

From the Chairman's Desk

As I look back at the challenges that the year posed, a lesson I have learnt is that when crisis strikes, one needs to strike back even harder and not run away from it. The year that went by brought its own set of challenges starting with slowdown in the economy to rising debate on plastic waste management and lastly the unexpected disruptions caused by COVID-19 pandemic. As a focused group, these challenges have formed to be a flagpole to our innovation for tomorrow.



True to our brand slogan 'A part of your daily life', we led from the front to ensure that we continued our operations such that supply chain of essential commodities like food and pharma was not completely interrupted and these packaged goods reached public at large, even during this crisis.

With a steadfast resolve to center our future growth on sustainability, we commissioned India's first Post-Consumer PET bottle and Multi-layer plastic (MLP) waste washing and recycling lines in Noida. These lines will upcycle plastic waste to form chips and granules further used for endless applications such as our green packaging film Asclepius and other useful products like flower pot, dustbins, bucket, outdoor chairs & benches and more, thus pushing the plastic waste out of the environment and reinstating the recycled plastic back in the economy. In our efforts to overhaul the packaging experience, the year witnessed revolutionary developments across the value chain of packaging we offer with eco-friendly attributes.

The fourth quarter delivered strong numbers and our consolidated Net Profit showed a surge of 43.5% YoY to 100.6cr for Q4 FY19-20 whereas our consolidated EBITDA rose by 6.3% YoY to 276.4cr. The consolidated total revenue for the quarter stood at 1773cr, a fall of 14% YoY due to fall in crude oil prices.

With changing focus of brands and COVID-19 bringing in behavioural transformation in consumption habits, our role as a flexible packaging manufacturer, in times ahead, is set to gain more significance to suit the need of the hour.

We appreciate our people who have been working in this crucial time and confused COVID-19 atmosphere. We respect & salute them all.

Ashok Chaturvedi
Chairman & Managing Director

From the Vice Chairman's Desk

The outbreak of COVID-19 has been a hard-to-predict event that has made a deleterious impact on the world economy. Being in the business of supplying films for packaging of life-sustaining and essential goods, FlexFilms rose to the occasion and immediately implemented a plan with substantial investments that allowed us to continue our operations at all manufacturing facilities worldwide without having to compromise on the health and safety of our workforce. It is heartening to note that until COVID struck, plastic which was deemed to be an enemy is now the new hero and has made everyone rethink the role of flexible packaging material and solution industry.

In our unrelenting focus towards sustainability, we found ourselves working closely with brand owners who have equal focus on sustainability, beyond it being a mere compliance to them. Our global sustainability initiative 'Project Plastic Fix' launched this year, which adopts our existing strength and technology to restore the utility of plastic and create a circular economy, will fix the problem of plastic waste.

Redefining plastic and its service life, FlexFilms was able to set a benchmark for the industry by increasing the post-consumer recycled content in our green packaging film Asclepius to 100% without compromising on its properties. This even earned us recognition at the Flexible Packaging Awards 2020. With a vision to have the largest recycling infrastructure of plastic, we will be setting up recycling plants for PET and other mix plastic waste in Mexico, in the short run.



Anantshree Chaturvedi
Vice Chairman & CEO - FlexFilms International

Financial Summary

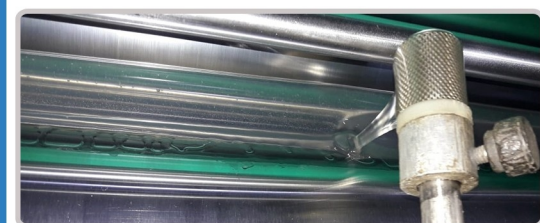
(Consolidated)

(in INR Million)

	4 th Quarter (1 st January - 31 st March 2020)			Full Financial Year (1 st April 2019 - 31 st March 2020)		
	Net Revenue	EBITDA	Net Profit	Net Revenue	EBITDA	Net Profit
FY 2019-20	17730	2764	1006	74316	11089	3698
FY 2018-19	20606	2601	701	79748	10075	3138
% Change	(-) 14%	(+) 6.3%	(+) 43.5%	(-) 6.8%	(+) 10%	(+) 17.84%

Some remarkable developments that UFlex made in Q4 FY2019-20 were:

Eco friendly Paper based Tubes with Reduced Plastic at Source: The tubes business launched first-of-its-kind eco-friendly paper based tubes for the cosmetic and food industry. Depending on application and pack size, these tubes help reduce plastic consumption at source by upto 65% by replacing it with paper. The virgin kraft paper used in tubes are laden with properties of high bursting force and very low moisture absorption properties; and lend the tubes an earthy and rusty look.



Launched Fast Cure Solvent-free Adhesive SL 777A/999C: A fast cure laminating adhesive for flexible packaging industry, it ensures no change in Coefficient of Friction(CoF) even after the process of lamination.

Ramped-up its Offerings with New Path-breaking Innovations in Cylinders: In order to add aesthetics, enhance quality and increase efficiency, the Cylinders division at UFlex installed a new line and also launched speciality cylinders in the quarter.

a. Line Installation for Automated Chrome Plating on Rotogravure Cylinder - The Cylinder Business of UFlex installed a new automated Chrome Plating Line for Rotogravure Cylinders that helps enhance efficiency and ensure consistency with improved print quality. It also launched Water-based Cylinders throwing up new opportunities for the business to tap into customers looking for green and cost effective printing processes.



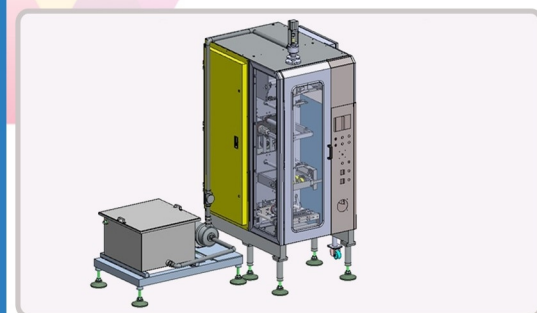
b. Water based Cylinders - Water based cylinder is a new innovation to achieve low ink GSM and low volatile organic compound (VOC) thereby helping achieve low cost and further eco-friendliness.



c. Special Effects through Specialized Cylinders - With the development of Laser Engraving specialized Cylinders that produces holographic and 2D effects, UFlex has achieved high depth tissue paper embossing and cotton handbag paper embossing, a feat never attempted before in the industry.

Innovation by Engineering business to Boost Output: The engineering business made significant machine developments that are set to give thrust to Pharmaceutical and Flexible packaging requirement.

a. Engineered Special Slitters to Boost Efficiency & Volumes - Developed secondary slitter ACCUSLIT-25 for efficient slitting of jumbo PET/BOPP and other films. Made for the first time in India, ACCUSLIT-25 has proved to be a substitute for slitters imported so far for this use. The division also developed a Special Slitting Machine with high re-winder diameter to fulfil high volumes of requirement for Pharma Packaging.



b. New Oil Pouch Packaging Machines - For optimum packing of edible oil, a machine with the ability to handle both virgin film as well as laminated films was built that has the capacity to pack one litre oil packs at a speed of 60 Packs per minute.



2. Nine PE/PE mono-polymer Laminate Pouch by UFlex won **The Economic Times Polymers Awards 2020** in the category 'Excellence in Packaging - Healthcare (Large)'



1. **Flexible Packaging Awards 2020** confers two Gold and one Silver award to FlexiTubes for Bio Creative Labs; One Gold to 4D Bags with Handle; and One Silver each to Flex Asclepius™ PCR Based BOPET Films and Ultra Soft Super Durable BOPET Film FLEXPET™ F-STF



3. **SIES SOP Star Awards 2019** for 'Excellence in Flexible Packaging' to five of its products and for 'Excellence in Packaging Machinery, Equipment and Systems' to its recycling machine

- Dahabi - Premium Extra Long Indian Basmati Rice 4D Bags
- Tasty Tale 'Spoonful of Stories' Profile Pouch
- Juiceka Holographic Asepto Packs
- RELAM 250
- Monster Gems - Profile Pouch with Matte & Gloss
- Park Avenue Hair Styling Gel FlexiTubes



4. UFlex' path-breaking products won five titles for Packaging Excellence at **IFCA Star Award 2019**

- Dahabi - Premium Extra Long Indian Basmati Rice 4D Bags
- Tasty Tale 'Spoonful of Stories' Profile Pouch
- RELAM 250
- Candy Lake - Jungle Toons
- FLEXBON 901A/901W

5. UFlex Chemicals Business won the **International Safety Award** from British Safety Council for its commitment towards good health and safety practices



First of its kind Plastic Waste Management Plant to Wash & Recycle Post-Consumer waste of Delhi-NCR

With the rise in consumer demand and exploding rate of packaging usage over time, the size of global plastic industry is expected to grow at a fast pace to USD 721.14 billion by 2025*. With this expected is a simultaneous increase in heaps of plastic waste reaching landfills and water-bodies. Making the situation more complex is the lack of plastic waste management infrastructure worldwide.

UFlex which has been on a journey to end plastic waste in the environment, has commissioned a plant with two lines to wash and recycle post-consumer PET Bottles waste and Multi-layer Plastic (MLP) waste at its Noida facility thereby giving a second life to plastics. This plant addresses the concerns of Delhi-NCR by mitigating the piling plastic dumps in the area.

1) PET Bottle Line (PCR Line) – The Post Consumer Recyclate (PCR line) is set up with the objective to upcycle the PET bottles waste used and/or discarded by consumers, to form chips. The PET bottle goes through the process of crushing and washing and finally gets dried up before it reaches the extruder to form chips. Since the PET bottles are transparent and virgin in nature, chips derived as a result of recycling process are further upcycled to manufacture UFlex' range of PCR grade BOPET packaging film called Asclepius™. These PCR film have the same properties as its twin substrate made out of fossil fuel; and can be used for multiple applications like packaging and label material, thus creating a loop economy.



2) The MLP Film Line (PCPR Line) – The Post-Consumer Plastic Recyclate (PCPR) line at UFlex Noida plant washes post-consumer mixed plastic waste and recycles them into granules. The PCPR line also follows a similar process like PET Bottles before forming granules. These granules can be used to form numerous industrial & household products like flower pots, outdoor benches, bucket, dustbins, paver tiles, etc. For recycling of post-consumer MLP waste, the plant uses UFlex developed RELAM 250 machine that makes all types of multi-layered flexible plastics bags, carry bags etc be recycled into granules, without the need to separate layers of plastic and aluminum.

The post-consumer waste for both lines is collected from Delhi-NCR sourced via NGOs, Producer Responsibility Organizations (PRO) as well as Producers & Brand Owners directly. The PCR line and PCPR lines have a capacity to recycle waste up to 9600 tons and 10000 tons in a year, respectively. Being an environmentally conscious corporation, UFlex has also taken necessary steps to follow a zero-emission process to convert these waste into recoverable and ensure that no harm is caused to the environment.

*Source: Grand View Research, Inc.

Extends Financial Support to Fight COVID-19

At UFlex, we believe that together we can fight every situation. With the outbreak of COVID-19 we stepped up our part with a financial contribution of INR 25lac to the Noida District Magistrate Relief Fund to help the administration in its fight against the pandemic and undertake measures for relief, rehabilitation and reconstruction



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