

From Chairman's Desk

FY 2016-17 has been an eventful year with a lot that happened at both micro as well as macro-economic levels. The foundation of our business emanates from and rests upon innovation to create value added differentiation, therefore as always, we unwaveringly focused all our energies towards developing yet enhanced Flexible Packaging Solutions adding value to the businesses of our clients across the globe simultaneously contributing towards shareholders' wealth.

Sometime middle of last year, responding to the needs of the Convertors' fraternity in India, we decided to indigenously manufacture and market C.I.

Flexo Printing Machines under a Technology Transfer Agreement with Italy's Comiflex SRL. I am glad to share that the alliance is progressing really well. All technical designs and drawings from Comiflex have been transferred to our design department. Our Engineering Team at Noida is currently manufacturing the first 1.3 meter web, 8 color, central drum C.I. Flexo Printing Machine designed to operate at a speed of 400 meters per minute. This machine is expected to be ready by July/August 2017.

Thanks to our agile Global Sales and Marketing Network, we have been able to bring some of the best Convertors and FMCG Brands under the fold of our servicing. I am glad to share with you that the demand for our bespoke flexible packaging solutions is showing a steady and positive uptrend.

Our impeccable products & services coupled up with the indomitable zest to contribute towards socio-environmental sustainability was acknowledged at various platforms not only in India but internationally too. Particularly impressive has been our win at Association of International Metallizers, Coaters, and Laminators' (AIMCAL) Awards 2017 in USA where our Waterless Internet Flower Packaging working on the principle of Active Modified Atmospheric Packaging bagged four (2 Gold + 2 Silver) top honors in the categories of technical innovation, sustainability, extending the use of flexible packaging and packaging excellence.

Our aseptic packaging material manufacturing plant at Sanand (Gujarat) will be commissioned soon and we shall commence commercial operations shortly thereafter.

The new financial year has kicked off on a robust note and this upbeat fervor will encourage us to engineer and deliver best-in-class flexible packaging solutions throughout the year and beyond!

Ashok Chaturvedi
Chairman & Managing Director

Financial Summary

(Consolidated)

(in INR Million)

	4 th Quarter			Full Financial Year		
	Total Revenue	EBITDA	Net Profit	Total Revenue	EBITDA	Net Profit
FY 2016-17	16341	2250	982	62499	8989	3485
FY 2015-16	14934	2017	802	61448	8412	3128
% Change	(+) 9%	(+) 12%	(+) 22%	(+) 2%	(+) 7%	(+) 11%

 **The Board has recommended 35% Dividend**

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New Products / Process Developments

We launched a **new environment friendly water based adhesive Flex-Bond FB for bonding boards** with films to produce Mono-cartons for FMCG products. The product has been well received by buyers and holds tremendous sales potential.

During Q4 FY 2016-17, we introduced a **special polyester film, F-PDP with modified surface on one side with the other side remaining untreated**. This film is digitally printable without any need for priming/ coating and has been certified by Rochester Institute of Technology for digital printing by HP Indigo commercial presses. We expect good sales volume for this film during FY 2017-18.

We 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. This substrate is in much demand in the global market.

Using **Flexfresh™** that works on the **principle of Active Modified Atmospheric Packaging (AMAP)**, we successfully trial tested transporting grapes from one continent to the other through sea freight preserving the freshness without using sulphur pads that are known to cause irritation to the consumers. The clamor for **Flexfresh™** in the global fresh produce packaging market is increasingly growing and the recent successful trial on grapes has further prompted several exporters of fruits and vegetables to try our liner bags.

During Q4 FY 2016-17, we launched **reflective color communications system for the converting industry** that works in **combination of a Specialized Pre Press Software and Special Laser Engraving Hardware**. This helps achieving metallic sheen on non-metallic substrates without using cost-prohibitive metallic inks. This technology is very promising and we are already getting good business enquiries.

Demonstrating our ability to offer **bespoke flexible packaging solutions**, we transformed **Tortilla Chips' packaging for America's Healthiest Grocery Store** by imparting an organic paper like look and feel to a laminated polymeric 3D flat bottom pouch comprising 12.5 micron coated Polyester / 18 micron BOPP (both sides treated) / 35 micron Polyethylene structure. To give a paper like organic look, special registered top matte coating was applied on the glossy polyester film rendering a transparent window allowing the consumers to see the snack packed inside. The demand for such packaging is gaining momentum.

Technological Rostrum

We understand the true merit of showcasing our products and services at the right time and in the right forum to get maximum business traction possible. During Q4 FY 2016-17 some of the trade events that we participated in are:

INTERPACK, Düsseldorf (Germany)

Our **Global Film Manufacturing Arm, Flex Films** recently showcased the Art and Science of Converting at **INTERPACK** – one of the most important fairs of the global packaging industry.

Our stand at the mega-event was strategically segregated into **six zones** i.e. **Sustainability; Speciality; Lidding; Barrier; PP (OPP & CPP) Family; and Aesthetics & Anti-counterfeiting** exhibiting various types of films / substrates and value added products that have created ripples in the arena of converting. A **huge groundswell of convertors, packaging enthusiasts, brands and media personnel converged** at our stand during the event expressing keen interest in our innovative product portfolio. Several business enquiries were generated during the exhibition (that ran from 04 through 10 May 2017) which the team is now attending to in an endeavour to successfully close the transactions.



Gulf Print & Pack, Dubai (UAE)

In the last week of March we **exhibited myriad anti-counterfeiting and brand protection solutions** at **Gulf Print & Pack, Dubai**. **Gulf Print & Pack** is the leading event for commercial and package printers in the **Middle East and North Africa**. Our **assortment of Holographic Wide Web Films** including **soft embossing; Fresnel Lens & Sterling lens embossed, hard embossing; UV embossing; High Refractive Index (HRI) and Window De-metallized films** in particular evoked a lot of interest among the visitors and generated several fruitful business enquiries.

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India International Dairy Expo 2017 (IIDE), Mumbai (India)

Among **several other machines**, we **showcased our Extended Shelf Life (ESL) Aseptic Flexi-Pouch Machine** at IIDE from 16 through 18 February at **Mumbai**.

The machine has been manufactured with a **special Isolation Valve (Sterile Interlock)** that does not allow the milk to flow from the UHT to the **filling machine in case sterilization of milk** in the UHT is incomplete or does not conform to the set specifications. Packing the milk in pouches made from **indigenously manufactured multilayered Extruded / Blown polyethylene film** which also **includes a black layer for U.V. protection**, this machine extends shelf life of the product to up to 90 days. The ESL Aseptic Flexi-Pouch Machine caught the attention of **senior decision makers of some of the biggest players in the dairy industry** and the response has been quite encouraging.



Asia Pharma Expo 2017, Dhaka (Bangladesh)

We **engineer bespoke packaging solutions for highly sensitive pharmaceuticals and generic medicines** that are **considerably hygroscopic and sensitive to light**. Earlier in February, we participated in **Asia Pharma Expo 2017 at Dhaka** to **showcase our packaging solutions for the pharma industry**. The cynosure of our exhibit was the **new Alu-Alu Laminated Blister Pack** that has created ripples in the market. In the new pack BOPA and PVC films have been replaced by a **Specialized Polyester Substrate** that has been engineered by **Flex Films - our Film Manufacturing Arm**.

With myriad benefits that the new offering brings to the pharmaceutical companies, our product has been receiving overwhelming response in the market. Our exhibit at Bangladesh evoked terrific response from several pharmaceutical companies of international repute and associated business enquiries for our products have been flowing in ever since!

Environmental Sustainability

Under the **Natural Resource Conservation & Optimization of Village Ecosystem intervention** that we have rolled out in two villages of **Gautam Buddha Nagar District of U.P.**, **tree plantation drives & sensitization workshops** for rural stake holders towards **conserving water, other natural resources and reducing air/water pollution** continued throughout the fourth quarter.

Special emphasis was laid upon including the **Panchayat Members, Village Level Workers, School Children and Women** for ensuring the **success of our initiative and institutionalizing the efforts**. In an endeavor to optimize the impact of **sensitization and awareness generation activities**, we adopted the **Parents' Teachers Meeting route** in selected schools to identify **environment conservation champions** who in turn would amplify the key message in their respective communities thereby maximizing the interventional impact. Building upon the **success achieved in U.P.**, we have adopted a village in **Bhind District of Madhya Pradesh** near our **Malanpur plant** for rolling out similar **environmental sustainability interventions**.



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Awards and Accolades

Association of International Metallizers, Coaters, and Laminators' (AIMCAL) Awards 2017

Uflex made a splash at **Association of International Metallizers, Coaters, and Laminators' (AIMCAL) Awards 2017 in USA**. Our **Waterless Internet Flower Packaging** won four awards namely **Gold in Extending the Use of Flexible Packaging; Gold in Technical Innovation; Silver in Sustainability and Silver in Packaging Excellence**.



EXCEED ENVIRONMENT AWARD 2017 (Gold)

Our Chemicals Team was conferred with **EXCEED ENVIRONMENT AWARD 2017 (Gold)** for **exemplary work towards water and energy conservation, effective waste management and use of eco-friendly technologies** that also resulted in financial savings.



HR Excellence Awards

Uflex has carved a niche for itself as a **leading Employer Brand in the Flexible Packaging space**. In February, **World HRD Congress 2017** honored us with the following conferrals: **Best in Employee Empowerment; Best Training and Development Team; 4th Rank in Dream Companies to Work For; Best Leadership Development Program Award** among several others. We were also conferred with the **Talent Management Award** by **Times Ascent Dream Companies** and **ABP News Award** for being the **Best Training & Development Team**.



ABP News CSR Leadership Awards

Earlier this February, in a big win for **our social sustainability intervention**, our **'Sports for Growth'** Initiative was recognized as the **Best Corporate Social Responsibility Initiative** by **ABP News CSR Leadership Awards'** Jury. Our environmental sustainability initiative **'Natural Resource Conservation & Optimization of Ecosystem Services'** was honored as the **Best Environment Friendly Project**.



Connect with Us



Corporate Office : A - 107-108, Sector - IV, Noida - 201 301 (U.P.) India

Phone No. : +91-120-4012428

Mumbai Office No. : +91-22-61189143

Email : investorrelations@uflexltd.com

Website : www.uflexltd.com