number of years i.e., emphasizing energy quantity by finding more amount of fossil fuels and building much larger power plants.

The second path is the soft path which leads to the energy alternatives that emphasize on energy quality and abundantly available in vogue. These are renewable, flexible and more environmental friendly alternatives. The soft path relies mainly on renewable energy i.e. sunlight, wind, biomass, tidal energy etc.

There is a constant need to resort to Energy Management. This concept recognizes that no

single Energy source could possibly provide all energy needs of the Nation. Thus, we at Uflex, are following the basic objective of integrated Energy Management in order to obtain sustainable Energy which could be realized at the local level.

#### (a) Energy conservation measures taken

The below mentioned are some of the steps which have been undertaken during 2016-2017:

##### Shifting of Electrical Load from 132 KV Grid to HFO GENERATORS at Noida Plant:

We have shifted our Electrical load from 132 KV/20 MVA power to the Captive power plant resulting into the saving of Rs. 20 crores annually.

##### Starting of Vapor Absorption M/c VAM

We have started 05 Nos of VAM in order to tap waste heat recovery process associated with the HFO Generators. This has shifted 1000 Tr cooling load on the VAMs, resulting into annual saving of Rs 4.50 crores.

##### Day light power Saving Panels

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

We have installed CLCT (Close Loop Cooling Tower) in order to reduce the cooling load of 100 TR on the Chillers, leading into saving of Rs.30 lacs per annum.

We have installed VFD Compressors resulting into savings of Rs. 20 lacs per annum.

Power factor improvement from 0.94 to 0.99.

Replacement of HPMV lamps (125 W) with LED lighting (40 W).

Carried out energy audit for the entire site and taken initiatives for reduction of energy consumption.

100% coverage of all equipment/ section for electrical energy metering.

Elimination of equipment idle running.

Extensive external agency/ expert audits throughout the year for energy efficiency improvement and consumption reduction.

Organized more than 18 training programs on Energy management related to awareness as well as equipment specific.

### (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 in process of installing new CLCT (Close Loop Cooling Towers) in order to further reduce Chiller Loads.
2. We are in process of identifying the variable loads in order to install VFD for saving power consumption.
3. Existing Cooling Towers are being modified/ repaired to improve Cooling Water Temperature which will help us in reducing the chiller compressor power.
4. We are planning to install Flow meters in order to conserve our natural resource.
5. We are working on ground water re-charge so that rain water could be used for water harvesting.
6. We are planning to replace conventional motors with energy efficient motors.
7. We are planning to start special drive to review our existing Insulation on the pipes/ ducts in order to minimize the energy loss.
8. Optimizing utility consumption through common utility of all sections.
9. Special focus on Chiller & cooling tower performance improvement.
10. Driving consumption reduction action plan for Identified energy intensive equipment.
11. Measurement facility of all utility consumption.

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

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

### B. TECHNOLOGY ABSORPTION

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

1. Specific areas in which R&D is carried out by the Company The Company has carried out R&D in multiple products, processes and technologies.

2. Benefits derived as a result of the above R&D Products improvements in quality and quantity, conversion cost reduction, import substitution, widening the product range. The capability to develop new products boosts the morale and the culture of the organization. Further, several new products have been developed by the Company to respond to the needs of its customers both in the domestic and international markets, with concurrent commitment to improve quality and productivity.
3. Future plan of action Steps are continuously being taken for innovation and renovation of products including new product development and enhancement of product quality/profile, to offer better products at relatively affordable prices/process to customers.

#### 4. Expenditure on R&D

During the year, the Company spent Rs.58.66 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 period 2016-17, the Company has acquired the following new technology:

1. Slitter Mounted Lang Laser System: For Scoring of Film & Laminate in Machine & Cross Web Direction for easy tear.

2. TOTANI Pouchmaker : For Making Vacuum Pouches.
3. WIDMAN Machine : Centre & Corner Spout Fixing on Pouches by Ultrasonic Tools
4. UV Led Curing Technology : AMS, Uviterno
5. Technology imported from M/s Comiflex SRL, Via dell'artigianato, 30,20070, Cerro al Lambro (MI), Italy as detailed below :
  - a) Design and Engineering drawings of full main Gearless C.I. Flexo printing machines for model VALE-1308 and ELISA-1308 on Hard Disc
  - b) Design and Engineering drawings of unwinder for machine models VALE-1308 and ELISA-1308 on Hard Disc

### C. GLOBAL BUSINESS STRATEGIES

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

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

### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

#### 1. Activities relating to exports

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

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

#### 2. During the period under review

(Rs. in Crores)

a)	Earnings in Foreign Exchange	
i)	F.O.B. value of export of manufactured/ Stock in Trade	570.39
ii)	Sales of Services	0.50
iii)	Technical Support Fees	15.43
vi)	Commission for extension of Corporate Guarantee for Subsidiaries	3.94
b)	Expenditure	
i)	CIF Value of Imports	767.55
ii)	Expenditure in Foreign Currency	28.58

For & On behalf of the Board

**Ashok Chaturvedi**

Place : NOIDA                      Chairman & Managing Director  
Dated : 30<sup>th</sup> May, 2017                      (DIN 00023452)

## INDEPENDENT AUDITORS' REPORT

### To the Members of UFLEX Limited

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Uflex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2017, and its profit, total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note No. 35 A & 35 C to the Standalone Ind AS Financial Statement;
    - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
    - iii. According to the information and explanations given to us, there was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and
    - iv. The Company had provided requisite disclosures in its Standalone Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company- Refer Note No. 44 to the Standalone Ind AS Financial Statement.

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

**CA. S.V. SEHGAL**  
Partner

Membership No. 080329

Place : NOIDA  
Dated : 30-05-2017



## ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our report of even date of UFLEX Ltd. ("the Company"), for the year ended on March 31, 2017, we report that:**

1. In respect of Fixed Assets (Property, Plant and Equipment, Capital Work in Progress, Investment Property and Other Intangible Assets including development) of the Company:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification;
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except in respect of two residential flats aggregating to Rs. 25.15 lacs (original acquisition cost), where titles are pending for execution.
2. The inventory has been physically verified during the year by the management, at reasonable intervals and the discrepancies noticed on such physical verification of inventory, as compared to book records were not significant and were properly dealt with in the books of account.
3. The Company has not granted loans to any companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act') during the year. Further in respect of unsecured loan granted to one of the Indian subsidiary, which was outstanding as at the beginning of the year:
  - (a) The borrower has been regular in the payment of its dues, as per stipulated terms; and
  - (b) There are no overdue amounts in respect of this loan.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits, under the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed there under during the year under report.
6. We have broadly reviewed the cost records maintained by the Company under Section 148(1) of the Act, and are of the opinion that prima- facie the prescribed records have been made and maintained.
7. In respect of Statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other applicable statutory dues have been generally deposited regularly with the appropriate authorities.
  - b) According to the information and explanation given to us, there are no dues of custom duty, which have not been deposited on account of any dispute. However, following amount are involved (Gross of amount deposited under protest, if any) with under-mentioned forums, in respect of the disputed statutory dues:
    - i. Aggregate Sale Tax/ Value Added Tax of Rs. 1535.19 lacs, pending before (a) Various High Courts (Rs. 775.20 lacs), (b) Tribunal (Rs. 199.59 lacs) & (c) Assessing Authorities (Rs. 560.40 lacs).
    - ii. Aggregate Income Tax of Rs. 4065.13 lacs, pending before (a) High Court (Rs. 145.50 lacs), (b) ITAT (Rs. 331.85 lacs), & (c) CIT (Appeals) (Rs. 3587.78 lacs).
    - iii. Aggregate Excise duty of Rs. 6330.08 lacs, pending before (a) Supreme Court (Rs. 134.82 lacs) (b) Various High Courts (Rs. 72.56 lacs), (c) Tribunal (Rs. 4557.39 lacs), (d) Commissioner (Appeals) (Rs. 1240.76 lacs), & (e) Assessing Authorities (Rs. 324.55 lacs).
    - iv. Aggregate Service Tax of Rs. 151.91 lacs, pending before (a) Tribunal (Rs. 90.71 lacs), (b) Commissioner (Appeals) (Rs. 54.86 lacs) & (c) Assessing Authorities (Rs. 6.34 lacs).
8. Based on the audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks. Further

Company, does not have any loans and borrowings from financial institutions or government and has not issued any debentures.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been applied for the same purpose for which the loans were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Ind AS.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**CA. S.V. SEHGAL**

Partner

Membership No. 080329

Place : NOIDA  
Dated : 30-05-2017

## ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Uflex Limited ('the Company') as of March 31, 2017, in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**CA. S.V. SEHGAL**

Partner

Membership No. 080329

Place : NOIDA

Dated : 30-05-2017

**BALANCE SHEET AS AT 31ST MARCH 2017**
**(Rs. in Lacs)**

Particulars	Note No.	As At 31st March 2017	As At 31st March 2016	As At 1st April 2015
<b>I ASSETS</b>				
<b>Non-Current Assets</b>				
a) Property, Plant and Equipment	3A	146237.95	131521.11	123787.97
b) Capital Work-in-Progress		47919.09	21444.45	2399.71
c) Investment Property	3B	3407.00	3551.04	3668.24
d) Other Intangible assets	3C	2958.01	1309.30	721.97
e) Intangible assets under development		108.18	426.88	236.57
f) Financial Assets				
i) Investments	4A	37434.94	37545.31	39904.92
ii) Pledged Equity Instruments	4B	3285.37	2649.83	2101.37
iii) Loans	5	2042.12	11519.95	10886.49
iv) Other Non-Current Financial Assets	6	42.70	140.61	41.24
g) Other Non-Current Assets	7	6122.29	9045.74	5873.88
<b>Total Non-Current Assets</b>		<b>249557.65</b>	219154.22	189622.36
<b>Current assets</b>				
a) Inventories	8	32515.22	27170.61	28877.61
b) Financial Assets				
i) Trade receivables	9	99901.62	78300.20	78188.73
ii) Cash and cash equivalents	10A	10415.11	17522.79	6575.86
iii) Bank Balances other than (ii) above	10B	1754.74	1406.13	643.91
iv) Loans	11	2135.69	0.98	4240.18
v) Other Financial Assets	12	163.77	1001.15	610.88
c) Other Current Assets	13	11589.20	11155.35	14967.33
<b>Total Current Assets</b>		<b>158475.35</b>	136557.21	134104.50
<b>TOTAL ASSETS</b>		<b>408033.00</b>	355711.43	323726.86
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	14	7221.15	7221.15	7221.15
b) Other Equity	15	196958.38	179529.65	161255.36
<b>Total Equity</b>		<b>204179.53</b>	186750.80	168476.51
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
a) Financial Liabilities				
i) Borrowings	16	71851.91	55537.96	34485.21
ii) Other Financial Liabilities	17	332.72	331.91	250.56
b) Provisions	18	1152.85	929.01	1074.10
c) Deferred tax Liabilities (Net)	19	6486.35	9954.35	10637.85
d) Other Non-Current Liabilities	20	485.36	277.21	70.13
<b>Total Non-Current Liabilities</b>		<b>80309.19</b>	67030.44	46517.85
<b>Current Liabilities</b>				
a) Financial Liabilities				
i) Borrowings	21	39783.63	22457.33	29287.70
ii) Trade payables	22	54945.10	50535.66	46573.26
iii) Other Financial Liabilities	23	16455.62	17142.44	17074.32
b) Other current Liabilities	24	8905.45	8163.16	12089.17
c) Provisions	25	952.39	828.33	1233.10
d) Current Tax Liabilities (Net)	26	2502.09	2803.27	2474.95
<b>Total Current Liabilities</b>		<b>123544.28</b>	101930.19	108732.50
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>408033.00</b>	355711.43	323726.86

The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

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

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

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

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

 For **Vijay Sehgal & Co.**  
 Chartered Accountants  
 FRN: 000374N

**Rakesh Malhotra**  
 Asst. Vice President  
 (Corp. Accounts)

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

**S.V.Sehgal**  
 Partner  
 M.NO: 080329

 Place : NOIDA  
 Dated : 30-05-2017

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in Lacs)

Particulars	Note No.	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>Revenue from Operations</b>			
Gross Sales & Job Work	27 (A)	438561.70	408294.30
Less : Inter unit Sales & Job Work		60480.32	37911.10
Net Sales & Job Work		378081.38	370383.20
Other Operating Income	27 (B)	10666.92	9752.68
<b>Revenue from Operations</b>		<b>388748.30</b>	<b>380135.88</b>
<b>Other Income</b>	<b>28</b>	<b>1710.50</b>	<b>3782.37</b>
<b>Total Income</b>		<b>390458.80</b>	<b>383918.25</b>
<b>Expenses:</b>			
Cost of materials consumed	29	211411.26	201776.19
Purchase of Stock-in-Trade		1921.07	12578.57
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	30	(2280.58)	(162.22)
Employee benefits expense	31	35138.02	31083.76
Finance costs	32	11877.70	10783.00
Depreciation and amortization expense		18767.97	16698.87
Other expenses	33	96018.67	89776.30
Expenses Allocated to Self Constructed Assets	34	(2790.55)	(2218.46)
<b>Total Expenses</b>		<b>370063.56</b>	<b>360316.01</b>
Profit before tax		20395.24	23602.24
<b>Less / (Add) : Tax expense:</b>			
- Current tax		4569.00	4822.00
- Deferred tax		(3528.37)	(604.50)
- (Excess) Provision of Income Tax for earlier years		(0.36)	(781.00)
Profit for the year		19354.97	20165.74
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurement of the net defined benefit liability / asset		174.43	(228.28)
Fair Value Changes of Equity Instruments		740.89	604.46
Income tax relating to items that will not be reclassified to Profit & Loss		(60.37)	79.00
<b>Total (Net of Tax)</b>		<b>854.95</b>	<b>455.18</b>
<b>Total Comprehensive Income for the Year</b>		<b>20209.92</b>	<b>20620.92</b>
<b>Earning Per Equity Share</b>			
a) Basic (Rs.)		26.80	27.93
b) Diluted (Rs.)		26.80	27.93

The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

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

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

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

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

For **Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs)

Particulars	Equity Share Capital	Other Equity						Total
		Reserve & Surplus				Other Comprehensive Income		
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Remeasurement of Defined Benefit Plans	
<b>Balance as at 1st April 2015</b>	<b>7221.15</b>	<b>10377.76</b>	<b>57110.63</b>	<b>18167.22</b>	<b>78419.42</b>	<b>(2819.67)</b>	<b>-</b>	<b>168476.51</b>
Total Other Comprehensive Income for the Year (Net of Tax)						604.46	(149.28)	455.18
Dividend (Including Dividend Distribution Tax)					(2346.63)			(2346.63)
Profit for the Year					20165.74			20165.74
Amount transferred to General Reserve					(1996.83)			(1996.83)
Amount Transferred from Retained Earnings				1996.83				1996.83
<b>Balance as at 31st March 2016</b>	<b>7221.15</b>	<b>10377.76</b>	<b>57110.63</b>	<b>20164.05</b>	<b>94241.70</b>	<b>(2215.21)</b>	<b>(149.28)</b>	<b>186750.80</b>
<b>Balance as at 1st April 2016</b>	<b>7221.15</b>	<b>10377.76</b>	<b>57110.63</b>	<b>20164.05</b>	<b>94241.70</b>	<b>(2215.21)</b>	<b>(149.28)</b>	<b>186750.80</b>
Total Other Comprehensive Income for the Year (Net of Tax)						740.89	114.06	854.95
Dividend (Including Dividend Distribution Tax)					(2781.19)			(2781.19)
Profit for the Year					19354.97			19354.97
<b>Balance as at 31st March 2017</b>	<b>7221.15</b>	<b>10377.76</b>	<b>57110.63</b>	<b>20164.05</b>	<b>110815.48</b>	<b>(1474.32)</b>	<b>(35.22)</b>	<b>204179.53</b>

The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

This is the Statement of Changes in Equity referred to in our report of even date attached

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

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

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

 For **Vijay Sehgal & Co.**  
 Chartered Accountants  
 FRN: 000374N

**Rakesh Malhotra**  
 Asst. Vice President  
 (Corp. Accounts)

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

**S.V.Sehgal**  
 Partner  
 M.NO: 080329

 Place : NOIDA  
 Dated : 30-05-2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in Lacs)

	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	20395.24	23602.24
<b>Adjustment for :</b>		
Depreciation & amortisation expense	18767.97	16698.87
Exchange rate fluctuations (Net)	(1178.78)	(114.84)
(Profit) /Loss on assets sold (Net)	(12.68)	23.39
Property, Plant & Equipment written Off	91.54	141.88
Finance Cost	11877.70	10783.00
Interest received from Banks / others	(880.59)	(1091.06)
Rent Received	(210.15)	(253.83)
Dividend received on Investments carried at amortised cost	(146.75)	(132.08)
Dividend received on Investments carried at Fair value through other comprehensive income	(5.68)	(75.63)
Profit on sale of Investments (Net)	-	(1785.26)
Allowance for Doubtful Debt Written Back	(1215.85)	(1180.95)
Loss on Liquidation of Foreign Subsidiary	50.08	-
Remeasurement of the net defined benefit liability / asset	174.43	(228.28)
Allowance for doubtful debts	1626.25	437.65
Sundry Debit Balance / Bad Debts written off	924.97	1,163.81
<b>Operating Profit before Working Capital changes</b>	<b>50257.70</b>	<b>47988.91</b>
<b>Adjustment for :</b>		
Trade Receivables	(22936.79)	(531.98)
Loans and Other financial assets and other assets	1767.78	1216.22
Inventories	(5344.61)	1707.00
Trade payables	4409.44	3962.40
Other financial liabilities, other liabilities and provisions	311.15	(3791.00)
<b>Cash generated from operations</b>	<b>28464.67</b>	<b>50551.55</b>
Income Tax	(4568.64)	(4041.00)
Exchange rate fluctuations	1178.78	114.84
<b>Net Cash generated from operating activities (A)</b>	<b>25074.81</b>	<b>46625.39</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(61291.56)	(44678.37)
Sale proceeds of Property, Plant & Equipment	67.28	375.92
Inflow on transfer of Shares of Subsidiaries	165.64	4196.54
Inflow on Investments (Net)	0.00	4.32
Loans to body corporates (Net)	6700.23	(1800.00)
Loans to subsidiaries (Net)	2300.00	4340.00
Interest received from Banks / others	880.59	1091.06
Rent Received	210.15	253.83
Dividend received on Trade Investments	146.75	132.08
Dividend received on Non- Trade Investments	5.68	75.63
<b>Net Cash used in Investing Activities (B)</b>	<b>(50815.24)</b>	<b>(36008.99)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017 (contd.)

(Rs. in Lacs)

	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(2310.77)	(1949.71)
Dividend Distribution Tax	(470.42)	(396.92)
Finance Cost	(11877.70)	(10783.00)
Borrowings (Net)	<u>33640.25</u>	<u>14222.38</u>
<b>Net Cash used in Financing Activities (C )</b>	<b>18981.36</b>	1092.75
Net (Decrease) / Increase in Cash and Cash equivalents (A+B+C)	<b>(6759.07)</b>	11709.15
<b>Cash and Cash equivalents (As per Note No 10a)</b>		
Opening Cash and Cash equivalents	<b>18928.92</b>	7219.77
Closing Cash and Cash equivalents #	<b>12169.85</b>	18928.92

# Includes Rs.1754.74 lacs (Previous Year Rs.1406.13 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with as margin for letter of credits, guarantees & bills discounted.

The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

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

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

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

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

For **Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 1 COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

#### I. COMPANY OVERVIEW

The Company is a public limited company, domiciled in India and registered with the ROC, Delhi & Haryana under the Registration number 55-32166 dated 21st June 1988. Old Registration number has been converted into new Corporate Identification number (CIN) L74899DL1988PLC032166

Registered office of the Company is situated at 305, 3rd Floor, Bhanot Corner, Pamposh Enclave, Greater Kailash-I, New Delhi- 110 048 and Corporate Office at A-108-109, Sector-4, Noida, Uttar Pradesh-201301

The Company is a leading Indian Multinational, engaged in the manufacture and sale of flexible packaging products & offers a complete flexible packaging solution to its customers across the globe.

#### II. SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules 2015 with effect from 1<sup>st</sup> April 2016. The Adoption of the IND AS was carried out in accordance with the IND AS 101 First Time adoption of the Indian Accounting Standards. Accordingly Company's opening Ind AS Balance Sheet date of transition is 1<sup>st</sup> April 2015. Please refer to Note No 2 for more information on reconciliations of differences and descriptions of the effect of transition.

Accordingly the financial statements of the company with effect from 1<sup>st</sup> April 2016 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial statements of the company are prepared under the historical cost convention except for the followings assets and liabilities which have been measured at their fair value:

- Certain financial assets and liabilities measured at fair value (Refer to accounting policies for more details).

For the periods up to and including the financial year ended 31<sup>st</sup> March 2016, the financial Statements were prepared in accordance with the Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies Act 2013 u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

##### B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

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

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****C. CLASSIFICATION OF EXPENDITURE / INCOME**

Except otherwise indicated:

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

**D. REVENUES****Revenues from sale of goods and processing**

Revenue from the sale of goods and processing of material in the course of ordinary activities is measured at the value of the consideration received or receivable, net of returns, trade discounts, rate differences volume rebates and Commission paid. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards normally happen upon shipment (except in case of consignment sales in which case the revenues are recognized when the materials are sold to ultimate customers).

Further, revenues are recognized at gross value of consideration of goods & processing of goods (Job work) including the amount of excise duty/cess recoveries and excluding sales tax/ value added tax.

**Revenue from Services**

Revenue from the service contract is recognized when the related services are performed and revenue from the services at the end of the reporting period is recognized based on stage of completion method. When there is uncertainty as to the ultimate collection of the revenue, recognition is postponed until such uncertainty is resolved. Revenues from service contracts are measured based on the services performed to date as a percentage of total services to be performed. In case where the services are performed by an indeterminate number of acts over a specified period of time, revenue is recognized on a straight line basis over the specified period. After the initial recognition, in respect of uncollectible amount, provisions are made in the period in which amount is identified as uncollectible.

**Interest Income & Expense**

Interest income is recognized on time apportionment basis. Effective interest method is used to compute the interest income on long terms loans and advances.

**Dividend Income**

Dividend income is recognized when the right to receive is established, which is generally when shareholders approve the dividend.

**Rental Income**

Rental income from investment property is recognized as part of other Income in Statement of profit and loss on a straight-line basis over the term of the lease.

**E. PROPERTY, PLANT AND EQUIPMENT (PPE)****Recognition and measurement:**

Property, plant and equipment are initially recognized at cost after deducting refundable purchase taxes and including the cost directly attributable to bring the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management, borrowing cost in accordance with the established accounting policy, cost of restoring and dismantling, if any, initially estimated by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Cost of Self-constructed assets is determined using the same principles as for acquired assets after eliminating the component of internal profits.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1<sup>st</sup> April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013, except for the followings, where the management believes that technical useful lives is different from those prescribed in Schedule II of the Companies Act, 2013 based on technical evaluation:

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

Cost of leasehold land are written off over the primary lease period of the land except of the leasehold land, held by the company on the date of transition, which is amortized over the remaining useful lives of the assets. Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

### Reclassification to investment property:

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

## F. INTANGIBLE ASSETS

Acquired Intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.

Intangible assets in respect of Product development is created when the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the product / technology and the cost is reliably measurable. The amount initially recognized of the internally generated intangible assets is the sum of the expenditures incurred from the date when the intangibles first met the recognition criteria. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment loss, if any. All revenue expenditure on research & development activities are accounted for under their natural heads of revenue expenses accounts.

Intangibles assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use.

Intangible asset is derecognized on disposal or when no future economic benefits are expected from continuing use or disposal.

The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

## G. INVESTMENT PROPERTIES

Investment properties are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition the investment properties are carried at cost less accumulated depreciation and impairment losses.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Transfer to and from the investment properties are made when and only when, there is change in the use of the investment property as evidenced by the conditions laid down under the Indian accounting standard. The carrying amount of the property as on the date of classification is considered as carrying value of the investment property and vice-versa.

The company has opted for an exemption provided by the Indian Accounting Standard (Ind As)-101. Accordingly the carrying value for Investment Properties as recognized in the financial statements, as at the date of transition to Ind AS, measured as per previous GAAP are used as deemed cost as at the date of transition.

Depreciation on investment properties are provided for from the date of put to use for on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013

The carrying amount of the investment properties are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The fair value of the investment properties are disclosed in the notes.

### H. INVENTORIES

Inventories of finished goods and 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 including excise duty and specific payments & benefits to employees or net realizable value

Raw Materials and other materials including packaging, stores and fuels 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 realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### I. FINANCIAL INSTRUMENTS

#### Initial Recognition:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables/payables and where cost of generation of fair value exceeds benefits, which are initially measured at transaction price. Transaction costs directly related to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities through profit & loss account) are added to or deducted from the cost of financial assets or financial liabilities. Transaction cost directly attributed to the acquisition of financial assets or financial liabilities at fair value through profit & loss account are recognized immediately in the statement of profit & loss.

#### Subsequent Recognition:

##### Non-derivative financial instruments

- (i) **Financial assets carried at amortized cost:** A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

The Company has made an irrevocable election for its investments which are classified as equity instruments (all being not held for trading), to present the subsequent changes in fair value in other comprehensive income based on its business model.

Fair value of the listed equity instruments are measured using the rate quoted in the stock exchange wherein the securities are actively traded as on the last working day of the period of reporting. In respect of unlisted equity instruments, fair value is determined based on the latest audited financial statements and considering the open market information available, failing which it shall be measured at cost.

- (iii) **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of the above categories (including investment in units of mutual funds) is subsequently fair valued through profit or loss.
- (iv) **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- (v) **Investment in Subsidiaries/Joint ventures / Associates:** Investment in subsidiaries / Joint Ventures / Associates are carried at cost in the separate financial statements. Any gain or losses on disposal of these investments are recognized in the statement of profit & loss.

### J. TRADE RECEIVABLES

Trade receivables represents amount billed to customers as credit sales and are net off; a) any amount billed but for which revenues are reversed under the relevant Indian accounting standard and b) impairment for trade receivables, which is estimated for amounts not expected to be collected in full.

### K. LOANS AND ADVANCES

Loans and advances are non-derivative financial assets with fixed and determinable payments. This category includes the loans, cash and bank balances, other financial assets and other current assets.

Subsequent to initial measurement, loans and receivables are carried at amortized cost based on effective interest rate method less appropriate allowance for doubtful receivables.

Loans and advances are further classified as current and non-current depending whether they will realize within 12 months from the balance sheet date or beyond.

### L. FINANCIAL LIABILITIES

Financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction cost.

Subsequent to initial measurement, financial liabilities are measured at amortized cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities.

Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months from the balance date or beyond.

Financial liabilities are derecognized when the company is discharged from its obligation; they expire, are cancelled or replaced by a new liability with substantial modified terms.

### M. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders of the company to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period the weighted

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

**N. TAXATION****Current Tax**

Current tax is tax expected tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

Current tax assets and liabilities are offset where the company has legal enforceable right to offset and intends either to settle on net basis, or to realize the assets and settle the liability simultaneously.

**Deferred Tax Assets and Liabilities**

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**Current and Deferred Tax for the Year**

Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

**O. EMPLOYEE BENEFITS**

The company provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the company towards the liability for Provident fund to the employees provident fund organization and Employee State Insurance fund in respect of ESI and defined benefits plans includes the retirement benefits, such as gratuity and paid absences (leave benefits) both accumulated and non-accumulated.

- a. In respect Defined Contribution Plans, contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.
- b. Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.
- c. Liabilities for accumulating paid absences is determined at the present value of the amounts payable determined using the actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit method. Actuarial gain or losses in respect of accumulating paid absences are charged to statement of profit & loss account.
- d. Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### P. IMPAIRMENT

#### Financial assets

The company recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not fair value through profit and loss account. Loss allowance on trade receivables, with no significant financing component is measured at an amount equal to lifetime expected credit loss. For all financial assets expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit and loss for the period.

#### Intangible assets, investment property and property, plant and equipment

Intangible assets, investment property and property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such asset is considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit & loss if there have been changes in the estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

### Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risk specific to liability.

Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company.

Contingent assets are not recognized in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

### R. FOREIGN CURRENCY TRANSACTIONS

#### Functional Currency

The Companies functional currency is Indian Rupees. The financial statement of the company is presented in Indian rupees rounded off to nearest lacs.

#### Transaction and translations

Transactions in currency other than Indian Rupees are recorded at the rate, as declared by the custom and excise department / inter-bank rates, ruling on the date of transaction.

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the profit & loss. Non-monetary assets and non-monetary liabilities denominated

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining the net profit for the period in which transaction is settled.

Exchanges difference arises on settlement / translation of foreign currency monetary items relating to acquisition of property, plant & equipment till the period they are put to use for commercial production, are capitalized to the cost of assets acquired and provided for over the useful life of the property, plant & equipment.

**S. LEASES**

Payments made under operating leases are generally recognized in the profit and loss on a straight line basis over the term of leases unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease incentive are recognized as integral part of the total lease expense over the term of the lease.

Minimum lease payments under the finance leases are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

**T. BORROWING COST**

Borrowings cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing cost directly attributable to the acquisition or construction of qualifying / eligible assets, intended for commercial production are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**U. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017 notifying amendments to Ind AS 7 on "Statement of Cash Flows" and Ind AS 102 on "Share based payments", applicable w.e.f. 1<sup>st</sup> April 2017. These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (ISB) to IAS, Statement of Cash flows and IFRS 2 Share based payments respectively. The amendments to Ind AS 7 are applicable to the Company w.e.f. 1<sup>st</sup> April 2017.

**Amendment to Ind AS 7;**

The amendment to Ind AS 7 requires the entities to provide disclosures that enables the users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation statements between opening and closing balances in the balance sheet liabilities arising from financing activities to meet the disclosure requirement.

Since, the impact of proposed changes in Ind AS 7 relates to the disclosure of the items included in the financial statements, it does not have any impact on the financial position of the company.

**Amendment to Ind AS 102;**

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash settled awards is determined on a basis consistent with that used for equity settled awards. Market based performance conditions and non-vesting conditions are reflected in the fair values, but non market performance conditions and service vesting conditions are reflected in the estimate the number of awards expected to vest. Also the amendment clarifies that the terms and conditions of a cash settled share based payment transaction are modified with the result that it becomes equity settled share based payment transaction, the transaction is accounted for as such from the date of modification. Further, the amendment requires the awards that include a net settlement feature in respect of withholding taxes to be treated as equity settled in entirety. The cash payment to the tax authority is treated as part as if it was part of an equity settlement. However the provisions of Ind AS 102 are currently not applicable to the company.



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 2. RECONCILIATIONS

The following reconciliations provides effect of transition to Ind AS from previous IGAAP, in accordance with Ind AS 101 :

- Equity as at 1st April 2015 and 31st March 2016.
- Net Profit for the year ended 31st March, 2016.

#### A Statement of Reconciliation of Equity is given as under:

(Rs. in Lacs)

	Note No.	Opening Balance Sheet as at 1st April 2015			Balance Sheet as at 31st March 2016		
		IGAAP	Effect of transition	Ind AS	IGAAP	Effect of transition	Ind AS
<b>I ASSETS</b>							
<b>Non-Current Assets</b>							
a)	i	127456.21	(3668.24)	123787.97	135072.15	(3551.04)	131521.11
b)		2399.71	-	2399.71	21495.98	(51.53)	21444.45
c)	i	-	3668.24	3668.24	-	3551.04	3551.04
d)		721.97	-	721.97	1309.30	-	1309.30
e)		236.57	-	236.57	426.88	-	426.88
f)							
i)	ii	44825.96	(4921.04)	39904.92	42410.36	(4865.05)	37545.31
ii)	ii	-	2101.37	2101.37	-	2649.83	2649.83
iii)	iii	10886.49	-	10886.49	11560.07	(40.12)	11519.95
iv)		41.24	-	41.24	140.61	-	140.61
g)		5873.88	-	5873.88	9045.74	-	9045.74
<b>Total Non-Current Assets</b>		<b>192442.03</b>	<b>(2819.67)</b>	<b>189622.36</b>	<b>221461.09</b>	<b>(2306.87)</b>	<b>219154.22</b>
<b>Current assets</b>							
a)		28877.61	-	28877.61	27170.61	-	27170.61
b)							
i)		78188.73	-	78188.73	78300.20	-	78300.20
ii)		6575.86	-	6575.86	17522.79	-	17522.79
iii)		643.91	-	643.91	1406.13	-	1406.13
iv)		4240.18	-	4240.18	0.98	-	0.98
v)		610.88	-	610.88	1001.15	-	1001.15
c)		14967.33	-	14967.33	11155.35	-	11155.35
<b>Total Current Assets</b>		<b>134104.50</b>	<b>-</b>	<b>134104.50</b>	<b>136557.21</b>	<b>-</b>	<b>136557.21</b>
<b>TOTAL ASSETS</b>		<b>326546.53</b>	<b>(2819.67)</b>	<b>323726.86</b>	<b>358018.30</b>	<b>(2306.87)</b>	<b>355711.43</b>
<b>II EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
a)		7221.15	-	7221.15	7221.15	-	7221.15
b)	vii	161552.10	(296.74)	161255.36	178739.22	790.43	179529.65
<b>Total Equity</b>		<b>168773.25</b>	<b>(296.74)</b>	<b>168476.51</b>	<b>185960.37</b>	<b>790.43</b>	<b>186750.80</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs)

	Note No.	Opening Balance Sheet as at 1st April 2015			Balance Sheet as at 31st March 2016		
		IGAAP	Effect of transition	Ind AS	IGAAP	Effect of transition	Ind AS
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
a) Financial Liabilities							
i) Borrowings	iv	34754.81	(269.60)	34485.21	55972.87	(434.91)	55537.96
ii) Other Financial Liabilities		250.56	-	250.56	331.91	-	331.91
b) Provisions		1074.10	-	1074.10	929.01	-	929.01
c) Deferred tax Liabilities (Net)	v	10544.55	93.30	10637.85	9835.55	118.80	9954.35
d) Other Non-Current Liabilities		70.13	-	70.13	277.21	-	277.21
<b>Total Non-Current Liabilities</b>		<b>46694.15</b>	<b>(176.30)</b>	<b>46517.85</b>	<b>67346.55</b>	<b>(316.11)</b>	<b>67030.44</b>
<b>Current Liabilities</b>							
a) Financial Liabilities							
i) Borrowings		29287.70	-	29287.70	22457.33	-	22457.33
ii) Trade payables		46573.26	-	46573.26	50535.66	-	50535.66
iii) Other Financial Liabilities		17074.32	-	17074.32	17142.44	-	17142.44
b) Other current liabilities		12089.17	-	12089.17	8163.16	-	8163.16
c) Provisions	vi	3579.73	(2346.63)	1233.10	3609.52	(2781.19)	828.33
d) Current Tax Liabilities (Net)		2474.95	-	2474.95	2803.27	-	2803.27
<b>Total Current Liabilities</b>		<b>111079.13</b>	<b>(2346.63)</b>	<b>108732.50</b>	<b>104711.38</b>	<b>(2781.19)</b>	<b>101930.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>326546.53</b>	<b>(2819.67)</b>	<b>323726.86</b>	<b>358018.30</b>	<b>(2306.87)</b>	<b>355711.43</b>

**Notes:**

- i In accordance with the Ind AS 40- "Investment Property", the company has reclassified the items of Property, Plant and Equipment to be designated as Investment Property. Accordingly assets having carrying value of Rs. 3668.24 lacs and Rs. 3551.04 Lacs as at 1st April 2015 and 31st March 2016 respectively has been classified as Investment Property instead of Property, Plant & Equipment.
- ii In accordance with the Ind AS 109 on "Financial Instruments", the company has opted for an irrevocable election to presents the subsequent changes in fair value of the equity instruments through the other comprehensive income. Accordingly cumulative net loss of Rs. 2819.67 Lacs and Rs. 2215.21 lacs as at 1st April 2015 and 31st March 2016 respectively on the value of investment has been adjusted to the Other Comprehensive Income on that date. Further, Equity Instruments pledged against the borrowings have been disclosed separately in the Balance Sheet.
- iii In accordance with the Ind AS 109 on "Financial Instruments" Long Term Loans given are measured at amortized cost using the effective rate of interest method. Accordingly the upfront charges received, which were credited to Statement of Profit & Loss , are now amortized over the loan period. As a result Rs. 26.24 lacs (Net of deferred tax of Rs. 13.88 Lacs ) has been transferred from surplus in Profit & Loss Account to Transaction Cost (Pending Amortization) as at 31st March 2016.
- iv In accordance with the Ind AS 109 on "Financial Instruments" Long Term Loans and borrowings are measured at amortized cost using the effective rate of interest method. Accordingly the upfront charges including loan processing fees and transaction cost , which were charged to Statement of Profit & Loss, are now amortized over the loan period. As a result amount of Rs.176.30 Lacs and Rs. 250.70 Lacs (Net of Deferred Tax of Rs. 93.30 Lacs and Rs 132.68 Lacs respectively) has been transferred from surplus in Profit & Loss to Transaction Cost (Pending Amortization) as at 1st April 2015 and 31st March 2016 respectively and balance amount of Rs. 51.53 lacs as at 31st March 2016 has been transferred

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

from Capital Work in Progress to Transaction Cost (Pending Amortisation).

- v The cumulative tax impact of the items stated in (iii) and (iv) above has been adjusted in the deferred tax asset/liability.
- vi In accordance with Ind AS 10 on "Events after Reporting Period", liability in respect of dividends will be recognized only in the year in which the dividends are declared. Accordingly amount provided for the proposed dividend of Rs. 2346.63 Lacs and Rs.2781.19 Lacs (Including Dividend Distribution Tax of Rs.396.92 Lacs and Rs.470.42 Lacs respectively) as at 1st April 2015 and 31st March 2016 respectively has been transferred from Proposed Dividend to Surplus in Profit & Loss.
- vii The resulting difference arising from all the above referred Ind AS transition adjustments are recognised directly in retained earnings and other comprehensive income.

**B Statement of Reconciliation of Total Comprehensive Income :**

Particulars	Note No.	(Rs. in Lacs)		
		For the Year Ended		
		31st March 2016		
		As per IGAAP	Effect of Transition	Ind AS
<b>Revenue from Operations</b>				
Gross Sales & Job Work	i	409763.22	(1468.92)	408294.30
Less : Inter unit Sales & Job Work		37911.10	-	37911.10
Less : Excise Duty / Service Tax / Cess		32685.13	(32,685.13)	0.00
Net Sales & Job Work		339166.99	31216.21	370383.20
Other Operating Income		9577.95	174.73	9752.68
<b>Revenue from Operations</b>		<b>348744.94</b>	<b>31390.94</b>	<b>380135.88</b>
<b>Other Income</b>	ii	3822.49	(40.12)	3782.37
<b>Total Revenue</b>		<b>352567.43</b>	<b>31350.82</b>	<b>383918.25</b>
<b>Expenses:</b>				
Cost of materials consumed		201776.19	-	201776.19
Purchase of Stock-in-Trade		12578.57	-	12578.57
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(162.22)	-	(162.22)
Employee benefits expense	iii	31312.04	(228.28)	31083.76
Finance costs	ii	10896.78	(113.78)	10783.00
Depreciation and amortization expense		16698.87	-	16698.87
Other expenses	i	58385.35	31390.95	89776.30
Expenses Allocated to Self Constructed Assets		(2218.46)	-	(2218.46)
<b>Total Expenses</b>		<b>329267.12</b>	<b>31048.89</b>	<b>360316.01</b>
Profit before tax		23300.31	301.93	23602.24
<b>Less / (Add) : Tax expense:</b>				
- Current tax		4822.00	-	4822.00
- Deferred tax		(709.00)	104.50	(604.50)
- (Excess) Provision of Income Tax for earlier years		(781.00)	-	(781.00)
Profit for the year		<b>19968.31</b>	<b>197.43</b>	<b>20165.74</b>
Other Comprehensive Income				
<b>Items that will not be reclassified to Profit or Loss</b>				
Remeasurement of the net defined benefit liability / asset	iii	-	(228.28)	(228.28)
Fair Value Changes of Equity Instruments	2A (ii)	-	604.46	604.46
Income tax relating to items that will not be reclassified to Profit & Loss		-	79.00	79.00
<b>Total (Net of Tax)</b>		<b>-</b>	<b>455.18</b>	<b>455.18</b>
<b>Total Comprehensive Income</b>		<b>19968.31</b>	<b>652.61</b>	<b>20620.92</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**
**Notes**

- i In accordance with Ind AS18 on "Revenue", Net sale & Job work are adjusted for the amount of rebate and discount given to the customers (including the amount of cash discounts) and commission paid on sales. Accordingly Rs. 1468.92 Lacs in respect of discount given to customers and commission paid have been reduced from revenue and also the same amount has been reduced from other expenses. Further, these are adjusted for the amount of excise duty and other tax recoveries from customers, for which economic benefits flows to the entities. Accordingly the revenue has been increased by Rs. 32859.86 lacs and the same amount has been added to the other expenses.
- ii Represents net amount of treatment given in accordance Ind AS 109 on "Financial Instruments", for recognition of interest income/expense, based on effective interest rate method.
- iii Represents the amount relating to remeasurement of the net defined benefit liability / asset in accordance with the Ind AS-19 on "Employee Benefits".

**3A. PROPERTY, PLANT & EQUIPMENT**

(Rs.in Lacs)

	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installations	Office Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross Carrying Value</b>									
<b>As at 1st April 2015</b>	<b>3.05</b>	<b>4074.90</b>	<b>27221.78</b>	<b>198946.39</b>	<b>5374.06</b>	<b>4249.86</b>	<b>4872.36</b>	<b>2079.25</b>	<b>246821.65</b>
Additions During the Year	7.82	10830.61	1098.48	10928.98	187.08	454.84	323.83	569.07	24400.71
Deductions During the Year	-	(115.71)	(134.84)	(5862.51)	(248.96)	(149.61)	(86.95)	(67.42)	(6666.00)
<b>As at 31st March 2016</b>	<b>10.87</b>	<b>14789.80</b>	<b>28185.42</b>	<b>204012.86</b>	<b>5312.18</b>	<b>4555.09</b>	<b>5109.24</b>	<b>2580.90</b>	<b>264556.36</b>
Additions During the Year	-	-	2183.79	29093.45	464.73	638.61	377.88	203.85	32962.31
Deductions During the Year	-	-	(6.21)	(3953.27)	(7.99)	(154.44)	(10.44)	(254.69)	(4387.04)
<b>As at 31st March 2017</b>	<b>10.87</b>	<b>14789.80</b>	<b>30363.00</b>	<b>229153.04</b>	<b>5768.92</b>	<b>5039.26</b>	<b>5476.68</b>	<b>2530.06</b>	<b>293131.63</b>
<b>DEPRECIATION / AMORTISATION</b>									
<b>As at 1st April 2015</b>	<b>-</b>	<b>-</b>	<b>8795.87</b>	<b>103670.79</b>	<b>3634.58</b>	<b>3360.00</b>	<b>2443.46</b>	<b>1128.98</b>	<b>123033.68</b>
Provided for the Year	-	-	848.24	13776.45	240.76	340.45	660.89	259.59	16126.38
Deductions During the Year	-	-	(69.14)	(5543.89)	(233.29)	(143.65)	(76.90)	(57.94)	(6124.81)
<b>As at 31st March 2016</b>	<b>-</b>	<b>-</b>	<b>9574.97</b>	<b>111903.35</b>	<b>3642.05</b>	<b>3556.80</b>	<b>3027.45</b>	<b>1330.63</b>	<b>133035.25</b>
Provided for the Year	-	167.57	886.62	15423.64	250.33	404.55	687.74	278.88	18099.33
Deductions During the Year	-	-	(5.59)	(3848.14)	(7.59)	(146.52)	(9.05)	(224.01)	(4240.90)
<b>As at 31st March 2017</b>	<b>-</b>	<b>167.57</b>	<b>10456.00</b>	<b>123478.85</b>	<b>3884.79</b>	<b>3814.83</b>	<b>3706.14</b>	<b>1385.50</b>	<b>146893.68</b>
<b>NET CARRYING VALUE</b>									
<b>As at 1st April 2015</b>	<b>3.05</b>	<b>4074.90</b>	<b>18425.91</b>	<b>95275.60</b>	<b>1739.48</b>	<b>889.86</b>	<b>2428.90</b>	<b>950.27</b>	<b>123787.97</b>
<b>As at 31st March 2016</b>	<b>10.87</b>	<b>14789.80</b>	<b>18610.45</b>	<b>92109.51</b>	<b>1670.13</b>	<b>998.29</b>	<b>2081.79</b>	<b>1250.27</b>	<b>131521.11</b>
<b>As at 31st March 2017</b>	<b>10.87</b>	<b>14622.23</b>	<b>19907.00</b>	<b>105674.19</b>	<b>1884.13</b>	<b>1224.43</b>	<b>1770.54</b>	<b>1144.56</b>	<b>146237.95</b>

**Notes:**

- 1 Gross Block & Capital Work- in- Progress includes Pre-operative expenses, basis of which is certified by the Management.
- 2 Capital Work in Progress includes Rs 341.89 lacs (Previous year Rs. 1831.33 lacs) in respect of Machinery in Transit.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**3B. INVESTMENT PROPERTY**

	(Rs in Lacs)			
	Freehold Land	Leasehold Land	Building	Total
<b>Gross Carrying Value</b>				
As at 1st April 2015	8.57	81.26	4691.16	4780.99
As at 31st March 2016	8.57	81.26	4691.16	4780.99
As at 31st March 2017	8.57	81.26	4691.16	4780.99
<b>DEPRECIATION / AMORTISATION</b>				
As at 1st April 2015	-	-	1112.75	1112.75
Provided for the Year	-	-	117.20	117.20
As at 31st March 2016	-	-	1229.95	1229.95
Provided for the Year	-	1.16	142.88	144.04
As at 31st March 2017	-	1.16	1372.83	1373.99
<b>NET CARRYING VALUE</b>				
As at 1st April 2015	8.57	81.26	3578.41	3668.24
As at 31st March 2016	8.57	81.26	3461.21	3551.04
As at 31st March 2017	8.57	80.10	3318.33	3407.00

Notes:

- 1 Building includes Original Acquisition Cost of Rs. 5.30 lacs (Previous Year Same) acquired on ownership basis & Original Acquisition Cost of Rs.19.85 lacs (Previous Year Same), pending execution of title deed.
- 2 Fair value of the Investment Properties is Rs 7859.71 Lacs (Previous Year Rs.6682.06 Lacs).

**3C. OTHER INTANGIBLE ASSETS**

	(Rs. in Lacs)			
	Software	Patent	Technical Know How	Total
<b>Gross Carrying Value</b>				
As at 1st April 2015	1382.33	500.00	265.55	2147.88
Additions During the Year	272.98	139.56	630.08	1042.62
Deductions During the Year	(9.79)	-	-	(9.79)
As at 31st March 2016	1645.52	639.56	895.63	3180.71
Additions During the Year	477.15	-	1696.16	2173.31
Deductions During the Year	(0.27)	-	-	(0.27)
As at 31st March 2017	2122.40	639.56	2591.79	5353.75
<b>DEPRECIATION / AMORTISATION</b>				
As at 1st April 2015	922.39	321.86	181.66	1425.91
Provided for the Year	163.96	110.29	181.04	455.29
Deductions During the Year	(9.79)	-	-	(9.79)
As at 31st March 2016	1076.56	432.15	362.70	1871.41
Provided for the Year	228.07	104.84	191.69	524.60
Deductions During the Year	(0.27)	-	-	(0.27)
As at 31st March 2017	1304.36	536.99	554.39	2395.74
<b>NET CARRYING VALUE</b>				
As at 1st April 2015	459.94	178.14	83.89	721.97
As at 31st March 2016	568.96	207.41	532.93	1309.30
As at 31st March 2017	818.04	102.57	2037.40	2958.01

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Breakup of Depreciation and Amortisation charge for the Year:

	<b>For the Year Ended 31.03.2017</b>	<b>(Rs. in Lacs) For the Year Ended 31.03.2016</b>
<b>Depreciation on:</b>		
Property, Plant & Equipment	<b>18099.33</b>	16126.38
Investment Property	<b>144.04</b>	117.20
Other Intangible Assets	<b>524.60</b>	455.29
	<b><u>18767.97</u></b>	<u>16698.87</u>

**4A. INVESTMENTS**

Particulars	Description	Face Value	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
			Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)
<b>I Measured at Cost (Less Impairment, if any)</b>								
<b>A. Equity Instruments in Subsidiaries</b>								
<b>Unquoted</b>								
<b>Fully Paid Up</b>								
<b>i) IN WHOLLY OWNED SUBSIDIARIES</b>								
Flex Middle East FZE, Dubai	Equity	AED 1 Million	107	12672.08	107	12672.08	107	12672.08
Uflex Europe Ltd., UK	Equity	GBP 1	995000	726.92	995000	726.92	995000	726.92
Uflex Packaging Inc, USA	Equity	US\$ 10	367500	1690.92	367500	1690.92	367500	1690.92
Utech Developers Ltd.	Equity	Rs.10/-	100000000	10000.00	100000000	10000.00	100000000	10000.00
Flex P Films (Brasil) Comercio De Films Plasticos Ltda	Equity	BLR 1/-	-	-	800000*	215.72	800000*	215.72
<b>ii) IN OTHER SUBSIDIARIES</b>								
Upet Holding Ltd.	Equity	US\$ 1	24220001	10993.45	24220001	10993.45	29500001	13409.05
USC Holograms Pvt. Ltd.	Equity	Rs.10/-	40800#	4.08	40800#	4.08	40800#	4.08
<b>B. Equity Instruments in Associates</b>								
<b>Quoted</b>								
<b>Fully Paid Up</b>								
Flex Foods Ltd. (Associate)	Equity	Rs.10/-	5870000	587.00	5870000	587.00	5870000	587.00
<b>Total -I</b>			<b><u>36674.45</u></b>		<b><u>36890.17</u></b>		<b><u>39305.77</u></b>	
<b>II Designated at Fair value through Other Comprehensive Income</b>								
<b>Equity Instruments</b>								
<b>i) Quoted</b>								
<b>Fully Paid Up</b>								
Ansals Properties & Infrastructure Ltd.	Equity	Rs.5/-	589910	89.37	589910	103.23	589910	138.92

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Description	Face Value	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
			Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)
Kothari Products Ltd.@	Equity	Rs.10/-	342900	668.83	342900	549.84	228600	458.80
B.A.G.Films Ltd.	Equity	Rs.2/-	49300	2.29	49300	2.07	49300	1.43
<b>ii) Unquoted</b>								
<b>Fully Paid Up</b>								
Malanpur Captive Power Ltd.	Equity	Rs.10/-	635650	-	635650	-	635650	-
Fair Growth Financial Services Ltd.	Equity	Rs.10/-	100000	-	100000	-	100000	-
Vijaya Home Loans Ltd.	Equity	Rs.10/-	50000	-	50000	-	50000	-
<b>Total -II</b>				<b>760.49</b>		<b>655.14</b>		<b>599.15</b>
<b>TOTAL (I+II)</b>				<b>37434.94</b>		<b>37545.31</b>		<b>39904.92</b>

**4B. PLEDGED EQUITY INSTRUMENTS**

Particulars	Description	Face Value	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
			Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)
<b>Designated at Fair value through Other Comprehensive Income</b>								
<b>Equity Instruments</b>								
<b>Quoted</b>								
<b>Fully Paid Up</b>								
Reliance Industries Ltd. \$	Equity	Rs.10/-	222892	2944.18	222892	2329.67	222892	1841.09
Reliance Infrastructure Ltd.\$	Equity	Rs.10/-	60000	341.19	60000	320.16	60000	260.28
<b>TOTAL (4A)</b>				<b>3285.37</b>		<b>2649.83</b>		<b>2,101.37</b>
Aggregate amount of Quoted Investment (Including Pledged)				<b>5795.02</b>		5795.02		
Aggregate Market Value of Quoted Investments (Including Pledged)				<b>9405.17</b>		6556.95		
Aggregate amount of unquoted Investments				<b>36399.62</b>		36615.34		
Investment Carried at Cost				<b>36674.45</b>		36890.17		
Investment Carried at Fair Value through Other Comprehensive Income				<b>4045.86</b>		3304.97		

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

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

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

\$ Pledge against the borrowing from a Body Corporate. (Refer Note No 21)

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Lacs)		
	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>5. LOANS</b>			
(Unsecured, Considered Good)			
Security Deposits	1673.94	1424.72	1381.27
<b>Loans to :</b>			
- Subsidiary (Utech Developers Ltd). [Interest Free]	-	4435.00	8735.00
- Employees	212.78	217.19	219.29
- Related Party	-	5959.88	-
- Others	4.50	5.00	831.13
	<u>217.28</u>	<u>10617.07</u>	<u>9785.42</u>
Less: Current Portion	81.71	135.57	9288.27
	<u>135.57</u>	<u>822.06</u>	<u>497.15</u>
<b>Deposits :</b>			
- Others	232.61	300.22	216.95
<b>TOTAL :</b>	<u>2042.12</u>	<u>11519.95</u>	<u>10886.49</u>
<b>6. OTHER NON-CURRENT FINANCIAL ASSETS</b>			
Fixed Deposits Accounts for a period more than 12 Months*	42.70	140.61	41.24
<b>TOTAL :</b>	<u>42.70</u>	<u>140.61</u>	<u>41.24</u>
* Pledged with Banks as margin for Letters of Credits, Guarantees and Bills Discounted.			
<b>7. OTHER NON-CURRENT ASSETS</b>			
Capital Advances	3750.55	7048.01	4161.28
Deposit with Excise Authority	562.12	520.96	355.85
Deposits / Advances with Income Tax Authorities	1478.11	1156.95	1210.95
Advances recoverable in cash or in kind or value to be received	331.51	319.82	145.80
<b>TOTAL :</b>	<u>6122.29</u>	<u>9045.74</u>	<u>5873.88</u>
<b>8. INVENTORIES</b>			
Raw Materials	17619.35	14873.01	14115.11
Work-in-Progress	9201.93	7303.74	7248.72
Finished Goods	2509.51	1930.76	1876.42
Traded Goods	35.86	223.60	172.61
Material-in-Transit :			
- Raw Materials	1491.82	1730.82	4306.96
- Raw Materials (Intra Group)	627.61	319.77	355.07
- Finished Goods (Intra Group)	-	8.62	6.75
Stores, Packing Material & Fuel	1029.14	780.29	795.97
<b>TOTAL :</b>	<u>32515.22</u>	<u>27170.61</u>	<u>28877.61</u>



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Lacs)		
	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>9. TRADE RECEIVABLES</b>			
<b>Current- Unsecured</b>			
Considered Good	99901.62	78300.80	78188.73
Considered Doubtful	2682.15	2271.15	3015.05
Trade Receivables #	102583.77	80571.95	81203.78
Less : Allowance for bad and doubtful debts	2682.15	2271.75	3015.05
<b>TOTAL :</b>	<u>99901.62</u>	<u>78300.20</u>	<u>78188.73</u>
# Includes due from :			
- Subsidiaries	10428.05	11288.83	9232.99
- Related Parties	3349.09	7632.62	2810.95
<b>Movements in allowance for bad and doubtful debts:</b>			
Opening Balance	2271.75	3015.05	
(+) Provision made during the year	1626.25	437.65	
(-) Amount utilised from provision	(1215.85)	(1180.95)	
Closing Balance	2682.15	2271.75	
<b>10. CASH &amp; BANK BALANCES</b>			
<b>A) Cash &amp; Cash Equivalents</b>			
Balances with Banks:			
- On Current Accounts	3985.70	4898.55	3704.53
- On Cash Credits Accounts	267.73	953.33	55.49
- On Fixed Deposits Accounts	5959.17	11037.38	2734.35
Cash on hand	40.10	78.51	81.49
Cheques on hand	162.41	555.02	-
<b>Sub-Total (A)</b>	<u>10415.11</u>	<u>17522.79</u>	<u>6575.86</u>
<b>B) Other Bank Balances</b>			
- On Fixed Deposits Accounts*	1143.09	1148.89	386.61
- On Unclaimed Dividend Account	144.03	148.12	152.42
- In Margin Money Accounts	467.62	109.12	104.88
<b>Sub-Total (B)</b>	<u>1754.74</u>	<u>1406.13</u>	<u>643.91</u>
<b>TOTAL (A+B) :</b>	<u>12169.85</u>	<u>18928.92</u>	<u>7219.77</u>
* Pledged with Banks as margin for Letters of Credits, Guarantees and Bills Discounted.			
<b>11. LOANS</b>			
(Unsecured, Considered Good)			
Loans to Employees and others	0.69	0.98	0.18
Subsidiary #	2135.00	-	40.00
Loans to Other Body Corporates	-	-	4200.00
<b>TOTAL :</b>	<u>2135.69</u>	<u>0.98</u>	<u>4240.18</u>
	<b>Rate of Interest</b>		
# Utech Developers Ltd. (Interest Free)	0%	2135.00	0.00
USC Holograms Pvt. Ltd.	15%	0.00	40.00

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	As At 31.03.2017	As At 31.03.2016	(Rs. in Lacs) As At 01.04.2015
<b>12. OTHER FINANCIAL ASSETS</b>			
Current Portion of Long Terms Loans given	81.71	822.06	497.15
Interest accrued on :			
- Loan to Subsidiary	-	-	1.05
- Loan to Related Party	-	37.95	-
- Deposits with Banks	70.28	88.48	56.76
- Others	11.78	-	-
Other Receivable	-	52.66	55.92
<b>TOTAL :</b>	<b>163.77</b>	<b>1001.15</b>	<b>610.88</b>
<b>13. OTHER CURRENT ASSETS</b>			
Advances recoverable in cash or in kind or for value to be received	6469.58	6594.71	10753.65
Advances to Subsidiaries	8.15	23.85	9.61
Balances with Excise Authorities	5111.47	4536.79	4204.07
<b>TOTAL :</b>	<b>11589.20</b>	<b>11155.35</b>	<b>14967.33</b>

**14. SHARE CAPITAL**

**A Authorised**

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

**B Issued, Subscribed & Paid-Up**

The Issued and Subscribed Capital of the Company as at 31st March 2017 is of Rs. 7228.42 Lacs, represented by 72284187 Equity Shares (Including 72701 Equity Shares forfeited) of Rs. 10/- each and the paid-up Capital as at 31st March 2017 is of Rs.7221.15 Lacs, represented by 7,22,11,486 Equity Shares of Rs. 10/- each as at 31st March 2017. The reconciliation of the Equity Share Capital of the Company is given as under:

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs In Lacs)	Number	Amount (Rs In Lacs)	Number	Amount (Rs In Lacs)
Balance as at 1st April 2015	72284187	7228.42	72211486	7221.15	-	-
Balance as at 31st March 2016	72284187	7228.42	72211486	7221.15	-	-
<b>Balance as at 31st March 2017</b>	<b>72284187</b>	<b>7228.42</b>	<b>72211486</b>	<b>7221.15</b>	<b>-</b>	<b>-</b>

Amount Originally paid up on the forfeited shares was of Rs. 3.89 Lacs (Previous Year Same).

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

	As At 31st March 2017		As At 31st March 2016	
	Number	%	Number	%
a) <b>Promoter &amp; Promoter Group</b>	<b>31784339</b>	<b>44.02</b>	31784339	44.02
<b>Of which Shareholders holding More than 5 % of the Paid-up Capital</b>				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anshika Investments Pvt. Ltd.	5771092	7.99	5771092	7.99
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshika Consultants Pvt. Ltd.	3778524	5.23	3778524	5.23
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	4323162	5.99
b) <b>Public Shareholding *</b>	<b>40427147</b>	<b>55.98</b>	40427147	55.98
i) Institution	8137968	11.27	6517508	9.03
ii) Non- Institution	32289179	44.71	28443799	39.38
iii) GDRs (underlying shares)	-	-	5465840	7.57
<b>*Of which Shareholder holding More than 5 % of the Paid-up Capital</b>				
Kebale Trading Ltd.	5465840	7.57	-	-

### C) Restriction On Voting Rights

The company has only one class of issued equity share capital as on the date of the balance sheet and each holder of equity share is entitled for one vote per share and right to receive the dividend, if any, declared on the equity shares.

### d) Dividend

The Board of Directors of the company has recommended a final dividend of Rs.3.50 (Previous Year Rs.3.20) per share aggregating to Rs.3041.92 lacs (Previous Year Rs. 2781.19 Lacs) (Including the dividend distribution tax of Rs. 514.52 lacs (Previous Year Rs. 470.42 Lacs)) for the financial year ended 31st March 2017 subject to the approval of the shareholder in their ensuing annual general meeting.

## 15. OTHER EQUITY

	(Rs. in Lacs)							
	Reserve & Surplus				Other Comprehensive Income		Total	
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 1st April 2015 as IGAAP	10377.76	57110.63	3.00	18167.22	75893.49	-	-	161552.10
<b>Adjustment for Effect of Transition to Ind AS (Refer Note No. 2)</b>								
Derecognition of Liability for Proposed Dividend including dividend distribution tax					2346.63			2346.63
Transfer of Balance in Revaluation Reserve Account to Retained Earnings			(3.00)		3.00			-

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Lacs)						
	Reserve & Surplus				Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Remeasurement of Defined Benefit Plans
Fair Value Changes in Equity Instruments						(2819.67)	(2819.67)
Adjustment for Transaction cost on the Loans and Borrowings (Net of Tax)					176.30		176.30
<b>Balance as at 01st April 2015 as per Ind AS</b>	<b>10377.76</b>	<b>57110.63</b>	<b>-</b>	<b>18167.22</b>	<b>78419.42</b>	<b>(2819.67)</b>	<b>- 161255.36</b>
Total Other Comprehensive Income for the year (Net of Tax)						604.46	(149.28)
Dividend (Including Dividend Distribution Tax)					(2346.63)		(2346.63)
Profit for the Year					20165.74		20165.74
Amount transferred to General Reserve					(1996.83)		(1996.83)
Amount Transferred from Retained Earnings				1996.83			1996.83
<b>Balance as at 31st March 2016</b>	<b>10377.76</b>	<b>57110.63</b>	<b>-</b>	<b>20164.05</b>	<b>94241.70</b>	<b>(2215.21)</b>	<b>(149.28) 179529.65</b>
Total Other Comprehensive Income for the Year (Net of Tax)						740.89	114.06
Dividend Paid Including Dividend Distribution Tax					(2781.19)		(2781.19)
Profit for the Year					19354.97		19354.97
<b>Balance as at 31st March 2017</b>	<b>10377.76</b>	<b>57110.63</b>	<b>-</b>	<b>20164.05</b>	<b>110815.48</b>	<b>(1474.32)</b>	<b>(35.22) 196958.38</b>

**16. BORROWINGS**

	(Rs in Lacs)		
	As At 31st March 2017	As At 31st March 2016	As At 31st March 2015
<b>A. Secured</b>			
<b>Term Loans :</b>			
From Banks	59661.46	43552.17	37782.07
From IFCI Limited	16074.98	17558.35	11664.71
From Others	89.37	-	-
	<b>75825.81</b>	61110.52	49446.78
<b>B Unsecured</b>			
From TFCI ~	6097.64	6965.44	-
From Bodies Corporate	2104.78	2111.15	692.12
	<b>8202.42</b>	9076.59	692.12
<b>Sub- Total (A+B)</b>	<b>84028.23</b>	70187.11	50138.90
Less: Current portion	12176.32	14649.15	15653.69
<b>TOTAL :</b>	<b>71851.91</b>	55537.96	34485.21

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

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

						(Rs. in Lacs)
Name of the Institution / Banks / Others		Sanctioned Amount	O/s As At 31/03/2017	Current Portion	Long Term	Repayment Terms
IFCI Limited	*	20000.00	- (3714.95)	- (3714.95)		- Repayable in 19 Equal Quarterly Installments of Rs. 1052.63 lacs each commencing from September 2012.
IFCI Limited	*	5000.00	<b>1250.00</b> (2500.00)	<b>1250.00</b> (1250.00)	<b>1250.00</b> (1250.00)	- Repayable in 16 Equal Quarterly Installments of Rs. 312.50 Lacs each commencing from Jun 2014.
IFCI Limited	@	15000.00	<b>14873.00</b> (11400.00)	- (-)	<b>14873.00</b> (11400.00)	Repayable in 32 Quarterly Installments commencing from June 2018, first four installments of Rs. 250.00 Lacs each and balance 28 installments of Rs. 500.00 Lacs each.
Allahabad Bank	*	24000.00	- (3565.19)	- (3565.19)		- Repayable in 20 Equal Quarterly Installments of Rs. 1200.00 Lacs each commencing from Feb 2012.
Jammu & Kashmir Bank Ltd.	*	5000.00	<b>2000.00</b> (3000.00)	<b>1000.00</b> (1000.00)	<b>1000.00</b> (2000.00)	Repayable in 20 Equal Quarterly Installments of Rs. 250.00 Lacs each commencing from Jun 2014.
Jammu & Kashmir Bank Ltd.	#	93.00	<b>32.05</b> (51.69)	<b>22.07</b> (19.63)	<b>9.98</b> (32.06)	Repayable in 60 Equal Monthly Installments of Rs. 2.06 Lacs each commencing from September 2013 including interest amount.
Jammu & Kashmir Bank Ltd.	#	138.00	<b>73.43</b> (99.77)	<b>29.12</b> (26.04)	<b>44.31</b> (73.73)	Repayable in 60 Equal Monthly Installments of Rs. 3.02 Lacs each commencing from September 2014 including interest amount.
Jammu & Kashmir Bank Ltd.	#	239.00	<b>191.15</b> (229.95)	<b>43.40</b> (38.80)	<b>147.75</b> (191.15)	Repayable in 60 Equal Monthly Installments of Rs. 5.23 Lacs each commencing from January 2016 including interest amount.
HDFC Bank Limited	#	12.90	<b>9.39</b> (12.23)	<b>3.13</b> (2.87)	<b>6.26</b> (9.36)	Repayable in 48 Equal Monthly Installments of Rs. 0.33 Lacs each commencing from January 2016 including interest amount.
Toyota Financial Services India Limited	#	100.95	<b>89.37</b> (-)	<b>22.80</b> (-)	<b>66.57</b> (-)	Repayable in 47 Equal Monthly Installments of Rs. 2.49 Lacs each commencing from November 2016 including interest amount.
State Bank of India	*	25000.00	<b>21535.50</b> (14367.29)	<b>2,500.00</b> (-)	<b>19035.50</b> (14367.29)	Repayable in 60 Equal Monthly Installments of Rs. 416.67 Lacs each commencing from Oct 2017.
State Bank of India	@	15000.00	<b>6,942.20</b> (-)	- (-)	<b>6,942.20</b> (-)	Repayable in 84 Equal Monthly Installments of Rs. 178.67 Lacs each commencing from March 2019.
South Indian Bank	* \$	5000.00	<b>5,000.00</b> (-)	- (-)	<b>5,000.00</b> (-)	Repayable in 28 Quarterly Installments commencing from June 2018. First 27 installments is of Rs 178.60 Lacs each and last installment is of Rs. 177.80 Lacs.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs)

Name of the Institution / Banks / Others	Sanctioned Amount	O/s As At 31/03/2017	Current Portion	Long Term	Repayment Terms
Oriental Bank of Commerce	@ 5000.00	<b>4,424.77</b> (-)	- (-)	<b>4,424.77</b> (-)	Repayable in 28 Equal Quarterly Installments of Rs. 178.57 Lacs each commencing from April 2019.
Canara Bank	* 12500.00 \$	<b>4814.05</b> (7316.02)	<b>2500.00</b> (2500.00)	<b>2314.05</b> (4816.02)	Repayable in 20 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from June 2014.
Canara Bank-London (ECB Facility)	* US \$ 23.175 Million	<b>15026.34</b> (15253.78)	<b>2,139.67</b> (-)	<b>12886.67</b> (15253.78)	Repayable in 12 Quarterly Installments Commencing from May 2017. First four installments are of US\$ 0.83 Million each, next four installments are of US\$ 1.42 Million each and next four installments are of US\$ 3.55 Million each
Adjustment for Transaction Cost (Pending Amortisation)		435.44 (400.35)	142.41 (101.04)	293.03 (299.31)	
<b>Total</b>		<b>75825.81</b>	<b>9367.78</b>	<b>66458.03</b>	
Previous Year		(61110.52)	(12016.44)	(49094.08)	

Previous Year figures have been given in brackets.

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	As At 31.03.2017	As At 31.03.2016	(Rs. in Lacs) As At 01.04.2015
<b>17. OTHER FINANCIAL LIABILITIES</b>			
Securities Received	332.72	331.91	238.68
Lease Security Deposit	-	-	11.88
<b>TOTAL :</b>	<u>332.72</u>	<u>331.91</u>	<u>250.56</u>
<b>18. PROVISIONS</b>			
Leave Encashment	1152.85	929.01	1074.10
<b>TOTAL :</b>	<u>1152.85</u>	<u>929.01</u>	<u>1074.10</u>
<b>19. DEFERRED TAX LIABILITIES (NET)</b>			
Opening Balance	9954.35	10637.85	14362.68
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	(3468.00)	(683.50)	(3724.83)
<b>TOTAL :</b>	<u>6486.35</u>	<u>9954.35</u>	<u>10637.85</u>

The Cumulative Tax effects of significant temporary differences, that resulted in Deferred Tax Asset & Liabilities and description of item thereof that creates these differences are as follows :

	Deferred Tax Assets / (Liabilities) As At 01.04.2016	Current Year (Charge) / Credit	(Rs. in Lacs) Deferred Tax Assets / (Liabilities) As At 31.03.2017
<b><u>Deferred Tax Assets</u></b>			
Other than unabsorbed depreciation & carry forward of losses.	1367.30	250.32	1617.62
<b>Total (A)</b>	<b>1367.30</b>	<b>250.32</b>	<b>1617.62</b>
<b><u>Deferred Tax Liabilities</u></b>			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(11321.65)	3217.68	(8103.97)
<b>Total (B)</b>	<b>(11321.65)</b>	<b>3217.68</b>	<b>(8103.97)</b>
<b>Net Deferred Tax (Liability) (A-B)</b>	<b>(9954.35)</b>	<b>3468.00</b>	<b>(6486.35)</b>

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised as below:

Particulars	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Profit before income taxes (Rs in Lacs)	20395.24	23602.24
Enacted Tax Rate in India	34.6%	34.6%
Computed Tax Rate	5.1%	17.9%
Effect of unused tax credit allowed	15%	0.0%
Effects of non-deductible expenses	0.9%	1.0%
Additional deduction	13.6%	15.7%
	34.6%	34.6%

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Income Tax Expense in the Total Comprehensive Income represents:

	<u>For the Year Ended 31st March 2017</u>	<u>(Rs. in Lacs) For the Year Ended 31st March 2016</u>
<b><u>In Statement of Profit &amp; Loss</u></b>		
- Current tax	4569.00	4822.00
- Deferred tax	(3528.37)	(604.50)
- (Excess) Provision of Income Tax for earlier years	(0.36)	(781.00)
<b>Total</b>	<u>1040.27</u>	<u>3436.50</u>
<b><u>In Statement of Other Comprehensive Income</u></b>		
Items that will not be reclassified to Profit or Loss		
Remeasurement of the net defined benefit liability / asset	(60.37)	79.00
<b>Total</b>	<u>(60.37)</u>	<u>79.00</u>

	<u>As At 31.03.2017</u>	<u>As At 31.03.2016</u>	<u>(Rs. in lacs) As At 01.04.2015</u>
<b>20. OTHER NON CURRENT LIABILITIES</b>			
Retention Money	485.36	277.21	70.13
<b>TOTAL :</b>	<u>485.36</u>	<u>277.21</u>	<u>70.13</u>

**21. BORROWINGS**

**Secured**

Working Capital Facilities From Banks	20897.43	17557.28	25387.70
From a Body Corporate	1200.00	1250.00	1050.00

**Unsecured**

From Banks #	2568.20	1245.01	-
From Others	12488.00	2405.04	2350.00
From a Related Parties	2630.00	-	500.00

<b>TOTAL :</b>	<u>39783.63</u>	<u>22457.33</u>	<u>29287.70</u>
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- 1 Working capital facilities from banks are secured a) on first pari passu basis, by way of hypothecation of stock of raw materials, semi-finished goods, finished goods and book debts of the Company, both present and future, b) by way of second pari passu charge on specific fixed assets of the Company, situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat), and c) by guarantee of Chairman & Managing Director of the Company.
  - 2 Loan from a Body Corporate is secured by way of pledge of listed Equity Shares held as an Investment by the Company. (Refer Note No 4A)
- # Represents deferred letters of credits for capital goods secured by way of hypothecation of specific machines under the letters of credits and pledge of fixed deposits of Rs. 312.88 Lacs (Previous Year Rs.214.75 lacs).



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Lacs)		
	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>22. TRADE PAYABLES</b>			
Suppliers	43841.96	40777.71	38860.50
Due to Suppliers under MSMEDA*	483.72	542.51	635.22
Due to Related Parties	10619.42	9215.44	7077.54
<b>TOTAL :</b>	<b>54945.10</b>	<b>50535.66</b>	<b>46573.26</b>

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

S. No.	Particulars	(Rs. in Lacs)	
		As at 31.03.2017	As at 31.03.2016
1	Principal amount due and remaining unpaid	Nil	Nil
2	Interest due on (1) above and the unpaid interest	Nil	Nil
3	Interest paid on all delayed payment under the MSMED Act	1.03	Nil
4	Payment made beyond the appointed day during the year	168.94	Nil
5	Interest due and payable for the period of delay other than (3) above	3.44	Nil
6	Interest accrued and remaining unpaid	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil

	(Rs. in Lacs)		
	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>23. OTHER FINANCIAL LIABILITIES</b>			
Current Maturities of Long Term Borrowings	12176.32	14649.15	15653.69
Capital Creditors	3594.38	2012.45	1148.10
Interest Accrued but not due on Loans			
- From a Related Party	-	-	1.92
- From Others	540.89	332.72	118.19
Unclaimed Dividend*	144.03	148.12	152.42
<b>TOTAL :</b>	<b>16455.62</b>	<b>17142.44</b>	<b>17074.32</b>

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

<b>24. OTHER CURRENT LIABILITIES</b>			
Advances from Customers	3710.06	3228.08	4198.94
Advances from Subsidiaries	97.65	314.41	1036.72
Advances from Related Party	25.48	0.16	-
Statutory Dues	1451.36	1195.13	810.67
Others Payable	1354.63	1194.41	5029.44
Due to Employees	2266.27	2230.97	1013.40
<b>TOTAL :</b>	<b>8905.45</b>	<b>8163.16</b>	<b>12089.17</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Lacs)		
	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>25. PROVISIONS</b>			
Leave Encashment	412.54	366.04	169.82
Staff Benefits	526.38	445.65	384.29
Warranty	13.47	16.64	24.96
Interest on Deferred Liabilities	-	-	554.61
Wealth Tax	-	-	99.42
<b>TOTAL :</b>	<u>952.39</u>	<u>828.33</u>	<u>1233.10</u>
<b>26. CURRENT TAX LIABILITIES</b>			
Current Income Tax (Net)	2502.09	2803.27	2474.95
<b>TOTAL :</b>	<u>2502.09</u>	<u>2803.27</u>	<u>2474.95</u>
			(Rs. in Lacs)
	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	
<b>27. REVENUE FROM OPERATIONS</b>			
<b>A. i) REVENUE FROM SALE OF PRODUCTS</b>			
Gross Sales	426782.98	399821.03	
Less : Inter Unit Sales	<u>57757.20</u>	<u>33620.72</u>	
	369025.78		366200.31
<b>ii) REVENUE FROM SALE OF SERVICES</b>			
Gross Job work	9438.72	6913.27	
Less : Inter Unit Job Work	<u>2723.12</u>	<u>4290.38</u>	
	6715.60		2622.89
Technical Fees	2340.00		1560.00
<b>TOTAL (A) :</b>	<u>378081.38</u>		<u>370383.20</u>
<b>B. OTHER OPERATING INCOME</b>			
Scrap Sales	2965.51	2490.23	
Packing, Forwarding and Insurance Recoveries	219.47	182.51	
Exchange Rate Fluctuation (Net)	1178.78	114.84	
Export Incentive	2495.67	2807.53	
Excise Duty Refund	3035.84	3302.05	
Miscellaneous Operating Income	273.36	159.89	
Vat Refund	95.57	225.78	
Support Fees	<u>402.72</u>	<u>469.85</u>	
<b>TOTAL (B) :</b>	<u>10666.92</u>		9752.68
<b>TOTAL (A+B):</b>	<u>388748.30</u>		<u>380135.88</u>
<b>28. OTHER INCOME</b>			
Rent Received	210.15		253.83
<b>Profit on sale of Investments (Net)</b>			
-Carried at Cost (Subsidiary)	-		1780.94
-Carried at Fair Value through profit & loss	-		4.32
Profit on sale of Property, Plant & Equipment (Net)	12.68		-
Miscellaneous Income	454.65		444.51

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>(Rs. in Lacs)</b>	
	<b>For the Year Ended 31st March 2017</b>	<b>For the Year Ended 31st March 2016</b>
<b>Interest :</b>		
-from Banks	<b>649.03</b>	448.90
-from Others	<b>231.56</b>	642.16
<b>Investment Income:</b>		
- Dividend received on Investments carried at cost	<b>146.75</b>	132.08
- Dividend received on Investments carried at Fair value through other comprehensive income	<b>5.68</b>	75.63
<b>TOTAL :</b>	<b><u>1710.50</u></b>	<b><u>3782.37</u></b>
<b>29. COST OF MATERIALS CONSUMED</b>		
Opening Stock	<b>15192.78</b>	14470.18
Add : Purchases	<b>267099.73</b>	234893.35
	<b>282292.51</b>	249363.53
Less : Inter Unit Purchases	<b>52634.29</b>	32394.56
	<b>229658.22</b>	216968.97
Less : Closing Stock	<b>18246.96</b>	15192.78
<b>TOTAL :</b>	<b><u>211411.26</u></b>	<b><u>201776.19</u></b>
<b>30. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Stock-in-Trade	<b>223.60</b>	172.61
Finished Goods	<b>1939.38</b>	1883.17
Work-in-Progress	<b>7303.74</b>	7248.72
	<b>9466.72</b>	9304.50
<b>Less: Closing Stock :</b>		
<b>Stock-in-Trade</b>	<b>35.86</b>	223.60
<b>Finished Goods</b>	<b>2509.51</b>	1939.38
<b>Work-in-Progress</b>	<b>9201.93</b>	7303.74
	<b>11747.30</b>	9466.72
<b>TOTAL :</b>	<b><u>(2280.58)</u></b>	<b><u>(162.22)</u></b>
<b>31. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries,Wages,Bonus,Benefits and Amenities	<b>32625.05</b>	28821.66
Contribution to Provident Fund and Other Funds	<b>1483.70</b>	1332.77
Employee Welfare Expenses	<b>1029.27</b>	929.33
<b>TOTAL :</b>	<b><u>35138.02</u></b>	<b><u>31083.76</u></b>
<b>32. FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	<b>7391.38</b>	6441.17
- On Other Loans / Liabilities	<b>2593.27</b>	3134.68
- On Shortfall in payment of Advance Tax	<b>151.00</b>	167.00
Short / (Excess) Provision of interest for earlier years		
-On Income Tax	<b>216.20</b>	76.41
-On Deferred Liabilities	<b>-</b>	(554.61)
Discounting & Financial Charges	<b>1525.85</b>	1518.35
<b>TOTAL :</b>	<b><u>11877.70</u></b>	<b><u>10783.00</u></b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the Year Ended 31st March 2017</b>	<b>(Rs. in Lacs) For the Year Ended 31st March 2016</b>
<b>33. OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	15779.17	15305.45
Repair & Maintenance-Machinery	6217.89	4972.24
Stores Consumed	2395.84	2149.28
Tools, Jigs & Dies	210.12	272.14
Packing Material Consumed	6958.91	6739.70
Processing Charges for Cylinders	2860.32	2870.43
Less : Inter Unit Charges	2501.05	2492.78
	<u>359.27</u>	377.65
Design & Development Charges	118.39	40.74
Excise Duty on Others	49.89	(9.30)
Duties paid on Revenues	34545.77	32859.86
Job Work Charges	1678.79	1609.13
Royalty Expenses	743.77	930.40
R & D Charges	58.66	113.40
<b>TOTAL (A) :</b>	<u>69116.47</u>	<u>65360.69</u>
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	776.98	718.97
Rates & Taxes	36.61	29.29
Insurance charges	626.62	634.07
Electricity & Water charges	375.31	358.34
Printing & Stationery	262.61	240.40
Postage, Telephone & Fax Expenses	472.40	413.88
Vehicle Running & Maintenance Expenses	438.31	393.99
Lease Rent -Vehicles	909.39	832.94
Conveyance & Travelling Expenses	3928.56	3017.13
Repair & Maintenance :		
- Building	1073.65	1203.03
- Others	1707.13	1522.04
Legal & Professional Charges	2035.62	1594.08
Directors' sitting fees	29.75	29.05
General Expenses	2462.69	2381.99
Advertisement & Publicity	784.15	361.75
Entertainment Expenses	450.28	422.71
Charity & Donation	35.51	24.10
Corporate Social Responsibility Expenditure	488.92	379.02
Freight & Forwarding charges	6689.24	7805.77
Loss on Settlement of Fire Claim	-	280.92
Property, Plant & Equipment written Off	91.54	141.88
Loss on assets sold (Net)	-	23.39
Allowance for doubtful debts	1626.25	437.65
Amount utilized from allowance for doubtful debts	(1215.85)	(1180.95)
Sundry Debit Balance / Bad Debts written off	924.97	1163.81

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the Year Ended 31st March 2017</b>	<b>(Rs. in Lacs) For the Year Ended 31st March 2016</b>
Loss on Liquidation of Foreign Subsidiary	<b>50.08</b>	-
Quality Claims	<b>1841.48</b>	1186.36
<b>TOTAL (B) :</b>	<b>26902.20</b>	24415.61
<b>TOTAL :</b>	<b>96018.67</b>	89776.30
Above includes following expenses on Investment Properties, that generated rental income;		
Rent (Lease Rent)	<b>0.76</b>	0.76
Repair & Maintenance :		
- Building	<b>7.33</b>	-
- Others	-	2.66
	<b>8.09</b>	3.42
<b>34. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS</b>		
Cost of Material Consumed	<b>1387.14</b>	1089.50
Employee Benefits Expense	<b>752.23</b>	600.52
Finance Costs	<b>(0.11)</b>	1.58
Depreciation and amortisation expense	<b>176.63</b>	119.24
Other Expenses	<b>474.66</b>	407.62
<b>TOTAL :</b>	<b>2790.55</b>	2218.46
		<b>(Rs. in Lacs)</b>
	<b>As At 31.03.2017</b>	<b>As At 31.03.2016</b>
<b>35. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :</b>		
A i) Show cause notice / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Company and are contested / appealed / replied.	<b>6481.99</b>	7245.78
ii) Additional demands raised by the Income Tax Department, which are under rectification & appeal	<b>4065.13</b>	2727.53
iii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	<b>1535.19</b>	2433.56
iv) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	<b>27.73</b>	27.73
v) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	<b>12.82</b>	12.32
vi) Claims against the Company/disputed liabilities not acknowledged as debt.	<b>127.00</b>	146.72
vii) Demand raised by the Concerned Development corporation on surrender of unutilised Industrial Leasehold Land.	<b>62.69</b>	62.69
B i) Guarantees issued by Banks	<b>3861.67</b>	1525.86
ii) Corporate Guarantees issued for facilities taken by foreign subsidiaries / step down subsidiaries from Banks	<b>172732.60</b>	181175.40
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	<b>11796.17</b>	4887.36
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	<b>7157.62</b>	9263.62
C Liability in respect of Bonus for the FY 2014-15 arising due to retrospective amendment in the Payment of Bonus (Amendment) Act, 2015; which is contested by the Company.	<b>429.85</b>	429.85

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>As At 31.03.2017</b>	<b>(Rs. in Lacs) As At 31.03.2016</b>
<b>36. CAPITAL COMMITMENTS :</b>		
The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	<b>14187.14</b>	32072.12

**37. DISCLOSURES FOR ASSETS UNDER OPERATING LEASES**

The Company has taken certain vehicles on operating Lease. The required disclosures are as under:

Minimum future Lease Rentals on assets under Operating Leases taken:

	<b>(Rs. in Lacs)</b>			
	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
Payables	<b>913.80</b>	<b>994.76</b>	-	<b>1908.56</b>
	<i>891.60</i>	<i>1437.65</i>	-	<i>2329.25</i>

Previous Year figures have been given in Italic.

**38. INFORMATION IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE REQUIRED TO BE SPENT BY THE COMPANY:**

	<b>Current Year</b>	<b>(Rs.in Lacs) Previous Year</b>
a) Gross Amount required to be spent by the Company during the Year	<b>308.88</b>	278.83
b) Amount spent during the year on:		
(i) construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	<b>488.92</b>	379.02
c) Amount Payable as at Year End	-	-

**39. AUDITORS REMUNERATION, AS INCLUDED IN "LEGAL & PROFESSIONAL CHARGES" UNDER NOTE NO."33(B)", IS AS UNDER:**

	<b>Current Year</b>	<b>(Rs. in Lacs) Previous Year</b>
a) Audit Fees	<b>145.00</b>	115.00
b) Taxation Matters	<b>38.00</b>	32.00
c) Other Services	<b>65.53</b>	42.94
d) Out of Pocket Expenses	<b>4.77</b>	3.98

**40. DEFINED BENEFIT PLAN**

**a) Gratuity**

The employees' Group Gratuity Scheme is managed by ICICI Prudential Life Insurance Company Limited. The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The additional disclosure in terms of Ind AS 19 on "Employee Benefits", is as under:

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<u>Current Year</u>	<u>(Rs. In Lacs)</u> Previous Year
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>2729.38</b>	2190.47
Service cost	<b>322.22</b>	311.06
Interest cost	<b>195.16</b>	171.00
Actuarial (gain) / loss	<b>(42.33)</b>	162.91
Benefits paid	<b>(254.62)</b>	(106.06)
Obligations at period end	<b>2949.81</b>	2729.38
<b>b. Reconciliation of opening and closing balances of fair value assets</b>		
Plan assets at period beginning, at fair value	<b>2664.48</b>	2328.99
Expected return on plan assets	<b>199.84</b>	186.32
Actuarial gain / (loss)	<b>132.10</b>	(65.37)
Contributions	<b>507.33</b>	320.60
Benefits paid	<b>(254.62)</b>	(106.06)
Plan assets at period end, at fair value	<b>3249.13</b>	2664.48
<b>c. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>2949.81</b>	2729.38
Fair value of plan assets at the end of the period	<b>(3249.13)</b>	(2664.48)
Liability/ (Asset) recognized in the balance sheet	<b>(299.32)</b>	64.90
<b>d. Gratuity cost for the period</b>		
Service cost	<b>322.22</b>	311.06
Interest cost	<b>195.16</b>	171.00
Expected return on plan assets	<b>(199.84)</b>	(186.32)
<b>Net Gratuity Cost recognised on Statement of Profit &amp; Loss</b>	<b>317.54</b>	295.74
<b>e. Remeasurement (gains) and losses</b>		
Actuarial (gain) / loss due to change in financial assumptions	<b>(42.33)</b>	162.91
Return on Plan assets, excluding interest income	<b>(132.10)</b>	65.37
<b>Net Gratuity Cost recognised on Statement of Other Comprehensive Income</b>	<b>(174.43)</b>	228.28
<b>Assumptions</b>		
Interest rate	<b>7.5% P.A.</b>	8% P.A.
Estimated rate of return on plan assets	<b>7.5% P.A.</b>	8% P.A.

The expected benefits increases are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at 31st March 2017. The company is expected to contribute Rs. 201.23 lacs to defined benefits plan obligations fund for the year ending 31st March 2018.

The significant accounting assumptions are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period while other assumptions constant.

If the discount rate increases /(decreases by 0.5%), the defined benefit plan obligations would decrease by Rs.127.45 Lacs (increase by Rs.137.74 Lacs) as at 31st March 2017.

If the expected salary growth increases /(decreases by 0.5%), the defined benefit plan obligations would increase by Rs.132.65 Lacs (decrease by Rs.124.06 Lacs) as at 31st March 2017.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Further in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

### b) Leave Encashment

The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation, disclosure whereof in terms of Indian Accounting Standard (Ind AS)- 19, "Employee Benefits" is as under:

	<b>Current Year</b>	<b>(Rs. In Lacs) Previous Year</b>
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>1295.06</b>	1243.93
Service cost	<b>698.82</b>	632.88
Interest cost	<b>84.99</b>	89.40
Actuarial (gain) / loss	<b>(189.93)</b>	(418.33)
Benefits paid	<b>(323.56)</b>	(252.82)
Obligations at period end	<b>1565.38</b>	1295.06
<b>b. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>1565.38</b>	1295.06
Liability recognized in the balance sheet	<b>1565.38</b>	1295.06
Assumptions		
Interest rate	<b>7.5% P.A.</b>	8% P.A.
<b>c. Leave Encashment cost for the period</b>		
Service cost	<b>698.82</b>	632.88
Interest cost	<b>84.99</b>	89.40
Actuarial (gain) / loss	<b>(189.93)</b>	(418.33)
<b>Net Leave Encashment cost for the period</b>	<b>593.88</b>	303.95

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

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

### 43. EARNING PER SHARE

The following disclosure is made, as required by Indian Accounting Standard (Ind AS-20) on "Earning Per Share" :

	<b>Current Year</b>	<b>Previous Year</b>
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs in Lacs);	<b>19354.97</b>	20165.74
(B) (i) Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<b>72211486</b>	72211486
(ii) Opening Balance of Equity Shares (Numbers)	<b>72211486</b>	72211486
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>72211486</b>	72211486
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) <b><u>Earning Per Share</u></b>		
(a) Basic (A/B(i)) (Rs.)	<b>26.80</b>	27.93
(b) Diluted (A/B(ii)) (Rs.)	<b>26.80</b>	27.93



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**44. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

Particulars	(Rs. in Lacs)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	<b>85.76</b>	<b>6.25</b>	<b>92.01</b>
(+) Withdrawal from banks Account	-	81.54	81.54
(+) Permitted receipts	-	19.86	19.86
(-) Permitted payments	(3.35)	(82.94)	(86.29)
(-) Amount deposited in Banks	(82.41)	(0.18)	(82.59)
Closing cash in hand as on December 30,2016	<b>0.00</b>	<b>24.53</b>	<b>24.53</b>

**45. SEGMENT DISCLOSURE**

Segment disclosure in accordance with the Ind AS 108 on “ Operating Segments” are as under:

Accounting Principles and policies, as reported in Significant Accounting policies, used in the preparation of financial statements are consistently applied to record revenue, expenditure, assets and liabilities, in each segment.

**For the Year Ended 31st March 2017**

Particulars	(Rs. in Lacs)			Total
	Flexible Packaging Activities	Engineering Activities	Other (Un-allocable)	
<b>Revenue from</b>				
- External Customers	355353.04	33156.03	239.23	388748.30
- Transaction with other operating segments	-	6694.81	-	6694.81
<b>Total Revenue</b>	<b>355353.04</b>	<b>39850.84</b>	<b>239.23</b>	<b>395443.11</b>
Less: Intersegment Revenue		6694.81		6694.81
<b>Net Segment Revenue</b>	<b>355353.04</b>	<b>33156.03</b>	<b>239.23</b>	<b>388748.30</b>
identifiable operating expenses	(301014.62)	(25758.37)	(12644.90)	(339417.89)
<b>Operating Profit</b>	<b>54338.42</b>	<b>7397.66</b>	<b>(12405.67)</b>	<b>49330.41</b>
Other Income				1710.50
<b>EBIDTA</b>				<b>51040.91</b>
Depreciation & Amortization Expenses				(18767.97)
<b>EBITA</b>				<b>32272.94</b>
Finance Cost				(11877.70)
<b>Profit before Tax</b>				<b>20395.24</b>
Tax expenses				(1040.27)
<b>Net Profit</b>				<b>19354.97</b>
<b>Segment Assets</b>	308193.71	42902.32	56936.97	408033.00
<b>Segment Liabilities</b>	53741.17	36115.89	113996.41	203853.47

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

<b>For the Year Ended 31st March 2016</b>				<b>(Rs. in Lacs)</b>
<b>Particulars</b>	<b>Flexible Packaging Activities</b>	<b>Engineering Activities</b>	<b>Other (Un-allocable)</b>	<b>Total</b>
<b>Revenue from</b>				
- External Customers	349245.36	31057.88	(167.36)	380135.88
- Transaction with other operating segments	-	5793.15	-	5793.15
<b>Total Revenue</b>	<b>349245.36</b>	<b>36851.03</b>	<b>(167.36)</b>	<b>385929.03</b>
Less: Intersegment Revenue		5793.15		5793.15
<b>Net Segment Revenue</b>	<b>349245.36</b>	<b>31057.88</b>	<b>(167.36)</b>	<b>380135.88</b>
identifiable operating expenses	(297789.10)	(24889.90)	(10155.14)	(332834.14)
<b>Operating Profit</b>	<b>51456.26</b>	<b>6167.98</b>	<b>(10322.50)</b>	<b>47301.74</b>
Other Income				3782.37
<b>EBIDTA</b>				<b>51084.11</b>
Depreciation & Amortization Expenses				(16698.87)
<b>EBITA</b>				<b>34385.24</b>
Finance Cost				(10783.00)
<b>Profit before Tax</b>				<b>23602.24</b>
Tax expenses				(3436.50)
<b>Net Profit</b>				<b>20165.74</b>
<b>Segment Assets</b>	242463.13	41791.14	71457.16	355711.43
<b>Segment Liabilities</b>	44113.66	35838.36	89008.61	168960.63

**46. RELATED PARTY DISCLOSURES**
**(a) List of Related Parties:**

- i) **Subsidiaries** : Flex Middle East FZE , Uflex Europe Ltd., Uflex Packaging Inc., Upet Holdings Ltd., U Tech Developers Ltd., Flex P Films (Brasil) Comercio De Films Plasticos Ltda. (upto 28/03/17) and USC Hologram (P) 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., Flex Films (USA) Inc., Refex Energy (P) Ltd. (w.e.f.07/07/2016), Bundelkhand Projects Pvt. Ltd. (w.e.f.07/07/2016).
- iii) **Associates** : Flex Foods Limited and Refex Energy (Rajasthan) (P) Ltd.(upto 06/07/2016).
- iv) **Key Management Personnel & their relatives/ HUF (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi), Mr. Ashok Chaturvedi (HUF) and Mr. Amitava Ray, Whole-time Director.
- v) **Enterprises in which the persons referred in (iv) along with their relatives exercise significant influence** : AKC Retailers Pvt. Ltd., Anshika Investments Pvt. Ltd., Anant Overseas Pvt. Ltd., Apoorva Extrusion Pvt. Ltd., Anshika Consultants Pvt. Ltd., A.R. Leasing Pvt. Ltd., A.R. Infrastructures & Projects Pvt. Ltd., AC Infrastructures Pvt. Ltd., Cinflex Infotech Pvt. Ltd., Flex International Pvt. Ltd., Ultimate Infratech Pvt. Ltd., Ultimate Flexipack Ltd., Ultimate Prepress LLP, Naveli Collections Pvt. Ltd., Modern Info Technology Pvt. Ltd., Flex Industries Pvt. Ltd., Club One Airways Pvt. Ltd., Niksar Finvest Pvt. Ltd., Ganadhipati Infraproject Pvt. Ltd., Nirman Overseas Pvt. Ltd., Kaya Kalpa Medical Services Pvt. Ltd., Sungrace Products (India) Pvt. Ltd., Virgin Infrastructures Pvt. Ltd., Liberal Advisory Services Pvt. Ltd., Minor Hotel Pvt. Ltd., East Coast Star Hotel Pvt. Ltd., Saga Realtors Pvt. Ltd., Gangotri Management Pvt. Ltd., Manpasand Marketing Pvt. Ltd., Magic Consultants Pvt. Ltd., First Flexipack Corporation, Ultra America Inc., AR Airways Pvt. Ltd., A-one Catering LLP (w.e.f. 05.07.2016), Bundelkhand Projects Pvt. Ltd.(up to 06.07.2016)

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

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

(Rs. in Lacs)						
Transactions	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (v)' above	Total
<b>i) Trade Transactions</b>						
Sale of Goods/Services (Net)	<b>19875.83</b>	<b>8175.28</b>	<b>47.00</b>	-	<b>7435.86</b>	<b>35533.97</b>
	20935.16	8906.13	39.04	-	9568.47	39448.80
Purchase of Goods/ Services (Net)	<b>1242.84</b>	<b>509.47</b>	-	-	<b>25955.04</b>	<b>27707.35</b>
	5.40	-	-	-	21984.27	21989.67
Royalty	-	-	-	<b>440.00</b>	-	<b>440.00</b>
	-	-	-	685.00	-	685.00
Purchase of Fixed Assets	-	-	-	-	-	-
	0.58	-	-	-	92.48	93.06
Sale of Fixed Assets	<b>0.31</b>	-	-	-	-	<b>0.31</b>
	-	-	-	-	-	-
Dividend Income	-	-	<b>146.75</b>	-	-	<b>146.75</b>
	-	-	132.08	-	-	132.08
Technical Fees received	<b>180.00</b>	<b>960.00</b>	-	-	-	<b>1,140.00</b>
	120.00	240.00	-	-	-	360.00
Licence & Support fees Received	<b>69.11</b>	<b>333.61</b>	-	-	-	<b>402.72</b>
	80.47	389.39	-	-	-	469.86
Rent Received	-	-	-	<b>48.00</b>	<b>10.56</b>	<b>58.56</b>
	-	-	-	36.00	5.94	41.94
Rent Paid	-	-	-	<b>238.05</b>	<b>290.60</b>	<b>528.65</b>
	-	-	-	207.00	279.60	486.60
Security Deposit Given	-	-	-	-	-	-
	-	-	-	-	-	-
Interest Paid on Loans	<b>3.73</b>	-	-	-	<b>180.72</b>	<b>184.45</b>
	-	5.42	-	-	38.67	44.09
Interest Received on Loans	-	-	-	-	<b>191.80</b>	<b>191.80</b>
	7.91	-	-	-	217.32	225.23
Commission Received on extension of Corporate Guarantee	-	<b>393.79</b>	-	-	-	<b>393.79</b>
	3.05	429.45	-	-	-	432.50
Remuneration *	-	-	-	<b>1286.99</b>	-	<b>1286.99</b>
	-	-	-	1117.76	-	1117.76
Rebate & Discount	-	-	-	-	-	-
	-	42.01	-	-	-	42.01
Claims Paid	-	-	-	-	-	-
	-	4.93	-	-	-	4.93

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs)

Transactions	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (v)' above	Total
<b>ii) Non Trade Transactions</b>						
Sale of Investments	<b>215.72</b>	-	-	-	-	<b>215.72</b>
	<i>4196.54</i>	-	-	-	-	<i>4196.54</i>
Dividend Paid	-	-	-	<b>74.30</b>	<b>942.79</b>	<b>1017.09</b>
	-	-	-	<i>62.68</i>	<i>795.49</i>	<i>858.17</i>
Loan Taken	<b>300.00</b>	-	-	-	<b>5480.00</b>	<b>5780.00</b>
	-	<i>600.00</i>	-	-	<i>4830.00</i>	<i>5430.00</i>
Repayment of Loan Taken	<b>300.00</b>	-	-	-	<b>2850.00</b>	<b>3150.00</b>
	-	<i>600.00</i>	-	-	<i>5330.00</i>	<i>5930.00</i>
Loan Given	-	-	-	-	-	-
	<i>165.00</i>	-	-	-	<i>6000.00</i>	<i>6165.00</i>
Recovery of Loan Given	<b>2300.00</b>	-	-	-	<b>6000.00</b>	<b>8300.00</b>
	<i>4505.00</i>	-	-	-	-	<i>4505.00</i>
<b>Total</b>	<b>24487.54</b>	<b>10372.15</b>	<b>193.75</b>	<b>2087.34</b>	<b>49337.37</b>	<b>86478.15</b>
	<i>30019.11</i>	<i>11217.33</i>	<i>171.12</i>	<i>2108.44</i>	<i>49142.24</i>	<i>92658.24</i>
<b>Balance as on 31.03.2017</b>						
Debit	<b>10990.65</b>	<b>1580.54</b>	<b>12.23</b>	-	<b>3336.85</b>	<b>15920.27</b>
	<i>13027.82</i>	<i>2719.85</i>	<i>0.19</i>	-	<i>13670.38</i>	<i>29418.24</i>
Credit	<b>27.43</b>	<b>165.88</b>	-	<b>620.25</b>	<b>12858.98</b>	<b>13672.54</b>
	-	<i>323.45</i>	<i>0.14</i>	<i>407.48</i>	<i>9048.95</i>	<i>9780.02</i>

Previous Year figures have been given in Italic.

\* Includes

(Rs. in Lacs)

	<u>Current Year</u>	<u>Previous Year</u>
Salary	<b>960.21</b>	838.49
Perquisites	<b>21.22</b>	21.88
Short Term Employees Benefits	<b>5.56</b>	7.39
Commission	<b>300.00</b>	250.00
<b>Total</b>	<b>1286.99</b>	1117.76

The company has extended corporate guarantees to the lenders of its subsidiary(ies) / Fellow Subsidiary(ies). The outstanding amount of corporate guarantees extended by the company as on the balance sheet date has been disclosed in Note No 35.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**47. FINANCIAL INSTRUMENTS**

The carrying value of instruments by categories are as follows:

Particulars		(Rs. in Lacs)			
		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value
<b>Assets</b>					
Cash and cash equivalents	CY	12169.85	-	-	12169.85
	PY	18928.92			18928.92
<b>Investments</b>					
Equity and other securities	CY	36674.45	-	4045.86	40720.31
	PY	36890.17		3304.97	40195.14
Trade Receivables	CY	99901.62	-	-	99901.62
	PY	78300.20			78300.20
Loans	CY	4177.81	-	-	4177.81
	PY	11520.93			11520.93
Other financial assets	CY	206.47	-	-	206.47
	PY	1141.76			1141.76
<b>Total</b>	CY	<b>153130.20</b>	-	<b>4045.86</b>	<b>157176.06</b>
	PY	146781.98	-	3304.97	150086.95
<b>Liabilities</b>					
Trade payables	CY	54945.10	-	-	54945.10
	PY	50535.66	-	-	50535.66
Other financial liabilities	CY	16788.34	-	-	16788.34
	PY	17474.35	-	-	17474.35
Borrowings	CY	111635.54	-	-	111635.54
	PY	77995.29	-	-	77995.29
<b>Total</b>	CY	<b>183368.98</b>	-	-	<b>183368.98</b>
	PY	146005.30	-	-	146005.30

**Fair Value hierarchy disclosures:**

**Level 1-** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Input other than quoted price included within Level 1 that are observable for the assets or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Particulars		Total	Level 1	Level 2	Level 3
Investment in equity instruments	CY	4045.86	4045.86	-	-
	PY	3304.97	3304.97	-	-

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 48. FINANCIAL RISKS MANAGEMENT

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk and Commodity Price Risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process.

- identify the major financial risks which may cause financial losses to the company
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Company enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Audit Committee and the Board of Directors from time to time.

#### Credit Risk

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets.

In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored . In case of Export customers, even credit guarantee insurance is also obtained wherever required.

Company's exposure to Credit Risk is also influenced by the concentration of risk from top five customers. The details in respect of the% of sales generated from the top customer and top five customers are given hereunder.

Particulars	Current Year	Previous Year
Revenue from Top Customer	22%	22%
Revenue from Top Five Customers	34%	35%

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks or mutual funds with high credit ratings assigned by the rating agencies of international repute.

#### Liquidity Risk

Liquidity Risk arises when the company is unable to meet its short term financial obligations as and when they fall due.

The company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

Particulars	(Rs in Lacs)		
	As at 31st March 2017	Due within 12 months from Balance sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	123811.86	51959.95	71851.91
Trade payables	54945.10	54945.10	-
Other Financial Liability	4612.02	4279.30	332.72

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### Interest Rate Risk

Generally market linked financial instruments are subject to interest rate risk. The company does not have any marked linked financial instrument both on the asset or liability side. Hence no interest rate risk.

In case of the borrowings by the company, the company is subject to interest rate risk on account of any fluctuation in the base prime lending rate (BPLR) fixed by the banks. Every fluctuation in the BPLR of the bank either on the higher or lower side will result into financial loss or gain to the company.

The major portion of the company's debt are linked with the BPLR of the Indian Banks. The total proportions of these debts are Rs. 102375.49 Lacs out of the total debt of Rs. 123811.86 Lacs.

Based on the structure of net debt as at year end, a one percentage point increase in the debt would cause an additional expense in the net financing cost of Rs. 1023.75 Lacs.

### Foreign Currency Risk

The company is exposed to the foreign currency risk from transactions & translation. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

Based on one percentage point variations in the exchange rate, the profit for the year based on the foreign currency transaction entered during the period will be effected by 4.71%.

### Commodity Price Risk

The main raw materials which company procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly.

The pricing policy of the Company final product is structured in such a way that any change in price of raw materials is passed on to the customers in the final product however, with a time lag which mitigates the raw material price risk.

With regard to the finished products, the Company has been operating in a global competitive environment which continues to keep downward pressure on the prices and the volumes of the products.

In order to combat this situation, the Company formulated manifold plans and strategies to develop new customers & focus on new innovative products. In addition, it has also been focusing on improvement in product quality and productivity. With these measures, Company counters the competition and consequently commodity price risk.

Signatories to Notes 1 to 48

For and on behalf of the Board of Directors

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

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

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

For **Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the Members of UFLEX Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Uflex Limited ("herein after referred to as "the Holding Company") and its Subsidiary Companies, Flex Middle East FZE, Uflex Europe Limited, Uflex Packaging Inc., UPET Holdings Limited, UTech Developers Limited, USC Holograms (P) Limited, Flex Films Europa Sp. Z.o.o., Flex P. Films (Egypt) S.A.E., UPET (Singapore) PTE. Limited, Flex Americas S.A. De C.V., SD Buildwell (P) Limited, Flex Films (USA) Inc., Refex Energy (Rajasthan) (P) Limited (w.e.f. July 7, 2016), Bundelkhand Projects (P) Limited (w.e.f. July 7, 2016) and Flex P Films (Brasil) Comerico De Films Plasticos Ltda. (till March 28, 2017), the Holding Company and its Subsidiaries together referred to as ("the Group"), its Associates, Flex Foods Limited and Refex Energy (Rajasthan) (P) Limited (till July 6, 2016) comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Ind AS Financial Statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group, including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This respective Board of Directors of the Companies included in the Group and its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and



fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on respective Financial Statements of the Subsidiary Companies and Associate Companies referred above, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the Consolidated state of affairs of the Group and its Associates as at March 31, 2017, and their Consolidated profit (including Other comprehensive Income), their Consolidated cash flows and their Consolidated changes in equity for the year ended on that date.

### **Other Matters**

We did not audit the Financial Statements/ Financial information of all above referred subsidiaries forming part of the Group, whose Financial Statements/financial information reflect total assets of Rs. 5,02,940.27 Lacs as at March 31, 2017, total revenue of Rs. 3,37,020.53 Lacs and net cash out flows amounting to Rs. 2,402.61 Lacs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's Share of net profit of Rs. 406.81 Lacs for the year ended March 31, 2017, as considered in the Consolidated Ind AS Financial Statements in respect of above referred Associates, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and Associates, and our report in terms of sub Section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries and Associates, is based solely on the reports of the other Auditors.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on respective financial statements and the other financial information of the Subsidiary Companies and Associate Companies referred above, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies and Associate Companies incorporated in India, none of the directors of the Subsidiary Companies and its Associate Companies, which are incorporated in India, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Subsidiaries Companies & Associates, which are Companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associates- Refer Note 35-IA, 35-IC & 35-II to the Consolidated Ind AS Financial Statements;
  - ii. The Group and its Associates did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. a) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Flex Foods Limited, an Associate company incorporated in India;
  - b) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Companies and Refex Energy (Rajasthan) (P) Limited, an Associate company (till July 6, 2016), which are companies incorporated in India. and
  - iv. The Holding Company, Subsidiary Companies and Associate Companies, which are companies incorporated in India had provided requisite disclosures in their Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed, the representations provided to us by the management and based on the consideration of reports of other auditors on the respective Ind AS Financial Statements of the Subsidiaries Companies and Associate Companies referred above, we report that the disclosure are in accordance with the relevant books of accounts maintained by those Companies. Refer Note No. 44 to the Consolidated Ind AS Financial Statements.

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

**CA. S.V. SEHGAL**

Partner

Membership No. 080329

Place : NOIDA

Dated : 30-05-2017

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

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act').**

In conjunction with our audit of the Consolidated Ind AS financial Statements of the Uflex Limited (herein referred to as "the Holding Company"), its Subsidiaries and Associates, which are companies incorporated in India, as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Holding Company, its Indian Subsidiaries, viz. UTech Developers Limited, USC Holograms (P) Limited, SD Buildwell (P) Limited, Refex Energy (Rajasthan) (P) Limited (w.e.f. July 7, 2016) and Bundelkhand Projects (P) Limited (w.e.f. July 7, 2016) and its Indian Associates, Flex Foods Limited and Refex Energy (Rajasthan) (P) Limited (till July 6, 2016) (the Holding Company, its Indian Subsidiaries and its Indian Associates are together referred to as "Indian Enterprises") as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Indian Enterprises' internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

The Indian Enterprises' internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. An Indian Enterprises' internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Indian Enterprises; (2) provide reasonable assurance that transactions

are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, and that receipts and expenditures of the Indian Enterprises are being made only in accordance with authorizations of the Management and Directors of the Indian Enterprises; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Indian Enterprises assets that could have a material effect on the Consolidated Ind AS Financial Statements.

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Indian Enterprises has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Indian Enterprises considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to aforesaid Subsidiary Companies and Associate Companies, which are Companies incorporated in India, is based on the corresponding reports of the auditors of respective Companies.

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

**CA. S.V. SEHGAL**  
Partner

Membership No. 080329

Place : NOIDA  
Dated : 30-05-2017

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017**

Particulars	Note No.	(Rs. in Lacs)		
		As At 31st March 2017	As At 31st March 2016	As At 1st April 2015
<b>I ASSETS</b>				
<b>Non-Current Assets</b>				
a) Property, Plant and Equipment	3A	331181.41	324135.43	319546.96
b) Capital Work-in-Progress		49699.94	22445.92	3005.39
c) Investment Property	3B	3407.00	3551.04	3668.24
d) Goodwill	3C	20.30	0.20	3.06
e) Other Intangible assets	3C	4828.08	1350.17	766.43
f) Intangible assets under development		108.18	426.88	236.57
<b>Financial Assets</b>				
i) Investments	4A	4318.52	4884.04	4593.07
ii) Pledged Equity Instruments	4B	3285.37	2649.83	2101.37
iii) Loans	5	8574.24	15507.33	9814.55
iv) Other Non-Current Financial Assets	6	1918.50	3970.99	6365.02
h) Other Non-Current Assets	7	7236.20	9780.12	6418.90
<b>Total Non-Current Assets</b>		<b>414577.74</b>	<b>388701.95</b>	<b>356519.56</b>
<b>Current assets</b>				
a) Inventories	8	67861.68	62082.67	66097.02
<b>Financial Assets</b>				
i) Trade receivables	9	165904.77	148019.41	150871.29
ii) Cash and cash equivalents	10A	23092.98	35918.29	18197.26
iii) Bank Balances other than (ii) above	10B	6537.51	2873.88	980.34
iv) Loans	11	27.61	0.98	4200.18
v) Other Financial Assets	12	13753.73	15343.65	15073.13
c) Other Current Assets	13	23087.30	27467.96	35450.23
<b>Total Current Assets</b>		<b>300265.58</b>	<b>291706.84</b>	<b>290869.45</b>
<b>TOTAL ASSETS</b>		<b>714843.32</b>	<b>680408.79</b>	<b>647389.01</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	14	7221.15	7221.15	7221.15
b) Other Equity	15	357185.86	337946.34	303042.62
<b>Total Equity</b>		<b>364407.01</b>	<b>345167.49</b>	<b>310263.77</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
i) Borrowings	16	102977.40	105426.82	100379.77
ii) Other Financial Liabilities	17	332.72	331.91	250.56
b) Provisions	18	1167.08	929.01	1074.10
c) Deferred tax liabilities (Net)	19	12646.18	14931.53	13146.63
d) Other Non-Current Liabilities	20	485.36	277.21	74.79
<b>Total Non-Current Liabilities</b>		<b>117608.74</b>	<b>121896.48</b>	<b>114925.85</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
i) Borrowings	21	75165.29	71426.29	80620.81
ii) Trade payables	22	95729.88	78240.23	75975.88
iii) Other Financial Liabilities	23	37399.21	41221.26	42907.09
b) Other current liabilities	24	19106.59	17979.57	18398.10
c) Provisions	25	1911.57	1497.82	1731.87
d) Current Tax Liabilities (Net)	26	3515.03	2979.65	2565.64
<b>Total Current Liabilities</b>		<b>232827.57</b>	<b>213344.82</b>	<b>222199.39</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>714843.32</b>	<b>680408.79</b>	<b>647389.01</b>

The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

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

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

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

For **Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Note No.	(Rs. in Lacs)	
		For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>Revenue from Operations</b>			
Gross Sales & Job Work	27 (A)	696765.95	660086.16
Less : Inter unit Sales & Job Work		60480.32	37911.10
Net Sales & Job Work		636285.63	622175.06
Other Operating Income	27 (B)	14192.78	14376.69
<b>Revenue from Operations</b>		<b>650478.41</b>	<b>636551.75</b>
<b>Other Income</b>	28	<b>2050.49</b>	<b>3492.19</b>
<b>Share in Profit of Associates for the Year</b>		<b>406.81</b>	<b>367.46</b>
<b>Total Income</b>		<b>652935.71</b>	<b>640411.40</b>
<b>Expenses:</b>			
Cost of materials consumed	29	349294.71	341217.92
Purchase of Stock-in-Trade		7515.56	17058.26
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	30	(1408.24)	(3368.06)
Employee benefits expense	31	54739.33	49612.28
Finance costs	32	18681.64	17583.98
Depreciation and amortization expense		31753.91	28553.73
Other expenses	33	156444.11	153792.77
Expenses Allocated to Self Constructed Assets	34	(3536.41)	(2218.46)
<b>Total Expenses</b>		<b>613484.61</b>	<b>602232.42</b>
Profit before tax		39451.10	38178.98
<b>Less / (Add) : Tax expense:</b>			
- Current tax		5738.15	5402.19
- Deferred tax		(992.39)	1863.90
- (Excess) / Short Provision of Income Tax for earlier years		(369.69)	(781.00)
Profit for the year before Minority Interest		35075.03	31693.89
Non Controlling Interest		(229.47)	(310.18)
Profit for the year		34845.56	31383.71
<b>Other Comprehensive Income</b>			
<b>a. Items that will be reclassified to Profit or Loss</b>			
Exchange Difference on translating foreign operations		(5491.16)	5101.69
<b>b. Items that will not be reclassified to Profit or Loss</b>			
Remeasurement of the net defined benefit liability / asset		174.43	(228.28)
Fair Value Changes of Equity Instruments		740.89	604.46
Exchange differences on devaluation of Currency		(10878.65)	-
Income tax relating to items that will not be reclassified to Profit & Loss		1292.96	79.00
Share in aggregate comprehensive income of the associates (Net of Tax)		(6.29)	(0.41)
<b>Total (b)</b>		<b>(8676.66)</b>	<b>454.77</b>
<b>Total Other Comprehensive Income for the year (a+b)</b>		<b>(14167.82)</b>	<b>5556.46</b>
<b>Total Comprehensive Income for the Year</b>		<b>20677.74</b>	<b>36940.17</b>
<b>Earning Per Equity Share</b>			
a) Basic (Rs.)		48.25	43.46
b) Diluted (Rs.)		48.25	43.46

The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

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

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

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

For **Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Equity Share Capital	Other Equity							Total	Total Attributable to Owners of the Company	Attributable to Non Controlling Interest			
		Reserve & Surplus			Items of Other Comprehensive Income									
		Capital Reserve	Securities Premium Reserve	General Reserve	Legal Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Exchange differences on translating financial statements of foreign operations				Exchange differences on devaluation of Currency	Remeasurement of Defined Benefit Plans	Share in aggregate Other Comprehensive Income of associate(s)
Balance as at 1st April 2015	7221.15	10400.42	57110.63	18801.74	1196.99	190457.25	(2819.67)	27892.88	-	0.00	0.00	310261.39	310189.15	72.24
Total Other Comprehensive Income for the Year (Net of Tax)							604.46	5101.69		(149.28)	(0.41)	5556.46	5556.46	-
Dividend (Including Dividend Distribution Tax)						(2346.63)						(2346.63)	(2346.63)	-
Profit for the Year						31693.89						31693.89	31383.71	310.18
Amount transferred to General Reserve & Legal Reserve						(2404.79)						(2404.79)	(2404.79)	-
Amount Transferred from Retained Earnings				2124.32	280.47							2404.79	2404.79	-
Balance as at 31st March 2016	7221.15	10400.42	57110.63	20926.06	1477.46	217399.72	(2215.21)	32994.57	-	(149.28)	(0.41)	345165.11	344782.69	382.42
Balance as at 1st April 2016	7221.15	10400.42	57110.63	20926.06	1477.46	217399.72	(2215.21)	32994.57	-	(149.28)	(0.41)	345165.11	344782.69	382.42
Total Other Comprehensive Income for the Year (Net of Tax)							740.89	(5491.16)	(9525.32)	114.06	(6.29)	(14167.82)	(14167.82)	-
Dividend (Including Dividend Distribution Tax)						(2781.19)						(2781.19)	(2781.19)	-
Profit for the Year						35075.03						35075.03	34845.56	229.47
Amount transferred to General Reserve & Legal Reserve						(312.10)						(312.10)	(312.10)	-

Particulars	Equity Share Capital				Reserve & Surplus					Other Equity					Total	Total Attributable to Owners of the Company	Attributable to Non Controlling Interest		
	Equity Share Capital				Securities Premium Reserve		General Reserve		Legal Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Exchange differences on translating financial statements of foreign operations		Exchange differences on devaluation of Currency				Remeasurement of Defined Benefit Plans	Share in aggregate Other Comprehensive Income of associate(s)
	Capital Reserve	Securities Premium Reserve	General Reserve	Legal Reserve	Capital Reserve	Securities Premium Reserve	General Reserve	Legal Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Exchange differences on translating financial statements of foreign operations	Exchange differences on devaluation of Currency	Remeasurement of Defined Benefit Plans	Share in aggregate Other Comprehensive Income of associate(s)					
Amount Transferred from Retained Earnings			156.05	156.05													312.10	312.10	-
Arising due to Acquisition of Non Controlling Interest (Refer Note No 42(a))	180.13																180.13	180.13	(180.13)
Arising in acquisition made during the year (Refer Note No 42(b))																	23.09	23.09	-
<b>Balance as at 31st March 2017</b>	<b>7221.15</b>	<b>10603.64</b>	<b>57110.63</b>	<b>21082.11</b>	<b>1633.51</b>	<b>249381.46</b>	<b>(1474.32)</b>	<b>27503.41</b>	<b>(9525.32)</b>	<b>(35.22)</b>	<b>(6.70)</b>	<b>363494.35</b>	<b>362882.46</b>	<b>431.76</b>					

The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

This is the Consolidated Statement of Changes in Equity referred to in our report of even date attached

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

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

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

**For Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Lacs)	
	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	39451.10	38178.98
<b>Adjustment for :</b>		
Exchange differences on devaluation of Currency	(10878.65)	-
Remeasurement of the net defined benefit liability / asset	174.43	(228.28)
Share in aggregate OCI of associates	(6.29)	(0.41)
Exchange differences on translation of foreign operations (net of adjustment to cost of PPE, Intangibles)	1427.75	(1391.84)
Depreciation & amortisation expense	31753.91	28553.73
Exchange rate fluctuations (Net)	2775.63	8504.69
(Profit) /Loss on assets sold (Net)	(1.68)	21.17
Property, Plant & Equipments written Off	91.54	141.88
Finance Cost	18681.64	17697.76
Interest received from Banks / others	(1486.77)	(3047.79)
Rent Received	(210.15)	(253.83)
Dividend received on Investments carried at Fair value through other comprehensive income	(5.68)	(75.63)
Profit on sale of Investments (Net)	(19.05)	(89.61)
Allowance for Doubtful Debt Written Back	(1239.72)	(1180.95)
Bad & Doubtful Debts (Allowance)	1665.15	477.14
Sundry Balances / Bad Debts written off (Net)	839.63	1,266.72
<b>Operating Profit before Working Capital changes</b>	<b>83012.79</b>	<b>88573.73</b>
<b>Adjustment for :</b>		
Trade Receivables	(19150.42)	2288.97
Loans and Other financial assets and other assets	17473.45	5250.98
Inventories	(5779.01)	4014.35
Trade payables	17489.65	2264.35
Other financial liabilities, other liabilities and provisions	(1298.87)	8734.80
<b>Cash generated from operations</b>	<b>91747.59</b>	<b>100606.66</b>
Income Tax	(5368.46)	(4621.19)
Exchange rate fluctuations	(2775.63)	(8504.69)
<b>Cash from operating activities before exceptional items</b>	<b>83603.50</b>	<b>87480.78</b>
<b>Net Cash generated from operating activities (A)</b>	<b>83603.50</b>	<b>87480.78</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (PPE) & Intangible assets	(76179.00)	(50328.81)
Sale proceeds of PPE & Intangibles	101.15	3422.57
Increase in Non-Controlling Interest	1090.41	-
Inflow on Investments (Net)	689.92	(145.36)
Capital Reserve / (Goodwill) arising on consolidation	2.99	-
Interest received from Banks / others	1486.77	3047.79
Rent Received	210.15	253.83
Dividend received on Non- Trade Investments	5.68	75.63
<b>Net Cash used in Investing Activities (B)</b>	<b>(72591.93)</b>	<b>(43674.35)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)**

	(Rs. in Lacs)	
	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(2310.77)	(1949.71)
Dividend Distribution Tax	(470.42)	(396.92)
Finance Cost	(18681.64)	(17697.76)
Borrowings (Net)	1289.58	(4147.47)
<b>Net Cash used in Financing Activities (C)</b>	<b>(20173.25)</b>	<b>(24191.86)</b>
Net (Decrease) /Increase in Cash and Cash equivalents (A+B+C)	<b>(9161.68)</b>	19614.57
<b>Cash and Cash equivalents</b>		
Opening Cash and Cash equivalents	<b>38792.17</b>	19177.60
Closing Cash and Cash equivalents #	<b>29630.49</b>	38792.17
# Includes Rs. 6537.51 lacs (Previous Year Rs. 2873.88 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks as margin for letter of credits, guarantees & bills discounted. The accompanying Notes from S.No. 1 to 48 form an Integral Part of the Consolidated Financial Statements.		

For and on behalf of the Board of Directors

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

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

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

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

For **Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPERATION OF FINANCIAL STATEMENTS**

The Group has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Accounting Standards) Rules 2015 with effect from 1<sup>st</sup> April 2016. The Adoption of the IND AS was carried out in accordance with the IND AS 101 First Time adoption of the Indian Accounting Standards. Accordingly Group opening Ind AS Balance Sheet / date of transition is 1<sup>st</sup> April 2015. Please refer to Note No 2 for more information on reconciliations of differences and descriptions of the effect of transition.

Accordingly the financial statements of the group with effect from 1<sup>st</sup> April 2016 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Accounting Standards) Rules 2015, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial statements of the group are prepared under the historical cost convention except for the followings assets and liabilities which have been measured at their fair value:

Certain financial assets and liabilities measured at fair value (Refer to accounting policies for more details)

The financial statements are presented in Indian Rupees (INR). Amount has been rounded off to nearest lacs.

For the periods up to and including the financial year ended 31<sup>st</sup> March 2016;the group financial Statements were prepared in accordance with the Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies Act 2013 u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

**B. BASIS AND PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements comprise those of UFLEX Limited and its affiliated companies (the Group).

Companies which the group controls are fully consolidated from the date at which the Group obtains the control over the entity, using the equity method. The Group controls the entity when it is exposed to, or has right to, variable returns from its involvement with the company and has ability to affect those returns through its power over the company. The Group holds either full or majority of voting rights in the companies which are controlled.

The financial statements of the Group Companies are consolidated 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. The group 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. Non-controlling interest which represent part of the net profit or loss and net assets of the subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded. The excess / short amount of investment of the Group over its share in the net assets of the respective affiliates is recognized as Goodwill or Capital Reserve in the financial statement.

Associates are entities over which the Group has significant influence, but not control. Investments in the associate companies have been accounted under the Equity Method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or reduced by the amount of share in profit & loss of the investee after the date of acquisition. The Groups investment in associates includes goodwill identified on acquisition.

The list of companies of the UFLEX Group and associates are given as under:

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
1	Uflex Europe Limited	London-UK	Subsidiary	100%
2	Uflex Packaging Inc.	USA	Subsidiary	100%
3	Flex Middle East FZE	Dubai-UAE	Subsidiary	100%
4	Flex P. Films (Egypt) S.A.E.	Egypt	Subsidiary	100%
5	Flex Films Europa Sp. Zo.o.	Poland	Subsidiary	100%

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
6	UPET Holdings Limited	Mauritius	Subsidiary	100%
7	UPET (Singapore) PTE Ltd.	Singapore	Subsidiary	100%
8	Flex Americas S.A.de C.V.	Mexico	Subsidiary	100%
9	Flex Films (USA) Inc.	USA	Subsidiary	100%
10	Flex P Films (Brasil) Comercio De Films Plasticos Ltda (Till 28-03-17)	Brasil	Subsidiary	100%
11	U Tech Developers Limited	India	Subsidiary	100%
12	SD Buildwell Private Limited	India	Subsidiary	100%
13	USC Hologram (P) Ltd.	India	Subsidiary	68%
14	Refex Energy (Rajasthan) Private Limited w.e.f. 07-07-16	India	Subsidiary	62.91%
15	Bundelkhand Projects Private Limited w.e.f. 07-07-16	India	Subsidiary	62.91%
16	Flex Foods Limited	India	Associate	47.15%
17	Refex Energy (Rajasthan) Private Limited Till 06-07-16	India	Associate	31.44%

**Business Combinations**

Business combinations are accounted for using the acquisition method. Where not all of the equity of a subsidiary is acquired the non-controlling interests are recognized at the non-controlling interest share of the acquires net identifiable assets. Upon obtaining control in a business combination achieved in stages, the Group remeasures its previously held equity interest at fair value and recognizes a gain or a loss to the other comprehensive income.

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 Ind AS 21 on "The Effects of Changes in Foreign Exchange Rates".

**C. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

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

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

**D. 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.

**E. REVENUES**
**Revenues from sale of goods and processing**

Revenue from the sale of goods and processing of material in the course of ordinary activities is measured at the value of the consideration received or receivable, net of returns, trade discounts, rate differences volume rebates and Commission paid. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards normally happen upon shipment (except in case of consignment sales in which case the revenues are recognized when the materials are sold to ultimate customers).

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Further, revenues are recognized at gross value of consideration of goods & processing of goods (Job Work) including the amount of excise duty/cess recoveries and excluding sales tax/ value added tax.

**Revenue from Services**

Revenue from the service contract is recognized when the related services are performed and revenue from the services at the end of the reporting period is recognized based on stage of completion method. When there is uncertainty as to the ultimate collection of the revenue, recognition is postponed until such uncertainty is resolved. Revenues from service contracts are measured based on the services performed to date as a percentage of total services to be performed. In case where the services are performed by an indeterminate number of acts over a specified period of time, revenue is recognized on a straight line basis over the specified period. After the initial recognition, in respect of uncollectible amount, provisions are made in the period in which amount is identified as uncollectible.

**Interest Income & Expense**

Interest income is recognized on time apportionment basis. Effective interest method is used to compute the interest income on long terms loans and advances.

**Dividend Income**

Dividend income is recognized when the right to receive is established, which is generally when shareholders approve the dividend.

**Rental Income**

Rental income from investment property is recognized as part of other Income in Statement of profit and loss on a straight-line basis over the term of the lease.

**F. PROPERTY, PLANT AND EQUIPMENT (PPE)**

**Recognition and measurement:**

Property, plant and equipment are initially recognized at cost after deducting refundable purchase taxes and including the cost directly attributable to bring the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management, borrowing cost in accordance with the established accounting policy, cost of restoring and dismantling, if any, initially estimated by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Cost of Self-constructed assets is determined using the same principles as for acquired assets after eliminating the component of internal profits.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013, except for the followings, where the management believes that technical useful lives is different from those prescribed in Schedule II of the Companies Act, 2013 based on technical evaluation:

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

Cost of leasehold land are written-off over the primary lease period of the land except of the leasehold land, held by the company on the date of transition, which is amortised over the remaining useful lives of the assets. Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

### **Reclassification to investment property:**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

## **G. INTANGIBLE ASSETS**

Acquired Intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition intangibles are carried at cost less accumulated amortization and impairment losses.

Intangible asset in respect of Product development is created when the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the product / technology and the cost is reliably measurable. The amount initially recognized of the internally generated intangible assets is the sum of the expenditures incurred from the date when the intangibles first meet the recognition criteria. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment loss, if any. All revenue expenditure on research & development activities are accounted for under their natural heads of revenue expenses accounts.

Intangibles assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date they are available for use.

Intangible asset is derecognized on disposal or when no future economic benefits are expected from continuing use or disposal.

The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

## **H. INVESTMENT PROPERTIES**

Investment properties are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition the investment properties are carried at cost less accumulated depreciation and impairment losses.

Transfer to and from the investment properties are made when and only when, there is change in the use of the investment property as evidenced by the conditions laid down under the Indian accounting standard. The carrying amount of the property as on the date of classification is considered as carrying value of the investment property and vice-versa.

The company has opted for an exemption provided by the Indian Accounting Standard (Ind As)-101. Accordingly the carrying value for Investment Properties as recognized in the financial statements, as at the date of transition to Ind AS, measured as per previous GAAP are used as deemed cost as at the date of transition.

Depreciation on investment properties are provided for from the date of put to use for on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013

The carrying amount of the investment properties are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The fair value of the investment properties are disclosed in the notes.

## **I. INVENTORIES**

Inventories of finished goods and 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 including excise duty and specific payments & benefits to employees or net realizable value.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Raw Materials and other materials including packaging, stores and fuels 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 realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### J. FINANCIAL INSTRUMENTS

#### Initial Recognition:

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables/payables and where cost of generation of fair value exceeds benefits, which are initially measured at transaction price. Transaction costs directly related to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities through profit & loss account) are added to or deducted from the cost of financial assets or financial liabilities. Transaction cost directly attributed to the acquisition of financial assets or financial liabilities at fair value through profit & loss account are recognized immediately in the statement of profit & loss.

#### Subsequent Recognition:

##### Non-derivative financial instruments

- (i) **Financial assets carried at amortized cost:** A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments (all being not held for trading), to present the subsequent changes in fair value in other comprehensive income based on its business model.

Fair value of the listed equity instruments are measured using the rate quoted in the stock exchange wherein the securities are actively traded as on the last working day of the period of reporting. In respect of unlisted equity instruments, fair value is determined based on the latest audited financial statements and considering the open market information available, failing which it shall be measured at cost.

- (iii) **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of the above categories (including investment in units of mutual funds) are subsequently measure at fair valued through profit or loss.
- (iv) **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### K. TRADE RECEIVABLES

Trade receivables represents amount billed to customers as credit sales and are net off; a) any amount billed but for which revenues are reversed under the relevant Indian Accounting Standard and b) impairment for trade receivables, which is estimated for amounts not expected to be collected in full.

### L. LOANS AND ADVANCES

Loans and advances are non-derivative financial assets with fixed and determinable payments. This category includes the loans, cash and bank balances, other financial assets and other current assets.

Subsequent to initial measurement, loans and receivables are carried at amortized cost based on effective interest rate method less appropriate allowance for doubtful receivables.

Loans and advances are further classified as current and non-current depending whether they will realize within 12 months from the balance sheet date or beyond.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****M. FINANCIAL LIABILITIES**

Financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction cost.

Subsequent to initial measurement, financial liabilities are measured at amortised cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities.

Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months from the balance date or beyond.

Financial liabilities are derecognized when the company is discharged from its obligation; they expire, are cancelled or replaced by a new liability with substantial modified terms.

**N. EARNING PER SHARE**

Basic Earnings Per Share is computed by dividing the net profit attributable to the owners of the Group to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the owners of the Group after adjusting the effect of all dilutive potential equity shares that were outstanding during the period the weighted average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

**O. TAXATION****Current Tax**

Current tax is expected tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

Current tax assets and liabilities are offset where the company has legal enforceable right to offset and intends either to settle on net basis, or to realise the assets and settle the liability simultaneously.

**Deferred Tax Assets and Liabilities**

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is not recognized for temporary differences relating to:

- initial recognition of goodwill;
- initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- Investments in subsidiaries, associates and jointly controlled entities where the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

**Current and Deferred Tax for the Year**

Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

**P. EMPLOYEE BENEFITS**

The Group provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the Group towards the liability for employees benefits plans notified / enacted by the competent authority and defined benefits plans includes the retirement benefits, such as gratuity and paid absences (leave benefits) both accumulated and non-accumulated.



- a. In respect Defined Contribution Plans contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.
- b. Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Remeasurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.
- c. Liabilities for accumulating paid absences is determined at the present value of the amounts payable determined using the actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit method. Actuarial gain or losses in respect of accumulating paid absences are charged to statement of profit & loss account.
- d. Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

## Q. IMPAIRMENT

### Financial assets

The Group recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not fair value through profit and loss account. Loss allowance on trade receivables, with no significant financing component is measured at an amount equal to lifetime expected credit loss. For all financial assets expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit and loss for the period.

### Intangible assets, investment property and property, plant and equipment

Intangible assets, investment property and property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such asset is considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit & loss if there have been changes in the estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

## R. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the Group has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risk specific to liability.

Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the Group.

Contingent assets are not recognized in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

## S. FOREIGN CURRENCY TRANSACTIONS

### Functional Currency

The Companies functional currency is Indian Rupees. The financial statement of the company is presented in Indian rupees rounded off to nearest lacs.

**Transaction and translations**

Transactions in currency other than Indian Rupees are recorded at the rate, as declared by the custom and excise department / inter-bank rates, ruling on the date of transaction.

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the profit & loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining the net profit for the period in which transaction is settled.

Exchanges difference arises on settlement / translation of foreign currency monetary items relating to acquisition of property, plant & equipment till the period they are put to use for commercial production, are capitalized to the cost of assets acquired and provided for over the useful life of the property, plant & equipment.

**T. LEASES**

Payments made under operating leases are generally recognized in the profit and loss on a straight line basis over the term of leases unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease incentive are recognized as integral part of the total lease expense over the term of the lease.

Minimum lease payments under the finance leases are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

**U. BORROWING COST**

Borrowings cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing cost directly 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 in the year in which they are incurred.

**V. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017 notifying amendments to Ind AS 7 on "Statement of cash flows" and Ind AS 102 on "Share based payments", applicable w.e.f. 1<sup>st</sup> April 2017. These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (ISB) to IAS, Statement of Cash flows and IFRS 2 Share based payments respectively. The amendments to Ind AS 7 are applicable to the Group w.e.f 1<sup>st</sup> April 2017.

**Amendment to Ind AS 7;**

The amendment to Ind AS 7 requires the entities to provide disclosures that enables the users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation statements between opening and closing balances in the balance sheet liabilities arising from financing activities to meet the disclosure requirement.

Since, the impact of proposed changes in Ind AS 7 relates to the disclosure of the items included in the financial statements, it does not have any impact on the financial position of the Group.

**Amendment to Ind AS 102;**

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash settled awards is determined on a basis consistent with that used for equity settled awards. Market based performance conditions and non-vesting conditions are reflected in the fair values, but non market performance conditions and service vesting conditions are reflected in the estimate the number of awards expected to vest. Also the amendment clarifies that the terms and conditions of a cash settled share based payment transaction are modified with the result that it becomes equity settled share based payment transaction, the transaction is accounted for as such from the date of modification. Further, the amendment requires the awards that include a net settlement feature in respect of withholding taxes to be treated as equity settled in entirety. The cash payment to the tax authority is treated as part as if it was part of an equity settlement. However the provisions of Ind AS 102 are currently not applicable to the Group.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**2 RECONCILIATIONS**

The following reconciliations provides effect of transition to Ind AS from previous IGAAP, in accordance with Ind AS 101:

- Equity as at 1st April 2015 and 31st March 2016.
- Net Profit for the year ended 31st March, 2016

**A Statement of Reconciliation of Equity is given as under:**

(Rs. in Lacs)							
	Note No.	Opening Balance Sheet as at 1st April 2015			Balance Sheet as at 31st March 2016		
		IGAAP	Effect of transition	Ind AS	IGAAP	Effect of transition	Ind AS
<b>I ASSETS</b>							
<b>Non-Current Assets</b>							
a)	i	323215.20	(3668.24)	319546.96	327686.47	(3551.04)	324135.43
b)		3005.39	-	3005.39	22497.45	(51.53)	22445.92
c)	i	-	3668.24	3668.24	-	3551.04	3551.04
d)		3.06	-	3.06	0.20	-	0.20
e)		766.43	-	766.43	1350.17	-	1350.17
f)		236.57	-	236.57	426.88	-	426.88
<b>g) Financial Assets</b>							
i)	ii, iii, iv & v	13802.87	(9209.80)	4593.07	14034.52	(9150.48)	4884.04
ii)	ii	-	2101.37	2101.37	-	2649.83	2649.83
iii)	vi	9814.55	-	9814.55	15547.45	(40.12)	15507.33
iv)	iii & iv	41.24	6,323.78	6365.02	140.61	3830.38	3970.99
h)		6418.90	-	6418.90	9780.12	-	9780.12
<b>Total Non-Current Assets</b>		<b>357304.21</b>	<b>(784.65)</b>	<b>356519.56</b>	<b>391463.87</b>	<b>(2761.92)</b>	<b>388701.95</b>
<b>Current assets</b>							
a)		66097.02	-	66097.02	62082.67	-	62082.67
<b>b) Financial Assets</b>							
i)		150871.29	-	150871.29	148019.41	-	148019.41
ii)		18197.26	-	18197.26	35918.29	-	35918.29
iii)		980.34	-	980.34	2873.88	-	2873.88
iv)		4200.18	-	4200.18	0.98	-	0.98
v)	iii & iv	12637.86	2435.27	15073.13	12756.10	2587.55	15343.65
c)	iii & iv	36371.23	(921.00)	35450.23	28388.96	(921.00)	27467.96
<b>Total Current Assets</b>		<b>289355.18</b>	<b>1514.27</b>	<b>290869.45</b>	<b>290040.29</b>	<b>1666.55</b>	<b>291706.84</b>
<b>TOTAL ASSETS</b>		<b>646659.39</b>	<b>729.62</b>	<b>647389.01</b>	<b>681504.16</b>	<b>(1095.37)</b>	<b>680408.79</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs)

	Note No.	Opening Balance Sheet as at 1st April 2015			Balance Sheet as at 31st March 2016		
		IGAAP	Effect of transition	Ind AS	IGAAP	Effect of transition	Ind AS
<b>II EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
a) Equity Share Capital		7221.15	-	7221.15	7221.15	-	7221.15
b) Other Equity	x	293622.93	9419.69	303042.62	327537.19	10409.15	337946.34
<b>Total Equity</b>		<b>300844.08</b>	<b>9419.69</b>	<b>310263.77</b>	<b>334758.34</b>	<b>10409.15</b>	<b>345167.49</b>
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
a) Financial Liabilities							
i) Borrowings	vii	100649.37	(269.60)	100379.77	105861.73	(434.91)	105426.82
ii) Other Financial Liability		250.56	-	250.56	331.91	-	331.91
b) Provisions		1074.10	-	1074.10	929.01	-	929.01
c) Deferred tax liabilities (Net)	viii	11871.87	1274.76	13146.63	13530.25	1401.28	14931.53
d) Other Non-Current Liabilities		74.79	-	74.79	277.21	-	277.21
<b>Total Non-Current Liabilities</b>		<b>113920.69</b>	<b>1005.16</b>	<b>114925.85</b>	<b>120930.11</b>	<b>966.37</b>	<b>121896.48</b>
<b>Current Liabilities</b>							
a) Financial Liabilities							
i) Borrowings		80620.81	-	80620.81	71426.29	-	71426.29
ii) Trade payables		75975.88	-	75975.88	78240.23	-	78240.23
iii) Other Financial Liabilities		42907.09	-	42907.09	41221.26	-	41221.26
b) Other current liabilities	iii & iv	25746.70	(7348.60)	18398.10	27669.27	(9689.70)	17979.57
c) Provisions	ix	4078.50	(2346.63)	1731.87	4279.01	(2781.19)	1497.82
d) Current Tax Liabilities		2565.64	-	2565.64	2979.65	-	2979.65
<b>Total Current Liabilities</b>		<b>231894.62</b>	<b>(9695.23)</b>	<b>222199.39</b>	<b>225815.71</b>	<b>(12470.89)</b>	<b>213344.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>646659.39</b>	<b>729.62</b>	<b>647389.01</b>	<b>681504.16</b>	<b>(1095.37)</b>	<b>680408.79</b>

**Notes:**

- i In accordance with the Ind AS 40- "Investment Property", the company has reclassified the items of Property, Plant and Equipment to be designated as Investment Property. Accordingly assets having carrying value of Rs. 3668.24 lacs and Rs. 3551.04 Lacs as at 1st April 2015 and 31st March 2016 respectively has been classified as Investment Property instead of Property Plant & Equipment.
- ii In accordance with the Ind AS 109 on "Financial Instruments", the company has opted for an irrevocable election to presents the subsequent changes in fair value of the equity instruments through the other comprehensive income. Accordingly cumulative net loss of Rs. 2819.67 Lacs and Rs. 2215.21 lacs as at 1st April 2015 and 31st March 2016 respectively on the value of investment has been adjusted to the Other Comprehensive Income on that date. Further, Equity Instruments pledged against the borrowings, have been disclosed separately in the Balance Sheet.
- iii Investment by Utech Developers Ltd, wholly owned subsidiary, in its subsidiary AKC Developers Ltd & associate, Ultra Urban Infratech Ltd was recognized by the Group in accordance with provisions contained in the Previous Indian

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

GAAP. Since the company has already transferred the management and ownership control under the agreement dated 21st May 2010 with an understanding to transfer the entire shareholding on receipt of consideration under the agreement, this transaction requires to be reclassified in view of loss of control and derecognition provisions contained in the Ind AS 110 on "Consolidated financial Statements" read with the provisions contained in the Ind AS 27 on "Separate financial Statements", Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures and Ind AS 109 on "Financial Instruments". Accordingly the Group has derecognised the investment and the profit on sale of investment (net of expected credit losses) has been transferred to retained earning. The amount already received has been adjusted against the investment value & other receivables considered as part of net investment in subsidiary & associate. Accordingly the net gain of Rs. 1047.00 Lacs (excluding tax benefits of Rs. 114.42 lacs & Rs. 241.56 Lacs respectively accumulated till 1st April 2015 & 31st March 2016 respectively) has been adjusted to the retained earnings.

- iv Investment by Utech Developers Ltd, wholly owned subsidiary, in its joint venture company Qcell Ltd, was recognised by the Group in accordance with the provisions contained in the Previous Indian GAAP. Since the aforesaid subsidiary has already transferred the management and ownership control of the aforesaid joint venture company to its joint venture partner, under the agreement dated 29th October 2013 with an understanding to transfer the entire shareholding on receipt of consideration under the agreement, this transaction requires to be reclassified in view of loss of control and derecognition provisions contained in the Ind AS 110 on "Consolidated Financial Statements" read with the provisions contained in the Indian Accounting Standard (Ind As)-27 on Separate financial Statements; Ind AS 28 on "Investments in Associates and Joint Ventures" and Ind AS 109 on "Financial Instruments". Accordingly, the Group has derecognized the investment and the profit on sale of investment has been transferred to retained earnings. The amount already received has been adjusted against the investment value derecognized & balance has been classified under the head other financial assets. Accordingly the net gain of Rs. 9841.14 Lacs on derecognition of investment (excluding tax adjustments of Rs. 1190.66 lacs & Rs. 1182.67 Lacs accumulated till 1st April 2015 and 31st March 2016 respectively ) has been adjusted to the retained earnings.
- v As a result of the transition to Ind AS by the associate from the Previous IGAAP, the carrying value of investment in associate and other equity has been adjusted by the group towards its share in the Profits and in other comprehensive Income of the associate, aggregating to Rs. 9.76 Lacs and Rs. 13.08 Lacs as at 1st April 2015 and 31st March 2016 respectively.
- vi In accordance with the Ind AS 109 on "Financial Instruments"; Long Term Loans given are measured at amortized cost using the effective rate of interest method. Accordingly the upfront charges received, which were credited to Statement of Profit & Loss , are now amortized over the loan period. As a result; Rs. 26.24 lacs (Net of deferred tax of Rs. 13.88 Lacs ) has been transferred from surplus in Profit & Loss Account to Transaction Cost (Pending Amortization) as at 31st March 2016.
- vii In accordance with the Ind AS 109 on "Financial Instruments"; Long Term Loans and borrowings are measured at amortized cost using the effective rate of interest method. Accordingly the upfront charges including loan processing fees and transaction cost , which were charged to Statement of Profit & Loss, are now amortized over the loan period. As a result; amount of Rs.176.30 Lacs and Rs. 250.7 lacs (Net of Deferred Tax of Rs. 93.30 Lacs and Rs 132.68 Lacs respectively) has been transferred from surplus in Profit & Loss to Transaction Cost (Pending Amortization) as at 1st April 2015 and 31st March 2016 respectively and balance amount of Rs. 51.53 lacs as at 31st March 2016 has been transferred from Capital Work in Progress to Transaction Cost (Pending Amortisation).
- viii The cumulative tax impact of the items stated in (iii), (iv),(vi) and (vii) above has been adjusted in the deferred tax asset/liability. Also includes Rs. 240.35 Lacs and Rs. 341.38 Lacs in respect of stock lying unsold as at 1st April 2015 and 31st March 2016 respectively.
- ix In accordance with Ind AS 10 on "Events after Reporting Period", liability in respect of dividends will be recognized only in the year in which the dividends are declared. Accordingly amount provided for the proposed dividend of Rs. 2346.63 Lacs and Rs.2781.19 Lacs (Including Dividend Distribution Tax of Rs.396.92 Lacs and Rs.470.42 Lacs respectively ) as at 1st April 2015 and 31st March 2016 respectively has been transferred from Proposed Dividend to Surplus in Profit & Loss.
- x The resulting difference arising from all the above referred Ind AS transition adjustments are recognised directly in retained earnings and other comprehensive income.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**B Statement of Reconciliation of Total Comprehensive Income**

Particulars	Note No.	(Rs in Lacs)		
		For the Year Ended 31st March 2016		
		As per IGAAP	Effect of Transition	Ind AS
<b>Revenue from Operations</b>				
Gross Sales & Job Work	i	667191.66	(7105.50)	660086.16
Less : Inter unit Sales & Job Work		37911.10	-	37911.10
Less : Excise Duty / Service Tax / Cess		32898.52	(32898.52)	-
Net Sales & Job Work		596382.04	25793.02	622175.06
Other Operating Income		14201.96	174.73	14376.69
<b>Revenue from Operations</b>		<b>610584.00</b>	<b>25967.75</b>	<b>636551.75</b>
<b>Other Income</b>	ii	3532.31	(40.12)	3492.19
<b>Share in Profit of Associates for the year</b>	iii	363.73	3.73	367.46
<b>Total Revenue</b>		<b>614480.04</b>	<b>25931.36</b>	<b>640411.40</b>
<b>Expenses:</b>				
Cost of materials consumed		341217.92	-	341217.92
Purchase of Stock-in-Trade		17058.26	-	17058.26
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(3368.06)	-	(3368.06)
Employee benefits expense	iv	49840.56	(228.28)	49612.28
Finance costs	ii	17697.76	(113.78)	17583.98
Depreciation and amortization expense		28553.73	-	28553.73
Other expenses	i	127825.01	25967.76	153792.77
Expenses Allocated to Self Constructed Assets		(2218.46)	-	(2218.46)
<b>Total Expenses</b>		<b>576606.72</b>	<b>25625.70</b>	<b>602232.42</b>
Profit before tax		37873.32	305.66	38178.98
<b>Less / (Add) : Tax expense:</b>				
- Current tax		5402.19	-	5402.19
- Deferred tax	v	1658.37	205.53	1863.90
- (Excess) Provision of Income Tax for earlier years		(781.00)	-	(781.00)
Profit for the year before Minority Interest		<b>31593.76</b>	<b>100.13</b>	<b>31693.89</b>
Non Controlling Interest		(310.18)	-	(310.18)
Profit for the year		<b>31283.58</b>	<b>100.13</b>	<b>31383.71</b>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31st March 2016		
		As per IGAAP	Effect of Transition	Ind AS
<b>Other Comprehensive Income</b>				
<b>a. Items that will be reclassified to Statement of Profit &amp; Loss</b>				
Exchange Difference on translating foreign operations		5101.69	-	5101.69
<b>b. Items that will not be reclassified to Statement of Profit &amp; Loss</b>				
Remeasurement of the net defined benefit liability / asset	iv	-	(228.28)	(228.28)
Fair Value Changes of Equity Instruments		-	604.46	604.46
Income tax relating to items that will not be reclassified to Profit & Loss		-	79.00	79.00
Share in aggregate comprehensive income of the associates	iii	-	(0.41)	(0.41)
Share of Non-Controlling Interest in the Other comprehensive Income (Net of tax, if any)		-	-	-
<b>Total (b)</b>		-	<b>454.77</b>	<b>454.77</b>
<b>Total Other Comprehensive Income for the year (a+b)</b>		<b>5101.69</b>	<b>454.77</b>	<b>5556.46</b>
<b>Total Comprehensive Income for the Year</b>		<b>36385.27</b>	<b>554.90</b>	<b>36940.17</b>

Notes

- i In accordance with Ind AS 18 on "Revenue", Net sales & Job work are adjusted for the amount of rebate and discount given to the customers (including the amount of cash discount) and commission paid on sales. Accordingly Rs.7105.50 lacs in respect of discount given to customers and commission paid have been reduced from revenue and also the same amount has been reduced from other expenses. Further these are adjusted for the amount of excise duty and other recoveries from customers, for which economic benefits flows to the entities. Accordingly, the revenue has been increased by Rs. 33073.25 lacs and the same amount has been added to the other expenses.
- ii Represents net amount of treatment given in accordance Ind AS 109 on "Financial Instruments", for recognition of interest income/expense, based on effective interest rate method.
- iii Represents the effect of change in the profit & other comprehensive income of the associate on transition to Ind AS.
- iv Represents the amount relating to remeasurement of the net defined benefit liability / asset in accordance with the Ind AS-19 on "Employee Benefits".
- v Represents the tax effects on above adjustments and on the unrealised profit on the inter Group material lying unsold at year-end

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**
**3A PROPERTY, PLANT & EQUIPMENT**

(Rs. in Lacs)

	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installations	Office Equipments	Furniture & Fixtures	Vehicles	Total
<b>Gross Carrying Value</b>									
<b>As at 1st April 2015</b>	<b>4100.78</b>	<b>13165.00</b>	<b>69005.98</b>	<b>377016.80</b>	<b>13462.24</b>	<b>5563.18</b>	<b>5691.90</b>	<b>2813.54</b>	<b>490819.42</b>
Additions during the year	94.96	10830.61	1257.4	15227.03	220.6	676.25	363.95	976.62	29647.42
Adjustments during the year	109.91	359.57	1,412.26	6,009.98	55.06	65.21	42.25	23.19	8077.43
Deductions during the year	-	(3151.57)	(134.84)	(5862.58)	(248.96)	(151.01)	(95.25)	(116.73)	(9760.94)
<b>As at 31st March 2016</b>	<b>4305.65</b>	<b>21203.61</b>	<b>71540.80</b>	<b>392391.23</b>	<b>13488.94</b>	<b>6153.63</b>	<b>6002.85</b>	<b>3696.62</b>	<b>518783.33</b>
Additions during the year	-	259.21	2776.35	40133.69	621.18	849.48	427.06	495.8	45562.77
Adjustments during the year	(178.28)	(95.63)	(1,680.50)	(6,867.14)	(454.49)	(59.19)	(19.26)	(29.56)	(9384.05)
Deductions during the year	-	-	(6.21)	(4027.83)	(7.99)	(162.63)	(10.81)	(409.81)	(4625.28)
<b>As at 31st March 2017</b>	<b>4127.37</b>	<b>21367.19</b>	<b>72630.44</b>	<b>421629.95</b>	<b>13647.64</b>	<b>6781.29</b>	<b>6399.84</b>	<b>3753.05</b>	<b>550336.77</b>
<b>DEPRECIATION / AMORTISATION</b>									
<b>As at 1st April 2015</b>	-	-	<b>13997.89</b>	<b>143810.53</b>	<b>5052.15</b>	<b>3978.02</b>	<b>2891.12</b>	<b>1542.75</b>	<b>171272.46</b>
Provided for the year	-	-	2289.5	23385.6	583.4	535.58	762.34	411.07	27967.49
Adjustments during the year	-	-	128.93	1,415.81	(22.78)	28.93	23.05	12.39	1,586.33
Deductions during the year	-	-	(69.14)	(5544.30)	(233.29)	(144.37)	(81.64)	(105.64)	(6178.38)
<b>As at 31st March 2016</b>	-	-	<b>16347.18</b>	<b>163067.64</b>	<b>5379.48</b>	<b>4398.16</b>	<b>3594.87</b>	<b>1860.57</b>	<b>194647.90</b>
Provided for the year	-	324.28	2297.22	26316.56	579.21	677.64	807.83	399.31	31402.05
Adjustments during the year	-	(4.13)	(293.75)	(1,971.84)	(118.94)	(32.76)	(16.21)	(22.69)	(2460.32)
Deductions during the year	-	-	(11.76)	(3878.93)	(7.59)	(152.42)	(9.09)	(374.48)	(4434.27)
<b>As at 31st March 2017</b>	-	<b>320.15</b>	<b>18338.89</b>	<b>183533.43</b>	<b>5832.16</b>	<b>4890.62</b>	<b>4377.40</b>	<b>1862.71</b>	<b>219155.36</b>
<b>NET CARRYING VALUE</b>									
<b>As at 1st April 2015</b>	<b>4100.78</b>	<b>13165.00</b>	<b>55008.09</b>	<b>233206.27</b>	<b>8410.09</b>	<b>1585.16</b>	<b>2800.78</b>	<b>1270.79</b>	<b>319546.96</b>
<b>As at 31st March 2016</b>	<b>4305.65</b>	<b>21203.61</b>	<b>55193.62</b>	<b>229323.59</b>	<b>8109.46</b>	<b>1755.47</b>	<b>2407.98</b>	<b>1836.05</b>	<b>324135.43</b>
<b>As at 31st March 2017</b>	<b>4127.37</b>	<b>21047.04</b>	<b>54291.55</b>	<b>238096.52</b>	<b>7815.48</b>	<b>1890.67</b>	<b>2022.44</b>	<b>1890.34</b>	<b>331181.41</b>

**Notes:**

- 1 Gross Block & Capital Work- in- Progress includes Pre-operative expenses, basis of which is certified by the Management.
- 2 Capital Work in Progress includes Rs 341.89 lacs (Previous year Rs. 1831.33 lacs) in respect of Machinery in Transit.

**3B INVESTMENT PROPERTY**

(Rs. in Lacs)

	Freehold Land	Leasehold Land	Building	Total
<b>Gross Carrying Value</b>				
<b>As at 1st April 2015</b>	<b>8.57</b>	<b>81.26</b>	<b>4691.16</b>	<b>4780.99</b>
<b>As at 31st March 2016</b>	<b>8.57</b>	<b>81.26</b>	<b>4691.16</b>	<b>4780.99</b>
<b>As at 31st March 2017</b>	<b>8.57</b>	<b>81.26</b>	<b>4691.16</b>	<b>4780.99</b>
<b>DEPRECIATION / AMORTISATION</b>				
<b>As at 1st April 2015</b>	-	-	<b>1112.75</b>	<b>1112.75</b>
Provided for the Year	-	-	117.20	117.20



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs)

	Freehold Land	Leasehold Land	Building	Total
<b>As at 31st March 2016</b>	-	-	<b>1229.95</b>	<b>1229.95</b>
Provided for the Year	-	1.16	142.88	144.04
<b>As at 31st March 2017</b>	-	<b>1.16</b>	<b>1372.83</b>	<b>1373.99</b>
<b>NET CARRYING VALUE</b>				
<b>As at 1st April 2015</b>	<b>8.57</b>	<b>81.26</b>	<b>3578.41</b>	<b>3668.24</b>
<b>As at 31st March 2016</b>	<b>8.57</b>	<b>81.26</b>	<b>3461.21</b>	<b>3551.04</b>
<b>As at 31st March 2017</b>	<b>8.57</b>	<b>80.10</b>	<b>3318.33</b>	<b>3407.00</b>

**Notes:**

- 1 Building includes Original Acquisition Cost of Rs. 5.30 lacs (Previous Year Same) acquired on ownership basis & Original Acquisition Cost of Rs.19.85 lacs (Previous Year Same), pending execution of title deed.
- 2 Fair value of the Investment Properties is of Rs 7859.71 Lacs (Previous Year Rs.6682.06 Lacs).

**3C INTANGIBLE ASSETS**

(Rs. in Lacs)

	Goodwill	Software	Patent	Technical Know How	Total
<b>Gross Carrying Value</b>					
<b>As at 1st April 2015</b>	<b>3.06</b>	<b>1449.48</b>	<b>500.00</b>	<b>265.55</b>	<b>2218.09</b>
Additions During the Year	0.20	304.71	139.56	606.08	1050.55
Adjustments During the Year	-	3.90	-	-	3.90
Deductions During the Year	(3.06)	(9.79)	-	-	(12.85)
<b>As at 31st March 2016</b>	<b>0.20</b>	<b>1748.30</b>	<b>639.56</b>	<b>871.63</b>	<b>3259.69</b>
Additions During the Year	20.10	480.08	-	3743.11	4,243.29
Adjustments During the Year	-	(2.67)	-	-	(2.67)
Deductions During the Year	-	(0.27)	-	-	(0.27)
<b>As at 31st March 2017</b>	<b>20.30</b>	<b>2225.44</b>	<b>639.56</b>	<b>4614.74</b>	<b>7500.04</b>
<b>DEPRECIATION / AMORTISATION</b>					
<b>As at 1st April 2015</b>	-	<b>945.08</b>	<b>321.86</b>	<b>181.66</b>	<b>1448.60</b>
Provided for the Year	-	177.73	110.29	181.02	469.04
Adjustments During the Year	-	1.47	-	-	1.47
Deductions During the Year	-	(9.79)	-	-	(9.79)
<b>As at 31st March 2016</b>	-	<b>1114.49</b>	<b>432.15</b>	<b>362.68</b>	<b>1909.32</b>
Provided for the Year	-	242.61	104.84	402.65	750.10
Adjustments During the Year	-	(1.79)	-	(5.70)	(7.49)
Deductions During the Year	-	(0.27)	-	-	(0.27)
<b>As at 31st March 2017</b>	-	<b>1355.04</b>	<b>536.99</b>	<b>759.63</b>	<b>2651.66</b>
<b>NET CARRYING VALUE</b>					
<b>As at 1st April 2015</b>	<b>3.06</b>	<b>504.40</b>	<b>178.14</b>	<b>83.89</b>	<b>769.49</b>
<b>As at 31st March 2016</b>	<b>0.20</b>	<b>633.81</b>	<b>207.41</b>	<b>508.95</b>	<b>1350.37</b>
<b>As at 31st March 2017</b>	<b>20.30</b>	<b>870.40</b>	<b>102.57</b>	<b>3855.11</b>	<b>4848.38</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Breakup of Depreciation and Amortisation charge for the Year:

	For the Year Ended 31.03.2017	(Rs. in Lacs) For the Year Ended 31.03.2016
<b>Depreciation on:</b>		
Property, Plant & Equipment	<b>31402.05</b>	27967.49
Investment Property	<b>144.04</b>	117.20
Other Intangible Assets	<b>750.10</b>	469.04
Less: In respect of assets of Refex Energy (Rajasthan) Private Limited acquired during the year.	<b>(542.28)</b>	-
	<b><u>31753.91</u></b>	<b><u>28553.73</u></b>

**4A. INVESTMENTS**

Particulars	Description	Face Value	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
			Number	Amount (Rs. in Lacs)	Number	Amount (Rs. in Lacs)	Number	Amount (Rs. in Lacs)
<b>I Measured at Cost / Carrying Value (Less Impairment, if any)</b>								
<b>Equity Instruments in Associates</b>								
<b>Quoted</b>								
<b>Fully Paid Up</b>								
<b>IN SHARES</b>								
Carrying Value of Investment				1343.03	1343.03			443.73
Addition / deduction during the year				(924.63)	-			899.30
Pre Acquisition Profit on Investment				4.57	4.57			4.57
Add: Share in Post acquisition Profits / OCI				4250.37	3849.85			3482.80
				<u>4673.34</u>	<u>5197.45</u>			<u>4830.4</u>
Less: Dividend received upto the year end				(1115.31)	(968.56)			(836.48)
<b>Carrying Amount of Investment</b>	Equity	Rs.10/-		<b>3558.03</b>	4228.89			3993.92
<b>Total -I</b>				<b><u>3558.03</u></b>	<u>4228.89</u>			<u>3993.92</u>
<b>II Designated at Fair value through Other Comprehensive Income</b>								
<b>Equity Instruments</b>								
<b>i) Quoted</b>								
<b>Fully Paid Up</b>								
<b>IN SHARES</b>								
Ansal Properties & Infrastructure Ltd.	Equity	Rs.5/-	<b>589910</b>	<b>89.37</b>	589910	103.24	589910	138.92
Kothari Products Ltd.@	Equity	Rs.10/-	<b>342900</b>	<b>668.83</b>	342900	549.84	228600	458.80
B.A.G.Films Ltd.	Equity	Rs.2/-	<b>49300</b>	<b>2.29</b>	49300	2.07	49300	1.43

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Description	Face Value	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
			Number	Amount (Rs. in Lacs)	Number	Amount (Rs. in Lacs)	Number	Amount (Rs. in Lacs)
<b>ii) Unquoted Fully Paid Up IN SHARES</b>								
Malanpur Captive Power Ltd.	Equity	Rs.10/-	635650	-	635650	-	635650	-
Fair Growth Financial Services Ltd.	Equity	Rs.10/-	100000	-	100000	-	100000	-
Vijaya Home Loans Ltd.	Equity	Rs.10/-	50000	-	50000	-	50000	-
<b>Total -II</b>			<b>760.49</b>		<b>655.15</b>		<b>599.15</b>	
<b>TOTAL (I+II)</b>			<b>4318.52</b>		<b>4884.04</b>		<b>4593.07</b>	

**4B: PLEDGED EQUITY INSTRUMENTS**

Designated at Fair value through Other Comprehensive Income

**Equity Instruments**

**Quoted**

**Fully Paid Up**

**IN SHARES**

Reliance Industries Ltd. \$	Equity	Rs.10/-	222892	2944.18	222892	2329.67	222892	1841.09
Reliance Infrastructure Ltd.\$	Equity	Rs.10/-	60000	341.19	60000	320.16	60000	260.28
<b>TOTAL (A)</b>				<b>3285.37</b>		<b>2649.83</b>		<b>2,101.37</b>

Aggregate amount of Quoted Investment (Including Pledged) **8766.05** 9436.91

Aggregate Market Value of Quoted Investments (Including Pledged) **9405.17** 6556.95

Aggregate amount of unquoted Investments **312.17** 312.17

Investment Carried at Amortised Cost **3558.03** 4228.89

Investment Carried at Fair Value through Other Comprehensive Income **4045.86** 3304.98

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

\$ Pledge against the borrowing from a Body Corporate. (Refer Note No 21)

	As At 31.03.2017	As At 31.03.2016	(Rs. in Lacs) As At 01.04.2015
<b>5: LOANS</b>			
(Unsecured, Considered Good)			
Security Deposits	2394.68	2093.27	2030.79
Security Deposits with lender banks	5636.38	7120.88	6946.74
<b>Loans to :</b>			
- Employees	212.78	217.67	246.09
- Related Party	-	6599.88	40.00
- Others	179.50	5.00	831.13
	<b>392.28</b>	<b>6822.55</b>	<b>1117.22</b>
Less: Current Portion	81.71	829.59	497.15
<b>Deposits :</b>			
- Others	232.61	300.22	216.95
<b>TOTAL :</b>	<b>8574.24</b>	<b>15507.33</b>	<b>9814.55</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	As At <u>31.03.2017</u>	As At <u>31.03.2016</u>	(Rs. in Lacs) As At <u>01.04.2015</u>
<b>6 OTHER NON-CURRENT FINANCIAL ASSETS</b>			
Other Receivable	1875.80	3830.38	6323.78
Fixed deposit Accounts for a period more than 12 months *	42.70	140.61	41.24
<b>TOTAL :</b>	<u>1918.50</u>	<u>3970.99</u>	<u>6365.02</u>
* Pledged with Banks as margin for Letters of Credits, Guarantees and Bills Discounted.			
<b>7 OTHER NON-CURRENT ASSETS</b>			
Capital Advances	4444.49	7631.56	4512.48
Deposit with Excise Authority	562.12	520.96	355.85
Deposits / Advances with Income Tax Authorities	1898.08	1307.78	1219.00
Advances recoverable in cash or in kind or value to be received	331.51	319.82	145.79
Other Receivable	-	-	185.78
<b>TOTAL :</b>	<u>7236.20</u>	<u>9780.12</u>	<u>6418.90</u>
<b>8 INVENTORIES</b>			
Raw Materials	25338.07	22066.18	24831.39
Work-in-Progress	13831.47	12060.72	12783.71
Finished Goods	13009.81	13310.03	8733.02
Traded Goods	5935.91	6098.56	6072.65
Material-in-Transit :			
- Raw Materials	3047.92	2183.81	6493.08
- Raw Materials (Intra Group)	2724.21	2501.69	2831.67
- Finished Goods (Intra Group)	1768.83	1643.38	2180.34
Stores, Packing Material & Fuel	2205.46	2218.30	2171.16
<b>TOTAL :</b>	<u>67861.68</u>	<u>62082.67</u>	<u>66097.02</u>
<b>9 TRADE RECEIVABLES</b>			
Current- Unsecured			
Considered Good	165904.77	148019.41	150871.29
Considered Doubtful	3071.39	2659.37	3413.38
Trade Receivables #	168976.16	150678.78	154284.67
Less : Allowance for bad and doubtful debts	3071.39	2659.37	3413.38
<b>TOTAL :</b>	<u>165904.77</u>	<u>148019.41</u>	<u>150871.29</u>
# Includes due from :			
- Related Parties	3349.09	7632.62	2810.95
<b>Movements in allowance for bad and doubtful debts:</b>			
Opening Balance	2659.37	3413.38	
(+) Provision made during the year	1665.15	477.14	
(+)/(-)Adjustment for Translation of foreign subsidiaries	(13.41)	(50.20)	
(-) Amount utilised from provision	(1239.72)	(1180.95)	
Closing Balance	3071.39	2659.37	

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>(Rs. in Lacs)</b>		
	<u>As At</u> <u>31.03.2017</u>	<u>As At</u> <u>31.03.2016</u>	<u>As At</u> <u>01.04.2015</u>
<b>10 CASH &amp; BANK BALANCES</b>			
<b>A) Cash &amp; Cash Equivalents</b>			
i) Cash on hand	76.82	131.05	119.39
ii) Balances with Scheduled Banks:			
- On Current Accounts	8231.72	9942.63	10454.31
- On Cash Credits Accounts	2270.06	953.33	55.49
- On Fixed Deposits Accounts	<u>12198.13</u>	<u>24096.90</u>	<u>7493.82</u>
iii) Remittance in Transit	153.84	239.36	74.25
iv) Cheques on hand	<u>162.41</u>	<u>555.02</u>	-
<b>Sub-Total (A)</b>	<b>23092.98</b>	35918.29	18197.26
<b>B) Other Bank Balances</b>			
- On Fixed Deposits Accounts*	4301.23	2116.67	388.28
- On Unclaimed Dividend Account	144.03	148.12	152.42
- In Margin Money Accounts	<u>2092.25</u>	<u>609.09</u>	<u>439.64</u>
<b>Sub-Total (B)</b>	<b>6537.51</b>	2873.88	980.34
<b>TOTAL (A+B):</b>	<b><u>29630.49</u></b>	<u>38792.17</u>	<u>19177.60</u>

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

**11: LOANS**

(Unsecured, Considered Good)

Loans to Employees and others	27.61	0.98	0.18
Loans to Other Body Corporates	-	-	4200.00
<b>TOTAL :</b>	<b><u>27.61</u></b>	<u>0.98</u>	<u>4200.18</u>

**12: OTHER FINANCIAL ASSETS**

Current Portion of Long Terms Loans given	81.71	829.59	497.15
Advance against property	11688.80	11688.80	11988.80
Other Receivable	1861.37	2640.21	2491.19
Interest accrued on :			
- Loan to Others	4.25	0.51	1.25
- Loan to Related Party	-	37.95	-
- Deposits with Banks	105.82	146.59	94.74
- Others	11.78	-	-
<b>TOTAL :</b>	<b><u>13753.73</u></b>	<u>15343.65</u>	<u>15073.13</u>

**13: OTHER CURRENT ASSETS**

Advances recoverable in cash or in kind or for value to be received	17975.83	22931.17	31246.16
Balances with Excise Authorities	5111.47	4536.79	4204.07
<b>TOTAL :</b>	<b><u>23087.30</u></b>	<u>27467.96</u>	<u>35450.23</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**14. SHARE CAPITAL**

**A AUTHORISED**

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

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

The Issued and Subscribed Capital of the Holding Company as at 31st March 2017 is of Rs. 7228.42 Lacs, represented by 72284187 Equity Shares (Including 72701 Equity Shares forfeited) of Rs. 10/- each and the paid-up Capital as at 31st March 2017 is of Rs.7221.15 Lacs, represented by 7,22,11,486 Equity Shares of Rs. 10/- each as at 31st March 2017. The reconciliation of the Equity Share Capital of the Holding Company is given as under:

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 1st April 2015	72284187	7228.42	72211486	7221.15	-	-
Balance as at 31st March 2016	72284187	7228.42	72211486	7221.15	-	-
<b>Balance as at 31st March 2017</b>	<b>72284187</b>	<b>7228.42</b>	<b>72211486</b>	<b>7221.15</b>	-	-

Amount Originally paid up on the forfeited shares was of Rs. 3.89 Lacs (Previous Year Same).

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

	As At 31st March 2017		As At 31st March 2016	
	Number	%	Number	%
<b>a) Promoter &amp; Promoter Group</b>	<b>31784339</b>	<b>44.02</b>	31784339	44.02
<b>Of which Shareholders holding More than 5 % of the Paid-up Capital</b>				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anshika Investments Pvt. Ltd.	5771092	7.99	5771092	7.99
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshika Consultants Pvt. Ltd.	3778524	5.23	3778524	5.23
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	4323162	5.99
<b>b) Public Shareholding *</b>	<b>40427147</b>	<b>55.98</b>	40427147	55.98
i) Institution	8137968	11.27	6517508	9.03
ii) Non- Institution	32289179	44.71	28443799	39.38
iii) GDRs (underlying shares)	-	-	5465840	7.57
<b>* Of which Shareholder holding More than 5 % of the Paid-up Capital</b>				
Kebale Trading Ltd.	5465840	7.57	-	-

**c) Restriction on Voting Rights**

The Holding Company has only one class of issued equity share capital as on the date of the balance sheet and each holder of equity share is entitled for one vote per share and right to receive the dividend, if any, declared on the equity shares.

**d) Dividend**

The Board of Directors of the Holding Company has recommended a final dividend of Rs.3.50 (Previous Year Rs.3.20) per share aggregating to Rs.3041.92 lacs (Previous Year Rs. 2781.19 Lacs) (Including the dividend distribution tax of Rs. 514.52 (Previous Year Rs. 470.42 Lacs)) for the financial year ended 31st March 2017 subject to the approval of the shareholder in their ensuing annual general meeting.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Reserve and Surplus				Other Comprehensive Income					Total	
	Capital Securities Reserve	Revaluation Reserve	General Reserve	Legal Reserve	Retained Earnings	Equity Instrument through comprehensive income	Exchange differences on translating financial statements of foreign operations	Measurement of Defined Benefit Plans	Share in aggregate Comprehensive Income of associate(s)		Non Controlling Interest
Balance as at 1st April 2015 as per IGAAP	10400.42	57110.63	3.00	18801.74	1196.99	178710.65	-	27324.88	-	74.62	293622.93
Derecognition of Liability for Proposed Dividend including dividend distribution tax					2346.63						2346.63
Transfer of Balance in Revaluation Reserve Account to Retained Earnings			(3.00)		3.00						-
Fair Value Changes in Equity Instruments						(2819.67)					(2819.67)
Adjustment for Transition cost on the Loans and Borrowings					269.60						269.60
Deferred Tax Impact					(93.30)						(93.30)
Excess of agreed consideration over Carrying value of Investment on Derecognition due to Loss of Control (Net of Tax)					9947.02						9947.02
Transfer of Balance in Foreign currency translation reserve to retained earnings relating to Investment derecognized.					(568.00)		568.00				-
Adjustment for deferred tax effects on unrealised profit on inter group stock.					(240.35)						(240.35)
Adjustment for Share in Profits of an associate Flex Foods Ltd.					9.76						9.76
<b>Balance as at 1st April 2015 as per Ind AS</b>	<b>10400.42</b>	<b>57110.63</b>	<b>-</b>	<b>18801.74</b>	<b>1196.99</b>	<b>190385.01</b>	<b>(2819.67)</b>	<b>27892.88</b>	<b>-</b>	<b>74.62</b>	<b>303042.62</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Reserve and Surplus				Other Comprehensive Income				Total	
	Capital Securities Reserve	Revaluation Reserve	General Reserve	Legal Reserve	Equity Instrument through comprehensive income	Exchange differences on translating financial statements of foreign operations	Exchange differences on de-valuation of Currency	Remeasurement of Defined Benefit Plans		Share in aggregate Other Comprehensive Income of associate(s)
Profit for the Year				31383.71					310.18	31693.89
Total Other Comprehensive Income for the Year (Net of Tax)									(0.41)	5556.46
Dividend Paid Including Dividend Distribution Tax				(2346.63)				(149.28)		(2346.63)
Amount transferred to General Reserve & Legal Reserve				(2124.32)						(2124.32)
Amount Transferred from Statement of Profit & Loss			2124.32	(280.47)						2124.32
<b>Balance as at 31st March 2016</b>	<b>10400.42</b>	<b>57110.63</b>	<b>-</b>	<b>20926.06</b>	<b>1477.46</b>	<b>-</b>	<b>(149.28)</b>	<b>32994.57</b>	<b>(0.41)</b>	<b>384.80</b>
Total Other Comprehensive Income for the Year (Net of Tax)									(6.29)	(14167.82)
Dividend Paid Including Dividend Distribution Tax				(2781.19)						(2781.19)
Profit for the Year				34845.56					229.47	35075.03
Amount transferred to General Reserve & Legal Reserve				(312.10)						(312.10)
Amount Transferred from Statement of Profit & Loss			156.05	156.05						312.10
Arising due to Acquisition of Non Controlling Interest			180.13							(180.39)
(Refer Note No 42(a))										(0.26)
Arising in acquisition made during the year			23.09							1090.67
(Refer Note No 42(b))										1113.76
<b>Balance as at 31st March 2017</b>	<b>10603.64</b>	<b>57110.63</b>	<b>-</b>	<b>21082.11</b>	<b>1633.51</b>	<b>-</b>	<b>(35.22)</b>	<b>27503.41</b>	<b>(6.70)</b>	<b>1524.55</b>
										<b>357185.86</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**16. BORROWINGS**

**(Rs. in Lacs)**

	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>A. Secured</b>			
<b>Term Loans :</b>			
From Banks	106421.63	115887.38	127750.65
From IFCI Limited	20199.98	17558.35	11664.71
From Others	89.37	-	-
	<b>126710.98</b>	133445.73	139415.36
<b>B. Unsecured</b>			
From TFCI ~	6097.64	6965.44	-
From Bodies Corporate	2238.88	2111.15	692.12
	<b>8336.52</b>	9076.59	692.12
<b>Sub- Total (A+B)</b>	<b>135047.50</b>	142522.32	140107.48
Less: Current portion	<b>32070.10</b>	37095.50	39727.71
<b>TOTAL :</b>	<b>102977.40</b>	105426.82	100379.77

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

**(Rs. in Lacs)** (except where otherwise stated)

Name of the Institution / Banks / Others	Note No	Sanctioned Amount	O/s As At 31/03/2017	Current Portion	Long Term	Repayment Terms
IFCI Limited	a	20000.00	-	-	-	Repayable in 19 Equal Quarterly Installments of Rs. 1052.63 lacs each commencing from September 2012.
			(3714.95)	(3714.95)		
IFCI Limited	a	5000.00	1250.00	1250.00	(1250.00)	Repayable in 16 Equal Quarterly Installments of Rs. 312.50 Lacs each commencing from Jun 2014.
			(2500.00)	(1250.00)		
IFCI Limited	b	15000.00	14873.00	-	14873.00	Repayable in 32 Quarterly Installments commencing from June 2018, first four installments of Rs. 250.00 Lacs each and balance 28 installments of Rs. 500.00 Lacs each.
			(11400.00)	(-)	(11400.00)	
Allahabad Bank	a	24000.00	-	-	-	Repayable in 20 Equal Quarterly Installments of Rs. 1200.00 Lacs each commencing from Feb 2012.
			(3565.19)	(3565.19)		
Jammu & Kashmir Bank Ltd.	a	5000.00	2000.00	1000.00	1000.00	Repayable in 20 Equal Quarterly Installments of Rs. 250.00 Lacs each commencing from Jun 2014.
			(3000.00)	(1000.00)	(2000.00)	
Jammu & Kashmir Bank Ltd.	d	93.00	32.05	22.07	9.98	Repayable in 60 Equal Monthly Installments of Rs. 2.06 Lacs each commencing from September 2013 including interest amount.
			(51.69)	(19.63)	(32.06)	
Jammu & Kashmir Bank Ltd.	d	138.00	73.43	29.12	44.31	Repayable in 60 Equal Monthly Installments of Rs. 3.02 Lacs each commencing from September 2014 including interest amount.
			(99.77)	(26.04)	(73.73)	

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs) (except where otherwise stated)

Name of the Institution / Banks / Others	Note No	Sanctioned Amount	O/s As At 31/03/2017	Current Portion	Long Term	Repayment Terms
Jammu & Kashmir Bank Ltd.	d	239.00	<b>191.15</b> (229.95)	<b>43.40</b> (38.80)	<b>147.75</b> (191.15)	Repayable in 60 Equal Monthly Installments of Rs. 5.23 Lacs each commencing from January 2016 including interest amount.
HDFC Bank Limited	d	12.90	<b>9.39</b> (12.23)	<b>3.13</b> (2.87)	<b>6.26</b> (9.36)	Repayable in 48 Equal Monthly Installments of Rs. 0.33 Lacs each commencing from January 2016 including interest amount.
Toyota Financial Services India Limited	d	100.95	<b>89.37</b> (-)	<b>22.80</b> (-)	<b>66.57</b> (-)	Repayable in 47 Equal Monthly Installments of Rs. 2.49 Lacs each commencing from November 2016 including interest amount.
State Bank of India	a	25000.00	<b>21535.50</b> (14367.29)	<b>2,500.00</b> (-)	<b>19035.50</b> (14367.29)	Repayable in 60 Equal Monthly Installments of Rs. 416.67 Lacs each commencing from Oct 2017.
State Bank of India	b	15000.00	<b>6,942.20</b> (-)	- (-)	<b>6,942.20</b> (-)	Repayable in 84 Equal Monthly Installments of Rs. 178.67 Lacs each commencing from March 2019.
South Indian Bank	a & c	5000.00	<b>5,000.00</b> (-)	- (-)	<b>5,000.00</b> (-)	Repayable in 28 Quarterly Installments commencing from June 2018. First 27 installments is of Rs 178.60 Lacs each and last installment is of Rs. 177.80 Lacs.
Oriental Bank of Commerce	b	5000.00	<b>4,424.77</b> (-)	- (-)	<b>4,424.77</b> (-)	Repayable in 28 Equal Quarterly Installments of Rs. 178.57 Lacs each commencing from Apr 2019.
Canara Bank	a & c	12500.00	<b>4814.05</b> (7316.02)	<b>2500.00</b> (2500.00)	<b>2314.05</b> (4816.02)	Repayable in 20 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jun 2014.
Canara Bank-London (ECB Facility)	a	US \$ 23.175 Million	<b>15026.34</b> (15253.78)	<b>2,139.67</b> (-)	<b>12886.67</b> (15253.78)	Repayable in 12 Quarterly Installments Commencing from May 2017. First four installments are of US\$ 0.83 Million each, next four installments are of US\$ 1.42 Million each and next four installments are of US\$ 3.55 Million each
KFW IPEX Bank GMBH- Phase I Egypt Location	e	Euro 15.45 Million	<b>2516.46</b> (3866.77)	<b>1177.89</b> (1308.93)	<b>1338.57</b> (2557.84)	Repayable in 17 equal consecutive semi-annual installments of Euro 0.91 Million each commencing from December 2010
KFW IPEX Bank GMBH- Phase II Egypt Location	e	Euro 19.79 Million	<b>4837.88</b> (6552.90)	<b>1516.98</b> (1603.73)	<b>3320.90</b> (4949.17)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.16 Million each commencing from December 2011
QNB Al Abhor	f	US \$ 21.90 Million	<b>8961.15</b> (11637.95)	<b>2097.41</b> (2129.16)	<b>6863.74</b> (9508.79)	Repayable in 27 equal quarterly installments of US\$0.81 Million each commencing from January 2015.
KFW IPEX Bank GMBH- Phase I Mexico Location	g	Euro 15.82 Million	<b>1318.50</b> (2777.79)	<b>1318.50</b> (1388.44)	- (1389.35)	Repayable in 17 equal consecutive semi-annual installments of euro 0.93 Million each commencing from Dec 2009.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs. in Lacs) (except where otherwise stated)

Name of the Institution / Banks / Others	Note No	Sanctioned Amount	O/s As At 31/03/2017	Current Portion	Long Term	Repayment Terms
KFW IPEX Bank GMBH- Phase II Mexico Location	g	Euro 20.96 Million	<b>3103.03</b> (5571.91)	<b>2061.01</b> (2228.76)	<b>1042.02</b> (3343.15)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.49 Million each commencing from Jan 2012.
State Bank of India, New York, Mexico Location	h	US \$ 20 Million	<b>1080.64</b> (3291.00)	<b>1080.64</b> (2194.00)	- (1097.00)	Repayable in 24 equal quarterly installments of US\$0.83 Million each commencing from Dec 2011.
Chase Bank - Kentucky (USA) Location	i	US \$ 14.00 Million	<b>2423.24</b> (4300.24)	<b>1815.48</b> (1842.96)	<b>607.76</b> (2457.28)	Repayable in 60 equal monthly installments of US\$ 233,333 each ending on Jul 2018.
BKB Bank - Kentucky (USA) Location (Formerly KBC Bank)	j	Euro 18.17 Million	<b>6682.44</b> (8814.37)	<b>1443.98</b> (1777.14)	<b>5238.46</b> (4579.95)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.07 Million each commencing from July 2013
KFW IPEX Bank GMBH- Poland Location	k	Euro 20.69 Million	<b>6759.43</b> (11022.56)	<b>1689.86</b> (2776.11)	<b>5069.57</b> (8246.45)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.22 Million each commencing from Jan 2013
United Arab Bank- Dubai Location	l	AED 146.80 Million	<b>9077.40</b> (14480.40)	<b>5187.09</b> (5265.60)	<b>3890.31</b> (9214.80)	Repayable in 20 equal quarterly installments of AED 7.34 Million each commencing from March 2014
IFCI Limited	m	5000.00	<b>4125.00</b> (-)	<b>500.00</b> (-)	<b>3625.00</b> (-)	Repayable in 40 equal monthly installments of Rs. 125 Lacs each commencing from Jul 2015.
Adjustment for Transaction Cost (Pending Amortisation)			<b>435.44</b> (400.35)	<b>142.41</b> (101.04)	<b>293.03</b> (299.31)	
<b>Total</b>			<b>126710.98</b>	<b>29256.62</b>	<b>97454.36</b>	
Previous Year			(133426.41)	(34531.27)	(96437.86)	

Previous Year figures have been given in brackets.

- These are secured a) on pari passu basis by way of hypothecation of specific movable properties of the Holding Company (save and except book debts), both present & future, subject to prior charges created and / or to be created in favour of Holding Company's bankers for working capital facilities, b) by first pari passu equitable mortgage of specific immovable properties of the Holding Company situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat) and c) by guarantee of Chairman & Managing Director of the Holding Company. However charges in respect of specific immovable properties situated at Sanand (Gujarat) is yet to be created. Further, in respect of loan from South Indian Bank first pari-passu equitable mortgage on specific aforesaid immovable properties of the companies is yet to be created.
- These are secured a) on pari passu basis by way of hypothecation of specific movable properties of the Holding Company (save and except book debts), both present & future, subject to prior charges created and / or to be created in favour of Holding Company's bankers for working capital facilities, b) by first pari passu equitable mortgage of specific immovable properties of the Holding Company situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat) and c) by guarantee of Chairman & Managing Director of the Holding Company.
- These are further secured by way of second pari passu charge on the current assets of the Holding Company.
- These are secured by way of hypothecation of Vehicles of the Holding Company.
- These are secured by way of first charge on specific tangible and intangible assets of the Flex P. Films (Egypt) S.A.E.. Further these are secured by the pledge of 14,999,900 shares of Flex Middle East FZE.
- This are secured by way of first charge on tangible and intangible assets of the Flex P. Films (Egypt) S.A.E. other than those pledged with KFW IPEX Bank GMBH.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

- g These are secured by way of hypothecation of Specific Plant & Equipments and pari passu mortgage of Land & Building of the Flex Americas SA de CV.
- h This is secured by way of hypothecation of Specific Plant & Equipments and pari passu mortgage of Land & Building of the Company.
- i This is secured on specific Plant & Machinery of the Flex Films (USA) Inc. other than those pledged with BKB Bank. This is further secured by mortgage of real estate of Flex Films (USA) Inc.
- j This is secured by way of hypothecation of specific Plant & Equipments of the Flex Films (USA) Inc.
- k This is secured by way of hypothecation of Specific Plant & Equipments and mortgage of Land & Building of the Company.
- l This is secured by way first charge on Building and Plant & Equipments of the Company.
- m This is secured by first charge on all movable assets of the Company Refex Energy Rajasthan (Private) Limited. This is further secured by equitable mortgage of leasehold land at village Amarpur, Lallitpur, U.P., owned by Bundelkhand Projects Private Limited.
- ~ This is secured by a) exclusive first charge by way of hypothecation of Specific aircrafts owned by M/s A.R. Airways Pvt. Ltd.(related party), b) corporate guarantee of A.R. Airways Pvt. Ltd. and c) guarantee of Chairman & Managing Director of the Holding Company.

	As At 31.03.2017	As At 31.03.2016	(Rs. in Lacs) As At 01.04.2015
<b>17: OTHER FINANCIAL LIABILITIES</b>			
Securities Received	332.72	331.91	238.68
Lease Security Deposit	-	-	11.88
<b>TOTAL :</b>	<u>332.72</u>	<u>331.91</u>	<u>250.56</u>
<b>18: PROVISIONS</b>			
Provision for Leave Encashment	1152.85	929.01	1074.10
Gratuity	14.23	-	-
<b>TOTAL :</b>	<u>1167.08</u>	<u>929.01</u>	<u>1074.10</u>
<b>19: DEFERRED TAX LIABILITIES (NET)</b>			
Opening Balance	14931.53	13146.63	15258.28
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	(2285.35)	1784.90	(2111.65)
<b>TOTAL :</b>	<u>12646.18</u>	<u>14931.53</u>	<u>13146.63</u>

The Cumulative Tax effects of significant temporary differences, that resulted in Deferred Tax Asset & Liabilities and description of item thereof that creates these differences are as follows :

	Deferred Tax Assets / (Liabilities) As At 01.04.2016	Current Year (Charge) / Credit	(Rs.in lacs) Deferred Tax Assets / (Liabilities) As At 31.03.2017
<b><u>Deferred Tax Assets</u></b>			
Unabsorbed depreciation & tax losses	604.04	5077.85	5681.89
Other than unabsorbed depreciation & carry forward of losses.	(462.40)	4900.45	4438.05
<b>Total (A)</b>	<b>141.64</b>	<b>9978.30</b>	<b>10119.94</b>
<b><u>Deferred Tax Liabilities</u></b>			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(15073.17)	(7692.95)	(22766.12)
<b>Total (B)</b>	<b>(15073.17)</b>	<b>(7692.95)</b>	<b>(22766.12)</b>
<b>Net Deferred Tax (Liability) (A-B)</b>	<b>(14931.53)</b>	<b>2285.35</b>	<b>(12646.18)</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Income Tax Expense in the Total Comprehensive Income represents;

	(Rs. in Lacs)	
	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b><u>In Statement of Profit &amp; Loss</u></b>		
- Current tax	5738.15	5402.19
- Deferred tax	(992.39)	1863.90
- (Excess) / Short Provision of Income Tax for earlier years	(369.69)	(781.00)
	<u>4376.07</u>	<u>6485.09</u>

**In Statement of Other Comprehensive Income**

Items that will not be reclassified to Profit or Loss

Remeasurement of the net defined benefit liability / asset	60.37	(79.00)
Exchange differences on devaluation of Currency	(1353.33)	-
	<u>(1292.96)</u>	<u>(79.00)</u>

(Rs. in Lacs)

**20: OTHER NON CURRENT LIABILITIES**

	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
Retention Money	485.36	277.21	74.79
<b>TOTAL :</b>	<u>485.36</u>	<u>277.21</u>	<u>74.79</u>

**21: BORROWINGS**

**Secured**

Working Capital Facilities From Banks	55681.09	61114.33	75706.70
From a Body Corporate	1200.00	1250.00	1050.00

**Unsecured**

From Banks #	3159.70	1245.01	-
From Others	13578.00	7816.95	3364.11
From a Related Party	1546.50	-	500.00
<b>TOTAL :</b>	<u>75165.29</u>	<u>71426.29</u>	<u>80620.81</u>

1 Working capital facilities from banks are secured a) on first pari passu basis, by way of hypothecation of stock of raw materials, semi-finished goods, finished goods and book debts of the Holding Company, both present and future, b) by way of second pari passu charge on specific fixed assets of the Holding Company, situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat), and c) by guarantee of Chairman & Managing Director of the Holding Company.

2 Loan from a Body Corporate is secured by way of pledge of listed Equity Shares held as an Investment by the Holding Company. (Refer Note No 4A)

# Represents deferred letters of credits for capital goods secured by way of hypothecation of specific machines under the letters of credits and pledge of fixed deposits of Rs. 312.88 Lacs (Previous Year Rs.214.75 lacs).

3 Working Capital Facilities availed by Flex Americas SA de C.V. of USD 23.20 Million from the State Bank of India, New York is secured by way of hypothecation of current assets of the Company.

4 Working Capital facilities of US \$16.5 Millions availed by Flex Films USA Inc. from Chase Bank is secured on the company's account receivables and inventory.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Lacs)		
	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>22: TRADE PAYABLES</b>			
Suppliers	84970.81	66445.98	68030.17
Due to Related Parties	10759.07	11794.25	7945.71
<b>TOTAL :</b>	<b>95729.88</b>	<b>78240.23</b>	<b>75975.88</b>
<b>23: OTHER FINANCIAL LIABILITIES</b>			
Current Maturities of Long Term Borrowings	32070.10	37095.50	39727.71
Capital Creditors	3839.45	2565.82	1834.13
Interest Accrued but not due on Loans			
- From a Related Party	-	-	1.92
- From Others	841.51	621.23	706.14
Unclaimed Dividend*	144.03	148.12	152.42
Bank Overdraft	504.12	790.59	484.77
<b>TOTAL :</b>	<b>37399.21</b>	<b>41221.26</b>	<b>42907.09</b>
* These figures do not include any amount, due and outstanding, required to be transferred to Investor Education and Protection Fund.			
<b>24: OTHER CURRENT LIABILITIES</b>			
Advances from Customers	6522.27	5713.41	5300.43
Advances from Others	2500.00	2500.00	2500.00
Advances from Related Party	25.48	0.16	-
Statutory Dues	1775.57	1779.39	1459.99
Others Payable	5529.39	5133.94	7426.22
Due to Employees	2753.88	2852.67	1711.46
<b>TOTAL :</b>	<b>19106.59</b>	<b>17979.57</b>	<b>18398.10</b>
<b>25: PROVISIONS</b>			
Wealth Tax	-	-	99.42
Leave Encashment	623.53	535.19	276.34
Staff Benefits	1274.57	945.99	776.54
Warranty	13.47	16.64	24.96
Interest on Deferred Liabilities	-	-	554.61
<b>TOTAL :</b>	<b>1911.57</b>	<b>1497.82</b>	<b>1731.87</b>
<b>26: CURRENT TAX LIABILITIES (NET)</b>			
Current Income Tax (Net)	3515.03	2979.65	2565.64
<b>TOTAL :</b>	<b>3515.03</b>	<b>2979.65</b>	<b>2565.64</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>(Rs. in Lacs)</b>	
	<b>For the Year Ended 31st March 2017</b>	<b>For the Year Ended 31st March 2016</b>
<b>27: REVENUE FROM OPERATIONS</b>		
<b>A. i) REVENUE FROM SALE OF PRODUCTS</b>		
Gross Sales	<b>681984.97</b>	651972.89
Less : Inter Unit Sales	<b>57757.20</b>	33620.72
	<b>624227.77</b>	618352.17
<b>ii) REVENUE FROM SALE OF SERVICES</b>		
Gross Job work	<b>9425.78</b>	6913.27
Less : Inter Unit Job Work	<b>2723.12</b>	4290.38
	<b>6702.66</b>	2622.89
Technical Fees	<b>5355.20</b>	1200.00
<b>TOTAL (A) :</b>	<b>636285.63</b>	622175.06
<b>B. OTHER OPERATING INCOME</b>		
Scrap Sales	<b>5002.39</b>	3954.99
Packing, Forwarding and Insurance Recoveries	<b>836.46</b>	742.20
Export Incentive	<b>4708.07</b>	4367.29
Excise Duty Refund	<b>3035.84</b>	4207.39
Miscellaneous Operating Income	<b>514.45</b>	879.04
Vat Refund	<b>95.57</b>	225.78
<b>TOTAL (B) :</b>	<b>14192.78</b>	14376.69
<b>TOTAL (A+B):</b>	<b>650478.41</b>	636551.75
<b>28: OTHER INCOME</b>		
Rent Received	<b>210.15</b>	253.83
<b>Profit on sale of Investments (Net)</b>		
-On Disposal of Subsidiary	<b>19.05</b>	85.29
-Carried at Fair Value through profit or loss	-	4.32
Profit on sale of assets (Net)	<b>1.68</b>	-
Miscellaneous Income	<b>327.16</b>	25.33
<b>Interest :</b>		
-from Banks	<b>1249.07</b>	1117.29
-from Others	<b>237.70</b>	1930.50
<b>Investment Income:</b>		
- Dividend received on Investments carried at Fair value through other comprehensive income	<b>5.68</b>	75.63
<b>TOTAL :</b>	<b>2050.49</b>	3492.19
<b>29: COST OF MATERIALS CONSUMED</b>		
Opening Stock	<b>24542.79</b>	27663.06
Add : Purchases	<b>405448.49</b>	370492.21
	<b>429991.28</b>	398155.27
Less : Inter Unit Purchases	<b>52634.29</b>	32394.56
	<b>377356.99</b>	365760.71
Less : Closing Stock	<b>28062.28</b>	24542.79
<b>TOTAL :</b>	<b>349294.71</b>	341217.92

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>(Rs. in Lacs)</b>	
	<b>For the Year Ended 31st March 2017</b>	<b>For the Year Ended 31st March 2016</b>
<b>30: CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Stock-in-Trade	6123.65	6072.65
Finished Goods	14953.41	10913.36
Work-in-Progress	<u>12060.72</u>	<u>12783.71</u>
	<b>33137.78</b>	29769.72
<b>Less: Closing Stock :</b>		
Stock-in-Trade	5935.91	6123.65
Finished Goods	14778.64	14953.41
Work-in-Progress	<u>13831.47</u>	<u>12060.72</u>
	<b>34546.02</b>	33137.78
<b>TOTAL :</b>	<u><b>(1408.24)</b></u>	<u><b>(3368.06)</b></u>
<b>31: EMPLOYEE BENEFITS EXPENSE</b>		
Salaries,Wages,Bonus,Benefits and Amenities	50221.25	45526.26
Contribution to Provident Fund and Other Funds	2902.39	2639.46
Employee Welfare Expenses	1615.69	1446.56
<b>TOTAL :</b>	<u><b>54739.33</b></u>	<u><b>49612.28</b></u>
<b>32: FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	10584.80	9693.40
- On Other Loans / Liabilities	3471.36	4361.49
- On Shortfall in payment of Advance Tax	<u>186.09</u>	<u>204.80</u>
Short / (Excess) Provision of interest for earlier years		14259.69
- On Income Tax	220.40	76.41
- On Deferred Liabilities	<u>-</u>	<u>(554.61)</u>
Discounting & Financial Charges	<b>4218.99</b>	3802.49
<b>TOTAL :</b>	<u><b>18681.64</b></u>	<u><b>17583.98</b></u>
<b>33: OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	29640.86	28426.53
Repair & Maintenance-Machinery	8592.65	7682.76
Stores Consumed	3786.71	3636.79
Tools, Jigs & Dies	235.25	291.21
Packing Material Consumed	18042.52	17352.79
Processing Charges for Cylinders	2860.32	2870.43
Less : Inter Unit Charges	<u>2501.05</u>	<u>2492.78</u>
	<b>359.27</b>	377.65
Design & Development Charges	361.58	40.74
Excise Duty on Others	49.89	(9.30)



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the Year Ended 31st March 2017</b>	<b>(Rs. in Lacs) For the Year Ended 31st March 2016</b>
Duties paid on Revenues	<b>34813.39</b>	33073.25
Job Work Charges	<b>3106.62</b>	2866.01
Royalty Expenses	<b>743.77</b>	930.40
Other Direct Charges	<b>954.17</b>	556.69
R & D Charges	<b>88.91</b>	136.39
<b>TOTAL (A) :</b>	<b><u>100775.59</u></b>	<u>95361.91</u>
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	<b>1562.89</b>	1478.02
Rates & Taxes	<b>321.96</b>	313.60
Insurance charges	<b>1879.50</b>	1921.77
Electricity & Water charges	<b>454.96</b>	455.75
Printing & Stationery	<b>308.01</b>	276.11
Postage, Telephone & Fax Expenses	<b>1006.90</b>	955.99
Vehicle Running & Maintenance Expenses	<b>616.78</b>	537.14
Lease Rent -Vehicles	<b>909.39</b>	832.94
Conveyance & Travelling Expenses	<b>6548.54</b>	5123.11
Repair & Maintenance :		
- Building	<b>1149.86</b>	1334.27
- Others	<b>4268.49</b>	3947.55
Legal & Professional Charges	<b>2831.93</b>	2976.17
Directors' sitting fees	<b>29.75</b>	29.05
General Expenses	<b>4029.18</b>	3428.60
Advertisement & Publicity	<b>1188.83</b>	621.18
Entertainment Expenses	<b>494.48</b>	473.95
Charity & Donation	<b>44.25</b>	28.55
Corporate Social Responsibility Expenditure	<b>488.92</b>	379.02
Freight & Forwarding charges	<b>21349.54</b>	22455.82
Loss on Settlement of Fire Claim	-	280.92
Property, Plant & Equipments written Off	<b>91.54</b>	141.88
Loss on assets sold (Net)	-	21.17
Exchange Rate Fluctuations (Net)	<b>2775.63</b>	8504.69
Amount utilised from allowance for doubtful debts	<b>(1239.72)</b>	(1180.95)
Allowance for doubtful debts	<b>1665.15</b>	477.14
Sundry Balances / Bad Debts written-off (Net)	<b>839.63</b>	1266.72
Claim (Exports)	<b>2052.13</b>	1350.70
<b>TOTAL (B) :</b>	<b><u>55668.52</u></b>	<u>58430.86</u>
<b>TOTAL :</b>	<b><u>156444.11</u></b>	<u>153792.77</u>
Above includes following expenses on Investment Properties, that generated rental income;		
Rent (Lease Rent)	<b>0.76</b>	0.76
Repair & Maintenance :		
- Building	<b>7.33</b>	-
- Others	-	2.66
	<b><u>8.09</u></b>	<u>3.42</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

	For the Year Ended 31st March 2017	(Rs. in Lacs) For the Year Ended 31st March 2016
<b>34: EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS</b>		
Cost of Material Consumed	1887.14	1089.50
Employee Benefits Expense	904.28	600.52
Finance Costs	(1.43)	1.58
Depreciation and amortisation expense	194.66	119.24
Other Expenses	551.76	407.62
<b>TOTAL :</b>	<b>3536.41</b>	<b>2218.46</b>

	As At 31.03.2017	(Rs in Lacs) As At 31.03.2016
<b>35. I CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :</b>		
A i) Show cause notice / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Company and are contested / appealed / replied.	6481.99	7245.78
ii) Additional demands raised by the Income Tax Department, which are under rectification & appeal	4235.87	2908.65
iii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	1535.19	2433.56
iv) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	27.73	27.73
v) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	12.82	12.32
vi) Claims against the Company/disputed liabilities not acknowledged as debt.	127.00	146.72
vii) Demand raised by the Concerned Development corporation on surrender of unutilised Industrial Leasehold Land.	62.69	62.69
B i) Guarantees issued by Banks	4169.00	1543.29
ii) Corporate Guarantees issued for facilities taken by foreign subsidiaries / step down subsidiaries from Banks	-	5000.00
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	11796.17	4887.36
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	9849.16	12903.05
C Liability in respect of Bonus for the FY 2014-15 arising due to retroprospective amendment in the Payment of Bonus (Amendment) Act, 2015; which is contested by the Company.	429.85	429.85
<b>II The share in aggregate contingent liability of the Associates</b>	<b>934.50</b>	<b>670.67</b>
i) In respect of litigations	407.90	405.84
ii) In respect of other matters	526.60	264.83

	As At 31.03.2017	(Rs.in lacs) As At 31.03.2016
<b>36. CAPITAL COMMITMENTS</b>		
a. The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	14187.14	32072.12
b. The share in the aggregate capital commitments of the associates	24.08	58.37

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**37. DISCLOSURES FOR ASSETS UNDER OPERATING LEASES**

The Group has taken certain vehicles on operating Lease. The required disclosures are as under:

Minimum future Lease Rentals on assets under Operating Leases 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
Payables	<b>913.80</b>	<b>994.76</b>	-	<b>1908.56</b>
	<i>891.60</i>	<i>1437.65</i>	-	<i>2329.25</i>

Previous Year figures have been given in Italic.

**38. DEFINED BENEFIT PLAN**

**a) Gratuity**

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 Indian Accounting Standard (Ind AS)-19, "Employee Benefits" is as under:

	Current Year	(Rs. In Lacs) Previous Year
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>2729.38</b>	2190.47
Service cost	<b>322.22</b>	311.06
Interest cost	<b>195.16</b>	171.00
Actuarial (gain) / loss	<b>(42.33)</b>	162.91
Benefits paid	<b>(254.62)</b>	(106.06)
Obligations at period end	<b>2949.81</b>	2729.38
<b>b. Reconciliation of opening and closing balances of fair value assets</b>		
Plan assets at period beginning, at fair value	<b>2664.48</b>	2328.99
Expected return on plan assets	<b>199.84</b>	186.32
Actuarial gain / (loss)	<b>132.10</b>	(65.37)
Contributions	<b>507.33</b>	320.60
Benefits paid	<b>(254.62)</b>	(106.06)
Plan assets at period end, at fair value	<b>3249.13</b>	2664.48
<b>c. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>2949.81</b>	2729.38
Fair value of plan assets at the end of the period	<b>(3249.13)</b>	(2664.48)
Liability/ (Asset) recognized in the balance sheet	<b>(299.32)</b>	64.90
<b>d. Gratuity cost for the period</b>		
Service cost	<b>322.22</b>	311.06
Interest cost	<b>195.16</b>	171.00
Expected return on plan assets	<b>(199.84)</b>	(186.32)
<b>Net Gratuity Cost recognised on Statement of Profit &amp; Loss</b>	<b>317.54</b>	295.74
<b>e. Remeasurement (gains) and losses</b>		
Actuarial (gain) / loss due to change in financial assumptions	<b>(42.33)</b>	162.91
Return on Plan assets, excluding interest income	<b>(132.10)</b>	65.37
<b>Net Gratuity Cost recognised on Statement of Other Comprehensive Income</b>	<b>(174.43)</b>	228.28
Assumptions		
Interest rate	<b>7.5% P.A.</b>	8% P.A.
Estimated rate of return on plan assets	<b>7.5% P.A.</b>	8% P.A.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

The expected benefits increases are based on the same assumptions as are used to measure the Group's defined benefit plan obligations as at 31st March 2017. The Group is expected to contribute Rs. 201.23 lacs to defined benefits plan obligations fund for the year ending 31st March 2018.

The significant accounting assumptions are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period while other assumptions constant.

If the discount rate increases /(decreases by 0.5%), the defined benefit plan obligations would decrease by Rs.127.45 Lacs (increase by Rs.137.74 Lacs) as at 31st March 2017.

If the expected salary growth increases /(decreases by 0.5%), the defined benefit plan obligations would increase by Rs.132.65 Lacs (decrease by Rs.124.06 Lacs) as at 31st March 2017.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

**b) Leave Encashment**

The Group has provided for its Liability towards Leave encashment, based on the actuarial valuation, disclosure whereof in terms of Indian Accounting Standard (Ind AS)- 19, "Employee Benefits" is as under:

	(Rs. In Lacs)	
	Current Year	Previous Year
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>1295.06</b>	1243.93
Service cost	<b>698.82</b>	632.88
Interest cost	<b>84.99</b>	89.40
Actuarial (gain) / loss	<b>(189.93)</b>	(418.33)
Benefits paid	<b>(323.56)</b>	(252.82)
Obligations at period end	<b>1565.38</b>	1295.06
<b>b. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>1565.38</b>	1295.06
Liability recognized in the balance sheet	<b>1565.38</b>	1295.06
Assumptions		
Interest rate	<b>7.5% P.A.</b>	8% P.A.
<b>c. Leave Encashment cost for the period</b>		
Service cost	<b>698.82</b>	632.88
Interest cost	<b>84.99</b>	89.40
Actuarial (gain) / loss	<b>(189.93)</b>	(418.33)
<b>Net Leave Encashment cost for the period</b>	<b>593.88</b>	303.95

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

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**40. EARNING PER SHARE**

The following disclosure is made, as required by Indian Accounting Standard (Ind AS-20) on "Earning Per Share" :

	<b>Current Year</b>	Previous Year
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs. in Lacs)	<b>34845.56</b>	31383.71
(B) (i) Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<b>72211486</b>	72211486
(ii) Opening Balance of Equity Shares (Numbers)	<b>72211486</b>	72211486
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>72211486</b>	72211486
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) <b><u>Earning Per Share</u></b>		
(a) Basic (A/B(i)) (Rs.)	<b>48.25</b>	43.46
(b) Diluted (A/B(ii)) (Rs.)	<b>48.25</b>	43.46

**41. SEGMENT DISCLOSURE**

Segment disclosure in accordance with the Ind AS 108 on "Operating Segments" are as under:

Accounting Principles and policies, as reported in Significant Accounting policies, used in the preparation of financial statements are consistently applied to record revenue, expenditure, assets and liabilities, in each segment.

**For the Year Ended 31st March 2017**

Particulars	(Rs in Lacs)			
	Flexible Packaging Activities	Engineering Activities	Other (Un-allocable)	Total
<b>Revenue from</b>				
- External Customers	610995.15	39244.03	239.23	650478.41
- Transaction with other operating segments	0.00	6694.81	0.00	6694.81
<b>Total Revenue</b>	<b>610995.15</b>	<b>45938.84</b>	<b>239.23</b>	<b>657173.22</b>
Less: Intersegment Revenue		6694.81		6694.81
<b>Net Segment Revenue</b>	<b>610995.15</b>	<b>39244.03</b>	<b>239.23</b>	<b>650478.41</b>
identifiable operating expenses	(519005.79)	(31398.37)	(12644.90)	(563049.06)
<b>Operating Profit</b>	<b>91989.36</b>	<b>7845.66</b>	<b>(12405.67)</b>	<b>87429.35</b>
Other Income				2050.49
Share in Profit of Associates for the Year				406.81
<b>EBIDTA</b>				<b>89886.65</b>
Depreciation & Amortization Expenses				(31753.91)
<b>EBITA</b>				<b>58132.74</b>
Finance Cost				(18681.64)
<b>Profit before Tax</b>				<b>39451.10</b>
Tax expenses				(4376.07)
<b>Net Profit</b>				<b>35075.03</b>
<b>Segment Assets</b>	610207.87	47698.48	56936.97	714843.32
<b>Segment Liabilities</b>	199787.87	36652.03	113996.41	350436.31

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**
**For the Year Ended 31st March 2016**

Particulars	(Rs in Lacs)			
	Flexible Packaging Activities	Engineering Activities	Other (Un-allocable)	Total
<b>Revenue from</b>				
- External Customers	599932.23	36786.88	(167.36)	636551.75
- Transaction with other operating segments	-	5793.15	-	5793.15
<b>Total Revenue</b>	<b>599932.23</b>	<b>42580.03</b>	<b>(167.36)</b>	<b>642344.90</b>
Less: Intersegment Revenue		5793.15		5793.15
<b>Net Segment Revenue</b>	<b>599932.23</b>	<b>36786.88</b>	<b>(167.36)</b>	<b>636551.75</b>
identifiable operating expenses	(515951.68)	(29987.89)	(10155.14)	(556094.71)
<b>Operating Profit</b>	<b>83980.55</b>	<b>6798.99</b>	<b>(10322.50)</b>	<b>80457.04</b>
Other Income				3492.19
Share in Profit of Associates for the Year				367.46
<b>EBIDTA</b>				<b>84316.69</b>
Depreciation & Amortization Expenses				(28553.73)
<b>EBITA</b>				<b>55762.96</b>
Finance Cost				(17583.98)
<b>Profit before Tax</b>				<b>38178.98</b>
Tax expenses				<b>(6485.09)</b>
<b>Net Profit</b>				<b>31693.89</b>
<b>Segment Assets</b>	562200.00	46751.63	71457.16	680408.79
<b>Segment Liabilities</b>	209308.47	36924.22	89008.61	335241.30

**42. BUSINESS COMBINATIONS**

- a During the year the Group has acquired additional 26% equity interest in the subsidiary S.D. Buildwell Private Limited from the holders of the Non-controlling interest by virtue whereof its has become wholly owned subsidiary of the Group. The excess amount of consideration paid to non-controlling interest holders over the carrying amount of their interest, amounting to Rs. 180.13 lacs has been transferred from the non-controlling interest to the capital reserve.
- b During the year the company has increased its equity interest in M/s Refex Energy (Rajasthan ) Private Limited from 31.44% to 62.91%, by virtue of whereof it becomes subsidiary from the existing status of an associate. The excess of aggregate of consideration transferred, amount of non-controlling interest and fair value of existing equity interest over the net assets acquired, has been transferred to the capital reserve. Further, the Refex Energy (Rajasthan) Private Limited holds entire equity stake in Bundelkhand Projects Private Limited which was acquired at premium of Rs. 20.10 Lacs over the fair value of its net assets. This amount was appearing as goodwill in their Consolidated Financial Statements and accordingly the same has been recognised as Goodwill.

**43. RELATED PARTY DISCLOSURES**

(a) List of Related Parties:

- i) **Associates** : Flex Foods Limited and Refex Energy (Rajasthan) (P) Ltd.(upto 06/07/2016)
- ii) **Key Management Personnel & their relatives / HUF (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi), Mr. Ashok Chaturvedi (HUF), Mr. Amitava Ray, Wholetime Director , Mr. Anantshree Chaturvedi (Director of Flex Middle East FZE) , Mr. R.K.Jain (Director of Flex Middle East FZE), Mr. P.L.Sirsamkar (Director of Flex Middle East FZE), Mr.Pradeep Srivastava (Director of Uflex Europe Ltd.) and Mr. S.K.Sharma (Manager of Utech Developers Limited).
- iii) **Enterprises in which the persons referred in (ii) along with their relatives exercise significant influence:** AKC Retailers Pvt. Ltd., Anshika Investments Pvt. Ltd., Anant Overseas Pvt. Ltd., Apoorva Extrusion Pvt. Ltd., Anshika Consultants Pvt. Ltd., A.R. Leasing Pvt. Ltd., A.R. Infrastructures & Projects Pvt. Ltd., AC

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Infrastructures Pvt. Ltd., Cinflex Infotech Pvt. Ltd., Flex International Pvt. Ltd., Ultimate Infratech Pvt. Ltd., Ultimate Flexipack Ltd., Ultimate Prepress LLP, Naveli Collections Pvt. Ltd., Modern Info Technology Pvt. Ltd., Flex Industries Pvt. Ltd., Club One Airways Pvt. Ltd., Niksar Finvest Pvt. Ltd., Ganadhipati Infraproject Pvt. Ltd., Nirman Overseas Pvt. Ltd., Kaya Kalpa Medical Services Pvt. Ltd., Sungrace Products (India) Pvt. Ltd., Virgin Infrastructures Pvt. Ltd., Liberal Advisory Services Pvt. Ltd., Minor Hotel Pvt. Ltd., East Coast Star Hotel Pvt. Ltd., Saga Realtors Pvt. Ltd., Gangotri Management Pvt. Ltd., Manpasand Marketing Pvt. Ltd., Magic Consultants Pvt. Ltd., First Flexipack Corporation, Ultra America Inc., AR Airways Pvt. Ltd., A-one Catering LLP (w.e.f. 05.07.2016), Bundelkhand Projects Pvt. Ltd.(up to 06.07.2016)

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

(Rs.in lacs)				
Transactions	Associates	Key Management Personnel & their Relatives /HUF	Enterprises as referred to in 'a (iii)' above	Total
<b>i) Trade Transactions</b>				
Sale of Goods/Services (Net)	<b>47.00</b>	-	<b>7435.86</b>	<b>7482.86</b>
	39.04	-	9568.47	9607.51
Purchase of Goods/Services (Net )	-	-	<b>27398.71</b>	<b>27398.71</b>
	-	-	26228.65	26228.65
Purchase of Fixed Assets	-	-	-	-
	-	-	92.48	92.48
Sale of Fixed Assets	-	-	-	-
	-	-	-	-
Security Deposit Given	-	-	-	-
	-	-	-	-
Rent Received	-	<b>48.00</b>	<b>10.56</b>	<b>58.56</b>
	-	36.00	5.94	41.94
Rent Paid	-	<b>238.05</b>	<b>290.60</b>	<b>528.65</b>
	-	207.00	279.60	486.60
Royalty Expenses	-	<b>440.00</b>	-	<b>440.00</b>
	-	685.00	-	685.00
Interest Paid on Loans	-	-	<b>192.77</b>	<b>192.77</b>
	-	-	38.67	38.67
Interest Received	-	-	<b>196.52</b>	<b>196.52</b>
	-	-	217.32	217.32
Dividend Received	<b>146.75</b>	-	-	<b>146.75</b>
	132.08	-	-	132.08
Consultancy Charges	-	<b>79.97</b>	-	<b>79.97</b>
	-	156.36	-	156.36
Remuneration *	-	<b>1664.01</b>	-	<b>1664.01</b>
	-	1569.29	-	1569.29
<b>ii) Non Trade Transactions</b>				
Investment	-	-	<b>350.00</b>	<b>350.00</b>
	-	-	-	-
Loan Taken	-	-	<b>5722.00</b>	<b>5722.00</b>
	-	-	4830.00	4830.00
Repayment of Loan Taken	-	-	<b>2972.00</b>	<b>2972.00</b>
	-	-	5330.00	5330.00
Dividend Paid	-	<b>74.30</b>	<b>942.79</b>	<b>1017.09</b>
	-	62.68	795.49	858.17

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

(Rs.in lacs)				
Transactions	Associates	Key Management Personnel & their Relatives /HUF	Enterprises as referred to in 'a (iii)' above	Total
Loan Given	-	-	175.00	175.00
	-	-	6000.00	6000.00
Recovery of Loan Given	-	-	6000.00	6000.00
	-	-	-	-
<b>Total</b>	<b>193.75</b>	<b>2544.33</b>	<b>51686.81</b>	<b>54424.89</b>
	<i>171.12</i>	<i>2716.33</i>	<i>53386.62</i>	<i>56274.07</i>
<b>Balance as on 31.03.2017</b>				
Debit	12.23	-	3631.85	3644.08
	<i>0.19</i>	-	<i>13670.38</i>	<i>13670.57</i>
Credit	-	620.25	13154.20	13774.45
	<i>0.14</i>	<i>427.88</i>	<i>11852.04</i>	<i>12280.06</i>

Previous Year figures have been given in Italic.

\*Includes

	(Rs in Lacs)	
	Current Year	Previous Year
Salary	1337.23	1290.02
Perquisites	21.22	21.88
Short Term Employees Benefits	5.56	7.39
Commission	300.00	250.00
<b>Total</b>	<b>1664.01</b>	<b>1569.29</b>

**44. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)**

(Rs in Lacs)			
Particulars	SBNS	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	86.39	6.32	92.71
(+) Withdrawal from banks Account	-	86.70	86.70
(+) Permitted receipts	-	19.89	19.89
(-) Permitted payments	(3.35)	(82.95)	(86.30)
(-) Amount deposited in Banks	(83.04)	(0.18)	(83.22)
Closing cash in hand as on December 30,2016	-	29.78	29.78

**45. FINANCIAL INSTRUMENTS**

The carrying value of instruments by categories are as follows:

(Rs in Lacs)					
Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value
<b>Assets</b>					
Cash and cash equivalents	CY	29630.49	-	-	29630.49
	PY	38792.17			38792.17
<b>Investments</b>					
Equity and other securities	CY	3558.03	-	4045.86	7603.89
	PY	4228.89		3304.98	7533.87



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

					(Rs in Lacs)
Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value
Trade Receivables	CY	165904.77	-	-	165904.77
	PY	148019.41			148019.41
Loans	CY	8601.85	-	-	8601.85
	PY	15508.31			15508.31
Other financial assets	CY	15672.23	-	-	15672.23
	PY	19314.64			19314.64
<b>Total</b>	CY	<b>223367.37</b>	-	<b>4045.86</b>	<b>227413.23</b>
	PY	225863.42	-	3304.98	229168.40
<b>Liabilities</b>					
Trade payables	CY	95729.88	-	-	95729.88
	PY	78240.23	-	-	78240.23
Other financial liabilities	CY	37731.93	-	-	37731.93
	PY	41553.17	-	-	41553.17
Borrowings	CY	178142.69	-	-	178142.69
	PY	176853.11	-	-	176853.11
<b>Total</b>	CY	<b>311604.50</b>	-	-	<b>311604.50</b>
	PY	296646.51	-	-	296646.51

**Fair Value hierarchy disclosures:**

**Level 1-** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Input other than quoted price included within Level 1 that are observable for the assets or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Particulars		Total	Level 1	Level 2	Level 3
Investment in equity instruments	CY	4045.86	4045.86	-	-
	PY	3304.98	3304.98	-	-

**46. FINANCIAL RISKS**

In the course of business, amongst others, the Group is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk and Commodity Price Risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Group causing adverse influence on the achievement of Group's strategies, operational and financial objectives, earning capacity and financial position.

The Group has formulated an appropriate policy and established a risk management framework which encompass the following process.

- identify the major financial risks which may cause financial losses to the Group
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Group enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Audit Committee and the Board of Directors from time to time.

**Credit Risk**

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the Group. The Group may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

In case of Trade receivables, the Group has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained wherever required.

Group's exposure to Credit Risk is also influenced by the concentration of risk from top five customers. The details in respect of the % of sales generated from the top customer and top five customers are given hereunder.

Particulars	Current Year	Previous Year
Revenue from Top Customer	12%	13%
Revenue from Top Five Customers	20%	20%

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks or mutual funds with high credit ratings assigned by the rating agencies of international repute.

### Liquidity Risk

Liquidity Risk arises when the Group is unable to meet its short term financial obligations as and when they fall due.

The Group maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the Group's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

Particulars	(Rs in Lacs)		
	As at 31st March 2017	Due within 12 months from Balance sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	210212.79	107235.39	102977.40
Trade payables	95729.88	95729.88	-
Other Financial Liability	5661.83	5329.11	332.72

### Interest Rate Risk

Generally market linked financial instruments are subject to interest rate risk. The Group does not have any marked linked financial instrument both on the asset or liability side. Hence no interest rate risk.

In case of the borrowings by the Group, the Group is subject to interest rate risk on account of any fluctuation in the base prime lending rate (BPLR) fixed by the banks. Every fluctuation in the BPLR of the bank either on the higher or lower side will result into financial loss or gain to the Group.

The major portion of the Group debt are linked with the BPLR of the Indian Banks. The total proportions of these debts are Rs. 188044.32 Lacs out of the total debt of Rs. 210212.79 Lacs.

Based on the structure of net debt as at year end, a one percentage point increase in the debt would cause an additional expense in the net financing cost of Rs. 1880.44 Lacs.

### Foreign Currency Risk

The Group is exposed to the foreign currency risk from transactions & translation. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

### Commodity Price Risk

The main raw materials which Group procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly.

The pricing policy of the Group final product is structured in such a way that any change in price of raw materials is passed on to the customers in the final product however, with a time lag which mitigates the raw material price risk.

With regard to the finished products, the Group has been operating in a global competitive environment which continues to keep downward pressure on the prices and the volumes of the products.

In order to combat this situation, the Group formulated manifold plans and strategies to develop new customers & focus on new innovative products. In addition, it has also been focusing on improvement in product quality and productivity. With these measures, Group counters the competition and consequently commodity price risk.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

47. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ ASSOCIATES / JOINT VENTURES

S. No.	Name of the Enterprises	Net Assets i.e. Total Assets minus Total Liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (Rs in Lacs)	As % of consolidated profit or loss	Amount (Rs in Lacs)
<b>Parent</b>					
	Uflex Limited	<b>28.56%</b>	<b>204,179.53</b>	<b>55.55%</b>	<b>19,354.97</b>
		27.45%	186,750.80	64.26%	20,165.74
<b>Subsidiary</b>					
<b>Indian</b>					
1	U Tech Developers Limited	<b>2.60%</b>	<b>18,601.35</b>	<b>0.36%</b>	<b>126.04</b>
		3.17%	10,602.38	-0.38%	(119.29)
2	USC Holograms Pvt. Ltd.	<b>0.16%</b>	<b>1,129.73</b>	<b>0.96%</b>	<b>333.85</b>
		0.19%	638.77	1.30%	405.60
3	S.D.Buildwell Private Limited	<b>0.15%</b>	<b>1,074.71</b>	<b>1.09%</b>	<b>380.91</b>
		0.21%	693.80	2.44%	764.57
4	Reflex Energy (Rajasthan) Private Limited	<b>0.44%</b>	<b>3,150.64</b>	<b>0.57%</b>	<b>200.25</b>
		0.00%	-	0.00%	-
5	Bundelkhand Projects Private Limited	<b>0.00%</b>	<b>35.09</b>	<b>-0.01%</b>	<b>(3.65)</b>
		0.00%	-	0.00%	-
<b>Foreign</b>					
1	Flex Middle East FZE	<b>19.53%</b>	<b>139,636.41</b>	<b>8.34%</b>	<b>2,904.77</b>
		41.51%	138,801.22	6.80%	2,125.99
2	Flex Americas S.A. de C.V.	<b>3.71%</b>	<b>26,495.35</b>	<b>8.96%</b>	<b>3,121.30</b>
		7.69%	25,729.50	8.15%	2,549.56
3	Flex P. Films Egypt S.A.E.	<b>3.84%</b>	<b>27,478.60</b>	<b>7.93%</b>	<b>2,762.12</b>
		10.95%	36,628.83	9.78%	3,060.63
4	Flex Films Europa Sp. Z.o.o.	<b>5.23%</b>	<b>37,372.54</b>	<b>23.23%</b>	<b>8,092.91</b>
		9.34%	31,234.37	20.48%	6,405.56
5	Flex Films (USA) Inc.	<b>2.98%</b>	<b>21,331.90</b>	<b>2.33%</b>	<b>810.48</b>
		6.23%	20,838.61	2.02%	631.87
6	UFlex Europe Limited	<b>-0.08%</b>	<b>(566.16)</b>	<b>-2.39%</b>	<b>(833.06)</b>
		0.09%	311.26	1.06%	330.12
7	UFLEX Packaging Inc.	<b>0.10%</b>	<b>700.26</b>	<b>0.61%</b>	<b>213.97</b>
		0.15%	493.65	1.77%	552.89
8	UPET Holdings Limited	<b>3.47%</b>	<b>24,813.73</b>	<b>-0.02%</b>	<b>(6.48)</b>
		7.54%	25,195.90	-0.04%	(13.16)
9	Upet Singapore Pte. Ltd.	<b>3.46%</b>	<b>24,742.41</b>	<b>0.00%</b>	<b>-</b>
		7.51%	25,116.91	-0.02%	(6.58)
10	Flex P. Films (Brasil) Comercio De Films Plasticos Ltda	-	-	<b>0.01%</b>	<b>2.06</b>
		0.04%	144.88	0.00%	-
	Minority Interest in Subsidiaries	<b>-0.22%</b>	<b>(1,602.47)</b>	<b>-0.66%</b>	<b>(229.47)</b>
		-0.12%	(384.80)	-0.41%	(129.79)
<b>Associates (Investment as per Equity Method)</b>					
1	Flex Foods Limited	<b>0.50%</b>	<b>3,588.72</b>	<b>1.04%</b>	<b>363.63</b>
		0.96%	3,212.03	1.22%	384.98
2	Reflex Energy (Rajasthan) Private Limited	-	-	-	-
		0.27%	887.62	-0.06%	(17.52)

Notes:

- Loss to Minority Shareholders, if any, is allocated to the extent of their paid up capital.
- Net Assets & Share in Profit or Loss of the Foreign subsidiaries are converted into INR based on the Closing Exchange Rates stated in the Note No.48.
- Previous Year figures have been given in italics.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**
**48. STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES, AS PER FIRST PROVISIO TO SECTION 129(3) OF COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014**
**Part "A" : Subsidiaries**

Sl. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries		Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for Taxation	Profit / (Loss) after taxation	Proposed dividend	% of Share-holding
			Currency	Exch. Rate											
<b>Subsidiary</b>															
<b>Indian</b>															
1	U Tech Developers Limited	Not Applicable	CY	INR	10,000.00	8,601.35	26,383.98	7,782.63	1,251.18	313.14	45.70	(80.34)	126.04	-	100%
			PY		10,000.00	8,475.31	28,557.85	10,082.54	900.04	4.13	(203.55)	(219.39)	15.84	-	100%
2	USC Holograms Pvt. Ltd.	Not Applicable	CY	INR	6.00	1,123.73	3,569.12	2,439.39		5,502.36	736.43	245.47	490.96	-	68%
			PY		6.00	632.77	4,564.65	3,925.88		4,826.40	611.80	206.20	405.60	-	68%
3	S.D.Builtwell Private Limited	Not Applicable	CY	INR	1.00	1,073.71	1,076.17	1.46	561.38	12.11	7.23	(373.68)	380.91	-	100%
			PY		1.00	692.80	739.72	45.92	-	1,304.33	1,133.29	368.72	764.57	-	74%
4	Refex Energy (Rajasthan) Private Limited	Not Applicable	CY	INR	2,860.00	290.64	8,283.98	5,133.34	70.10	1,583.61	324.76	6.45	318.31	-	62.91%
			PY		-	-	-	-	-	-	-	-	-	-	31.44%
5	Bundelkhand Projects Private Limited	Not Applicable	CY	INR	50.00	(14.91)	260.84	225.75	-	-	(5.80)	-	(5.80)	-	62.91%
			PY		-	-	-	-	-	-	-	-	-	-	31.44%
<b>Foreign</b>															
1	Flex Middle East FZE	Not Applicable	CY	INR	18,906.94	120,729.47	165,130.95	25,494.54	86,507.66	48,855.89	2,904.77	-	2,904.77	-	100%
			PY	US \$	29.16	186.20	254.68	39.32	133.42	75.35	4.48	-	4.48	-	100%
			PY	INR	19,793.11	119,608.10	166,249.08	29,447.87	87,817.04	46,574.23	2,125.99	-	2,125.99	-	100%
			PY	US \$	29.16	181.72	255.62	44.74	133.42	70.76	3.23	-	3.23	-	100%
2	Flex Americas S.A. de C.V.	Not Applicable	CY	INR	14,529.33	11,966.02	56,256.17	29,760.82	-	57,310.82	4,458.75	1,337.45	3,121.30	-	100%
			PY	MXP	419.22	345.26	1,623.18	858.70	-	1,653.61	128.65	38.59	90.06	-	100%
			PY	INR	15,993.24	9,736.26	58,050.18	32,320.68	-	57,606.88	3,718.86	1,169.30	2,549.56	-	100%
			PY	MXP	419.22	255.21	1,521.63	847.20	-	1,510.01	97.48	30.65	66.83	-	100%
3	Flex P. Films Egypt S.A.E.	Not Applicable	CY	INR	31,064.17	(3,585.57)	76,853.19	49,374.59	-	72,055.14	4,259.90	1,497.77	2,762.12	-	100%
			PY	US \$	47.91	(5.53)	118.53	76.15	-	111.13	6.57	2.31	4.26	-	100%
			PY	INR	31,534.36	5,094.47	99,203.90	62,575.07	-	76,496.00	3,962.36	901.73	3,060.63	1,928.53	100%
			PY	US \$	47.91	7.74	150.72	95.07	-	116.22	6.02	1.37	4.65	2.93	100%
4	Flex Films Europa Sp. Z.o.o.	Not Applicable	CY	INR	16,697.60	20,674.94	56,558.24	19,185.70	-	59,108.87	8,092.91	-	8,092.91	-	100%
			PY	PLN	101.47	125.64	343.70	116.59	-	359.20	49.18	-	49.18	-	100%

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Sl. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries		Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for Taxation	Profit / (Loss) after taxation	Proposed dividend	% of Share-holding
			Currency	Exch. Rate											
			PY	INR	17,812.35	13,422.02	54,946.71	23,712.35	-	60,474.56	6,405.56	-	6,405.56	-	100%
				PLN	101.47	76.46	313.01	135.08	-	344.50	36.49	-	36.49	-	
5	Flex Films (USA) Inc.	Not Applicable	CY	INR	20,748.35	583.55	50,801.04	29,469.14	-	72,878.59	1,400.51	590.03	810.48	-	100%
			PY	US \$	64.8386	0.90	78.35	45.45	-	112.40	2.16	0.91	1.25	-	
				INR	21,062.40	(223.79)	55,078.18	34,239.56	-	76,963.33	1,007.05	375.17	631.87	-	100%
				US \$	32.00	(0.34)	83.68	52.02	-	116.93	1.53	0.57	0.96	-	
6	UFlex Europe Limited	Not Applicable	CY	INR	808.80	(1,374.95)	3,768.99	4,335.15	-	5,297.62	(833.06)	-	(833.06)	-	100%
			PY	GBP	1.00	(1.70)	4.66	5.36	-	6.55	(1.03)	-	(1.03)	-	
				INR	943.20	(631.94)	4,159.51	3,848.26	-	5,744.09	(330.12)	-	(330.12)	-	100%
				GBP	1.00	(0.67)	4.41	4.08	-	6.09	(0.35)	-	(0.35)	-	
7	UFLEX Packaging Inc.	Not Applicable	CY	INR	2,386.06	(1,685.80)	4,428.48	3,728.22	-	14,102.40	246.39	32.42	213.97	-	100%
			PY	US \$	3.68	(2.60)	6.83	5.75	-	21.75	0.38	0.05	0.33	-	
				INR	2,422.18	(1,928.53)	4,008.44	3,514.79	-	14,092.06	493.65	6.58	487.07	-	100%
				US \$	3.68	(2.93)	6.09	5.34	-	21.41	0.75	0.01	0.74	-	
8	UPET Holdings Limited	Not Applicable	CY	INR	24,898.02	(84.29)	24,820.22	6.48	24,755.38	-	(6.48)	-	(6.48)	-	100%
				US \$	38.40	(0.13)	38.28	0.01	38.18	-	(0.01)	-	(0.01)	-	
			PY	INR	25,274.88	(78.98)	25,195.90	-	25,130.08	-	(13.16)	-	(13.16)	-	100%
				US \$	38.40	(0.12)	38.28	-	38.18	-	(0.02)	-	(0.02)	-	
9	Upet (Singapore) Pte. Ltd.	Not Applicable	CY	INR	24,768.35	(25.94)	24,748.89	6.48	24,671.09	-	-	-	-	-	100%
				US \$	38.20	(0.04)	38.17	0.01	38.05	-	-	-	-	-	
			PY	INR	25,143.24	(26.33)	25,123.49	6.58	25,044.51	-	(6.58)	-	(6.58)	-	100%
				US \$	38.20	(0.04)	38.17	0.01	38.05	-	(0.01)	-	(0.01)	-	
10	Flex P. Films (Brasil) Comercio De Films Plasticos Ltda	Not Applicable	CY	INR	-	-	-	-	-	-	2.06	-	2.06	-	100%
				BLR	20.605	-	-	-	-	-	0.01	-	0.01	-	
			PY	INR	146.71	(1.83)	144.88	-	-	-	-	-	-	-	100%
				BLR	18.3387	(0.01)	0.79	-	-	-	-	-	-	-	

CY represents Current Year and PY represents Previous year

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**Notes :**

- 1 **Name of subsidiaries which are yet to commence operations** NIL
- 2 **Names of Subsidiaries which have been liquidated or sold during the year** Flex P. Films (Brasil) Comercio De Films Plasticos Ltda
- 3 Name of Subsidiary not considered for Consolidation

**Name of The company**  
AKC Developers Ltd.

**Reason for Non Consolidation**

Its Parent Company, Utech Developers Ltd., 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.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and joint Ventures**

SI No.	Name of the Associates / Joint Ventures	Latest Audited Balance Sheet Date	Share of Associates / Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to Shareholding as per latest Audited Balance Sheet	Profit or Loss for the Year	
			No	Amount of Investment in Associates / Joint Venture	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
			Rs in Lacs				Rs in Lacs	Rs in Lacs	Rs in Lacs	
1	Flex Foods Limited	31-Mar-17	5870000	587.00	47.15%	By Virtue of Shareholding	NA	3,588.72	363.63	-
		31-Mar-16	5870000	587.00	47.15%	By Virtue of Shareholding	NA	3,401.73	384.98	-
2	Refex Energy (Rajasthan) Private Limited	31-Mar-17	8993000	899.30	31.44%	By Virtue of Shareholding	NA	-	36.89	-
	(Share in Profit till 6/7/2016)	31-Mar-16	8993000	899.30	31.44%	By Virtue of Shareholding	NA	887.62	(17.52)	-

**Notes:**

- 1 Name of Associates / Joint Ventures which are yet to commence operations **NIL**
- 2 Names of Associates / Joint Ventures which have been liquidated or sold during the year **NIL**
- 3 Name of Associate / Joint Venture which are not considered for consolidation

**Relationship Name of The company Reason for Non Consolidation**

Associate Ultra Urban Infratech Ltd Its Parent Company, Utech Developers Limited, 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.

Joint Venture Qcell Limited Its controlling Company, Utech Developers Limited' has transferred the Management & ownership control under the agreement dated 29th October,2013 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

Signatories to Notes 1 to 48

For and on behalf of the Board of Directors

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

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

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

**For Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**Rakesh Malhotra**  
Asst. Vice President  
(Corp. Accounts)

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

**S.V.Sehgal**  
Partner  
M.NO: 080329

Place : NOIDA  
Dated : 30-05-2017



'A part of your daily life'

# UFLEX LIMITED

CIN: L74899DL1988PLC032166

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

## ATTENDANCE SLIP

28<sup>th</sup> Annual General Meeting

Reg. Folio/DP & Client No.: ..... No. of Shares Held: .....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 28th Annual General Meeting of the Company being held on **Monday, 31<sup>st</sup> day of July, 2017 at 10:00 A.M.** at Air Force Auditorium, Subroto Park, New Delhi - 110010 and at any adjournment thereof.

Member's Name : .....

Proxy's Name : .....

Member's/ Proxy's Signature

- Note :
1. Please fill this attendance slip and hand it over at the entrance of the Hall.
  2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting .
  3. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.



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Form No. MGT-11

UFLEX LIMITED

CIN: L74899DL1988PLC032166

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

## PROXY FORM

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

Name of the Member (s) : .....

Registered Address : .....

E.Mail Id : ..... Folio No./Client Id : ..... DP ID.....

I/We, being the Member(s) holding ..... shares of the above named Company, hereby appoint

1. Name : ..... Address:.....

..... E.mail ID:..... Signature:..... or failing him

2. Name:..... Address:.....

..... E.mail ID:..... Signature:..... or failing him

3. Name:..... Address:.....

..... E.mail ID:..... Signature:..... as my/

our Proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on **Monday, 31<sup>st</sup> day of July, 2017 at 10:00 A.M.** at Air Force Auditorium, Subroto Park, New Delhi - 110010 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sl. No.	Resolutions Ordinary Business	Optional	
		For	Against
1	To adopt the Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March, 2017		
2	To declare the dividend for the year 2016-2017		
3	To appoint a Director in place of Shri Amitava Ray (holding DIN 00184143), who retires by rotation and being eligible offers himself for re-appointment.		
4	To appoint M/s KAAP & Associates, Chartered Accountants as Statutory Auditors of the Company.		
	<b>Special Business</b>		
5	Appointment of Shri Arvind Mahajan (DIN: 02410540) as a regular Director (Independent)		
6	Appointment of Shri Pradeep Narendranath Poddar (DIN: 00025199) as a regular Director (Independent)		
7	Ratification of Remuneration to the Cost Auditors		

Signed this.....day of.....2017

Affix  
Revenue  
stamp

Signature of Proxy holder(s)

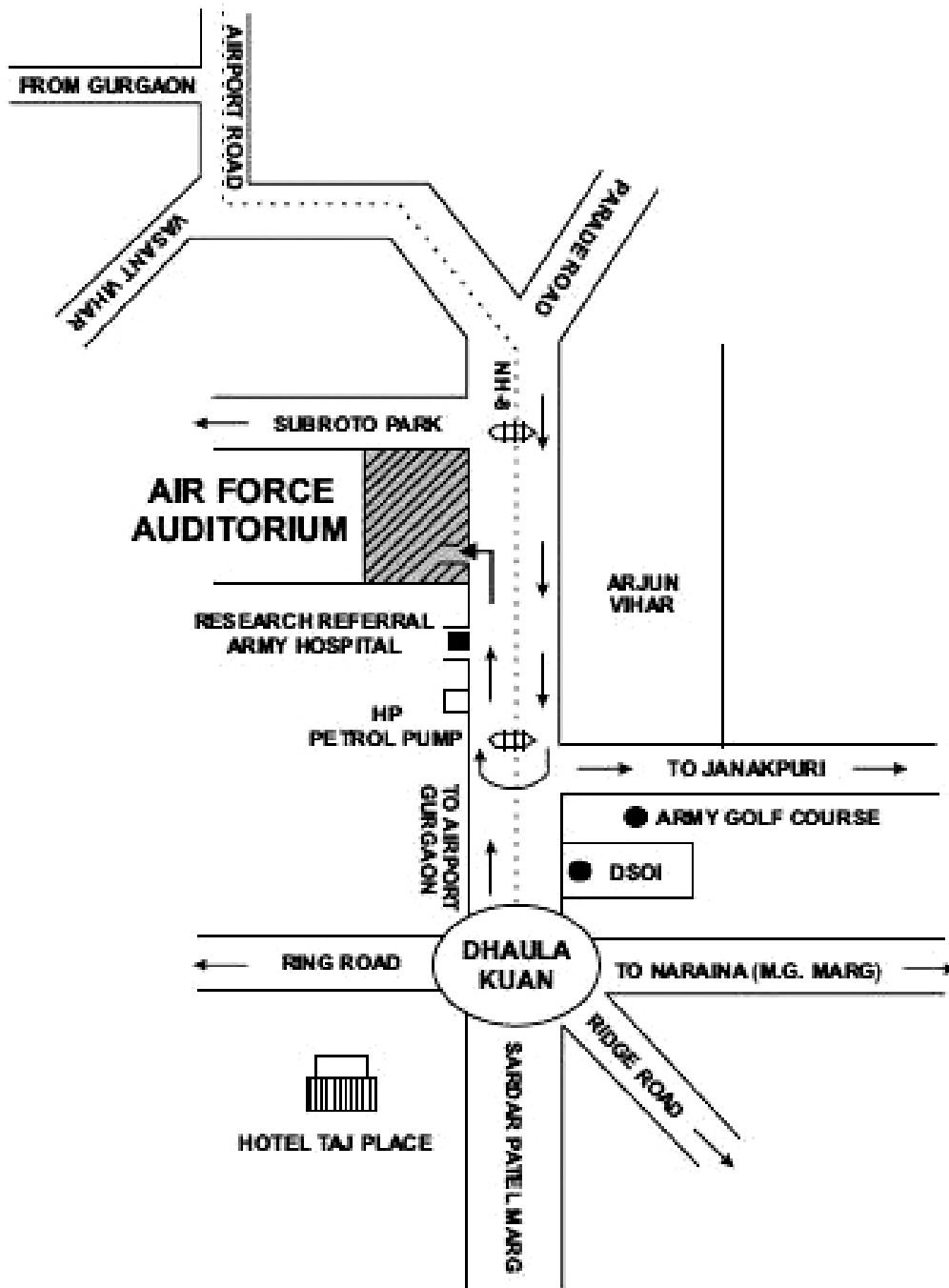
Signature of the Shareholder

- Note:**
1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 28th Annual General Meeting of the Company.
  3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, '**For**' or '**Against**' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
  4. Please complete all details including details of Member(s) in above box before submission.





# ROUTE MAP









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**UFLEX LIMITED**