

TWENTY THIRD
ANNUAL REPORT 2011 - 2012



UFLEX LIMITED



UFLEX LIMITED

(FORMERLY KNOWN AS FLEX INDUSTRIES LIMITED)

TWENTY THIRD ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman & Managing Director
RAVI KATHPALIA
M. G. GUPTA
A. KARATI
(Nominee – ICICI BANK)
N.K. DUGGAL
(Nominee – IFCI)
S.K KAUSHIK
Whole-time Director

SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

AJAY KRISHNA

AUDITORS

Statutory Auditors

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

Internal Auditors

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

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

Flex America Inc., USA
Uflex Packaging Inc., USA
TFlex Americas LLC, USA
UFlex Europe Limited, UK
Flex Middle East FZE, UAE
Flex P. Films (Egypt) S.A.E., Egypt
Flex Films Europa Sp. z.o.o., Poland
Flex Films (USA) Inc., Kentucky, USA
UPET Holdings Ltd., Mauritius
UPET (Singapore) Pte. Ltd., Singapore
Flex Americas S.A. de C.V., Mexico
UTech Developers Limited
SD Buildwell Pvt. Ltd.

BANKERS

UFLEX Ltd., India - Bankers

ICICI Bank Limited
Canara Bank
Bank of Baroda
Punjab National Bank
State Bank of India
Bank of India
Allahabad Bank
Oriental Bank of Commerce
Corporation Bank
The Jammu & Kashmir Bank Ltd.
UCO Bank
Syndicate Bank

Flex Middle East FZE, Dubai - Bankers

Abu Dhabi Commercial Bank, Dubai
United Arab Bank, Dubai
Bank of Baroda, Dubai
Bank of India, New York

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
National Societe Generale Bank, Egypt

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 - 2A, Sector-60, NOIDA (U.P.)
C-5-8, 17, 18, Sector 57, Phase-III, NOIDA (UP)
D-1-2, 15-16, Sector - 59, NOIDA (U.P.)
29-A, B, Malanpur Industrial Area, Distt. Bhind (M.P.)

L-1, Industrial Area, Ghirongi (Malanpur), Distt. Bhind (M.P.)
Unit-I, Lane No. 3, Phase-I, SIDCO Industrial Complex, Bari Brahmana, Jammu
Unit-II, Lane No. 2, Phase-I, SIDCO Industrial Complex, Bari Brahmana, Jammu
Unit-III, Lane No. 3, Phase-I, SIDCO Industrial Complex, Bari Brahmana, Jammu

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

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

Kolkata

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

Bangalore

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

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of UFLEX LIMITED will be held on Tuesday, the 4th day of September, 2012 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date together with Reports of Auditors and Directors thereon.
 2. To declare the dividend for the year 2011-2012 on the equity shares of the Company.
 3. To appoint a Director in place of Shri S.K. Kaushik, who retires by rotation and being eligible offers himself for re-appointment.
 4. To appoint a Director in place of Shri M.G. Gupta, who retires by rotation and being eligible offers himself for re-appointment.
 5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors. (M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.)
3. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
 4. The Register of Members and Share Transfer Books of the Company shall remain closed from **30.08.2012** to **04.09.2012** (both days inclusive).
 5. Members holding shares in physical form are requested to notify change in address, if any, to the Company's **Registrar and Share Transfer Agents (RTA), Beetal Financial & Computer Services Pvt. Ltd., BEETAL House, 3rd Floor, 99, Madangir, Near Dada Harsukh Dass Mandir, Behind Local Shopping Centre, New Delhi – 110062** quoting correct Folio Number(s) and in case of shares held in dematerialized form to the concerned Depository Participant.
 6. In the case of joint holders, if more than one holder intend to attend the meeting, they must obtain additional admission slips from the Registered Office of the Company. In such circumstances, only one such joint holder who is higher in the order of names will be entitled to vote.
 7. Members, who are holding shares in identical order of names in more than One Folio are requested to write to the Company/RTA for consolidating their holdings into One Folio.
 8. Members seeking further information on the accounts are requested to write to the Company **at least one week before the date of the Annual General Meeting** giving details of the information required.
 9. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting along with their copy of the Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting.
 10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
 11. The Company has paid the Annual Listing fees for the year 2012-2013 to the following Stock Exchanges, viz., BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.
 12. Investors holding shares in physical form should provide the National Electronic Clearing Services (NECS) mandate to the company and investors holding shares in demat form should ensure that correct and updated particulars are available with the DP.
 13. 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

By Order of the Board

AJAY KRISHNA

Sr. Vice President (Legal) &
Company Secretary

Place : NOIDA
Dated : 11th July, 2012

Regd. Office:

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

NOTES:

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

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/Resistrar and Transfer Agent, Beetel Financial & Computer Services Pvt. Ltd.

2012. The Company had already sent three reminders to the concerned share holders in accordance with the said clause. The Company is in the process of opening Unclaimed Suspense Account.

By Order of the Board

14. In accordance with the newly inserted clause 5A of the listing agreement, the Company has identified 609 folios comprising of 55175 equity shares of face value of Rs. 10/- each which are unclaimed as on 31st March

Place : NOIDA
Dated : 11th July, 2012

AJAY KRISHNA
Sr. Vice President (Legal) &
Company Secretary

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

Name of Director	Shri S.K. Kaushik	Shri M.G. Gupta
Date of Birth	20.11.1939	02.03.1934
Date of Appointment	31.07.2005	31.01.2002
Experience in specific Functional areas	A professional having more than 47 years of experience particularly in the field of Finance, Marketing and Production Planning.	A Retd. Govt. Officer with expertise in the fields of Audit & Accounts.
Qualification	FCA	Retd. I.A.A.S
Directorship in other Public Limited Companies	Flex Foods Limited UTech Developers Limited AKC Retailers Limited	Flex Foods Limited Taurus Asset Management Co. Limited
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Audit Committee - Nil Remuneration Committee - Nil Shareholders'/Investors' Grievances Committee - UFLEX Limited - Flex Foods Limited	Audit Committee - UFLEX Limited - Flex Foods Limited - Taurus Asset Management Co. Limited Remuneration Committee - UFLEX Limited (Chairman) - Flex Foods Limited - Taurus Asset Management Co. Limited Shareholders'/Investors' Grievances Committee - UFLEX Limited

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

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

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting this Twenty-third Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2012.

WORKING RESULTS

The summarized financial results for the year ended 31st March, 2012 and for the previous year ended 31st March, 2011 are as follows:

[Rs. in lacs]

	Consolidated Year Ended		Standalone Year Ended	
	2012	2011	2012	2011
Gross Sales & Job Work	500816	390941	357708	268767
Net Sales & Job Work	438711	340219	295654	218044
Revenue from Operations	451584	349645	307894	230066
Other Income	2514	1434	2771	1573
Profit before Finance Cost, Depreciation & Tax	68239	114598	47259	63026
Finance Cost	19925	16432	15999	13488
Depreciation	17829	13631	12365	9739
Profit before Tax	30485	84535	18895	39799
Less: Tax Expenses	5035	14853	3936	11597
Add: Minority Interest	52	116	--	--
Profit for the year	25502	69798	14959	28202

YEAR IN RETROSPECT

During the year under review, your Company achieved on consolidated basis total revenue of Rs.454,295 lacs including other income of Rs.2,514 lacs as against total revenue of Rs.351,241 lacs including other income of Rs.1,434 lacs of the previous financial year ended 31st March, 2011. The profit for the year ended 31st March, 2012 at Rs.25,502 lacs was lower than the previous financial year ended March, 2011 at Rs.69,798 lacs.

During the year under review, your Company achieved on standalone basis total revenue of Rs.310,665 lacs including other income of Rs.2,771 lacs as against total revenue of Rs.231,639 lacs including other income of Rs.1,573 lacs of the previous financial year ended 31st March, 2011. The profit for the year ended 31st March, 2012 at Rs.14,959 lacs was lower than the previous financial year ended March, 2011 at Rs.28,202 lacs.

The profits during the financial year 2011 were higher due to prevailing extra-ordinary market conditions of PET film, giving rise to abnormal higher prices and margins thereon. Whereas during the financial year 2012, the PET film market took a u-turn, resulting into significant drop in prices and margins on PET film thereby dropping the profitability for the current financial year 2012.

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

DIVIDEND

In view of the future needs of funds for expansions & growth of the Company and also the overall sluggish economic environment, your Directors are pleased to recommend a dividend @ Rs.2/- per share for the financial year ended March 31, 2012. 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 29th August, 2012. In respect of shares held in dematerialized form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on 29th August, 2012.

FIXED DEPOSITS

No fresh/renewal of deposits were accepted during the financial year 2011-2012. There were no unclaimed deposits as at March 31, 2012.

DIRECTORS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of compliance certificates received from the Executives of the Company, subject to disclosures in the Annual Accounts and also on the basis of the discussion with the Statutory Auditors/Internal Auditors of the Company from time to time, we state as under:

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed and that there has been no material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) that the Directors have prepared the annual accounts on a going concern basis.

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

AUDITORS & AUDIT

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

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

Members are also requested to refer to the statement under section 215(2) of the Companies Act, 1956 attached to the Financial Statements in respect of non-signing of same by Chairman and Managing Director of your Company.

SUBSIDIARY COMPANIES

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE

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

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

STATUTORY DISCLOSURES

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

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

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

PERSONNEL

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

ACKNOWLEDGEMENT

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

For & On behalf of the Board

S.K. Kaushik	Ravi Kathpalia
Whole-time Director	Director

Place : NOIDA
Date : 11th July, 2012

ANNEXURE `A' TO DIRECTORS' REPORT

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

A. EMPLOYED FOR THE FULL YEAR

Sl. No.	Name	Age	Designation/ Nature of Duties	Remuneration (Rs.)	Qualifications	Experience (Yrs.)	Date of Appointment	Last Employment (Position Held)
01.	Shri Chaturvedi Ashok	55	Chairman & Managing Director	126444188	B.Sc.	34	01.08.1988	Flex Laminators Ltd. (Chairman & Managing Director)
02.	Shri Tyle Pradeep	51	Sr. President (Films)	21676585	B.E.(Hons) Chem., P.G.D.B.M.	29	01.08.1988	Flex Laminators Ltd. (General Manager - Operations)
03.	Shri Jain R.K.	57	President (Corp. F&A)	14055923	F.C.A.	32	01.08.1988	Flex Laminators Ltd. (Financial Controller)
04.	Shri Ray Amitava	66	President (Packaging Division)	14125885	B.A. (Hons) , PGDM	47	06.06.2001	India Foils Limited (Managing Director & CEO)
05.	Shri Sirsamkar P.L.	54	President (Films)	12710614	B.E.	31	01.01.1993	Polyplex Corpn. Limited (Dy. General Manager)
06.	Shri Jain Dinesh	58	Jt. President (HR)	8186708	B.Sc., LLB, LLM, DBA	33	20.07.1990	Usha Shri Ram Limited (Factory Manager)
07.	Shri Tandon Ajay	56	Jt. President (Operations)	7775108	B.E. (Mechanical Engineering)	34	04.12.2006	FCL Technologies & Products Limited (Exe. Vice President)
08.	Shri Agarwal P.K.	54	Jt. President (Cylinder Division)	7295002	M.Sc. (Chem.)	31	01.08.1988	Flex Laminators Ltd. (Manager - Production)
09.	Shri Sachdeva Anup	48	Jt. President (Export Marketing)	7617602	B.A.	26	10.11.1997	Sharp Industries Limited (Sr. General Manager)
10.	Shri Mongia J.M.	56	Jt. President (Domestic Marketing)	7321911	B.Com	34	08.08.1994	Garware Paints Ltd. (Divisional Manager)
11.	Shri Singh Anant Pal	66	Jt. President (Malanpur Marketing)	6533960	B.Pharma	41	26.02.1996	Burroughs Wellcome (India) Limited I/C - Gujarat State (Sales & Marketing)

B. EMPLOYED FOR PART OF THE YEAR

01.	Shri Chattraj Chandan	48	Exe. Jt. President (Global HR & Corporate Affairs)	1501800	B.Com, PGDM (IR&PM)	24	01.02.2012	Aircel Limited (Chief Human Resources Officer)
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1. Remuneration includes Salary, Bonus, Contribution to Provident Fund and all other perquisites taxable or non-taxable.
2. All appointments are contractual.
3. Information about qualification and last employment is based on particulars furnished by the concerned employee.
4. None of the above employees holds by himself or along with his spouse and dependent children 2% or more of equity shares of the Company.
5. None of the above employees is relative of any Director of the Company.

ANNEXURE 'B' TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

Energy conservation is a very important part of energy planning and its management. It not only saves energy resources for future, avoids wasteful utilization of energy, provides solution to energy crisis and ensures higher per capita availability/ consumption but controls environmental degradation and pollution. Due to the liberalization measures of the Government of India the industrial sector is rapidly growing, which in turn is increasing the energy demand. In the short term, the only solution to the problem is better energy management through conservation of power, fuel and water. New strategy emphasis greater reliance on non-exhaustible and non-conventional sources of energy so as to conserve exhaustible conventional resources like coal, petroleum, natural gas etc. That is why efforts are being made to promote the development and use of non-conventional sources of energy. Another aspect of energy conservation is related to the reduction in consumption of energy.

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

(a) Energy conservation measures taken

The below mentioned are some of the steps which have been undertaken during 2011-2012.

- 1) We have installed two waste heat recovery units to feed Vapour Absorption Machine (1440 TR). This has resulted in stopping the two electrical chillers, resulting into annual saving of INR 216 lacs.
- 2) With the improved availability of Chilled Water we have stopped usage of Process Water Pump resulting in saving of around 30 K.W. Power on daily basis i.e. annual saving of around INR 17.5 lacs.
- 3) We have done the modification on the existing Chilled Water Circuit and with this modification we are able to stop one Chilled Water and one Condenser water Pump resulting in saving of around 90 KW power on daily basis i.e. annual saving of around INR 50 lacs.
- 4) With the improved availability of chilled water we have introduced Chilled Water Heat Exchangers to dry the air thus replacing existing Heat less Purge Air Driers, resulting into saving of 30 KW power on daily basis i.e. annual saving of around INR 17.5 lacs.
- 5) With replacement of fuel from HFO to HSD in HFO

operated D.G. Sets we are able to save around 150 KWh units on daily basis.

- 6) We have placed 05 Tr Fan Coil Unit in EDP server Room resulting into stoppage of 03 Nos Split A.C. Stopping of these units has resulted in saving around 150 KWh on daily basis.
- 7) Installed EREMA (wastage recycling plant)
Company has earned additional revenues of Rs. 3.15 lacs per month.
- 8) Changed over of all Boilers from furnace oil to CNG
Company saves Rs.18 lacs per month
% reduction in CO₂ (Ton/year) = 0.27
- 9) Installed wider presses (Replacement of narrower presses)
% reduction in CO₂ (Ton/year) = 0.0162
- 10) Installed Davis Standard higher width Laminator (Replacement of old narrow width Laminators)
Saving of energy/Kg = Rs.1.1/Kg.
Totalling to almost Rs.4 lacs per month.
- 11) Erection and Commissioning of 4 MKCal/hr petroleum coke based Thermic Fluid Heater:
The anticipated increase in RLNG demand and depreciation of our currency affected RLNG prices considerably. Right time decision taken to convert one Thermic fluid heater on pet coke helped in saving substantially – Rs.22 lacs per month.

- 12) Commissioning of Glycol residue burning in boiler upon receipt of permission from CPCB helped us to consume energy of hazardous waste category in useful way. This was the first authorization of its kind in India.
- 13) Reuse of spent MEG without distillation helped in saving distillation cost – Rs.3.2 lacs per month.
- 14) By optimising cooling water pumps at ejector system saving achieved to the tune of 43KWH – Rs.3.1 lacs per month.
- 15) Installed one 400 m³/hr pump for water circulation, helped in winter season thereby reducing 35 KWH corresponding to 600 m³/hr capacity pump – Rs.2.53 lacs per month.
- 16) Crushed polymer lump recycling maintained waste percentage below 0.5%.

(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 increasing our electrical demand from 1500 MVA to 6000 MVA on State Grid (UPPCL), the aim is to shift our non critical load from the Gas- Genset to Grid Power. This will result in annual saving of around INR 600 lacs.

- 2) We are also exploring the possibilities of setting up a 1.00 M.W. solar power station.
- 3) We are replacing our existing lamps with energy efficient Compact Fluorescent Lamps (CFL / LED). This will help us in reducing our annual electricity cost by INR 30 lacs.
- 4) Replacement of old chillers by energy efficient chillers.
- 5) Replacement of pneumatic PTA conveying system by drag chain system.
- 6) Providing VFD to boiler's FD fan.

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

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

B. TECHNOLOGY ABSORPTION

The following efforts are being made in technology absorption:

Research & Development (R&D)

Specific areas in which R&D is carried out by the Company

The Company has carried out its R&D in multiple products, processes and technologies.

1. 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.

2. 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.

3. Expenditure on R&D
 During the year, the Company spent Rs.29 lacs. This is equivalent to 0.01% of the turnover.

Technology absorption, adaptation & innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

The Company as a matter of policy exposes its technical staff to latest technological developments by encouraging them to participate in domestic as well as global technical seminars and expositions; this helps

them to further improve their knowledge and skills, which in turn results in better quality products and increased productivity.

2. Benefits derived as a result of the above efforts
 Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness and energy conservation as the major benefits.
3. Imported Technology
 During the year, the Company has not imported any technology.

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 120 countries across the globe. Our endeavour is to add couple of more countries during this year.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports:
 Initiatives taken to increase exports; development of new export markets for products and services and export plans.
 The Company is at present exporting its products to USA, Europe, Asia Pacific, Middle East, Africa & other countries. The Company is continuously exploring possibilities of exporting more of its products to different markets.

2. During the period under review:

	(Rs. in lacs)
a) Earnings in Foreign Exchange	
i) F.O.B. value of export of manufactured/Traded Goods	36884
ii) Sales of Services	88
iii) Technical Services	5991
iv) Interest	148
v) Misc. Operating Income	5
b) Expenditure	
i) CIF Value of Imports	92975
ii) Expenditure in Foreign Currency	2002

For & On behalf of the Board

S.K. Kaushik Ravi Kathpalia
 Whole-time Director Director

Place : NOIDA
 Date : 11th July, 2012

MANAGEMENT DISCUSSION & ANALYSIS

FORWARD-LOOKING STATEMENTS

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

1. Industry Structure & Developments

Flexible packaging covers materials that have undergone a conversion process including printing, lamination, coating and extrusion, and can involve different substrates such as plastic films, paper and foil. Flexible pack types include plastic bags and sacks, wrapping films and lidding films, paper bags and wrapper, and aluminum foil laminates, foil lidding, blister packaging and foil bags, sachets and pouches.

Flexible packaging materials can be used separately or in combination for primary retail food packaging and non-food packaging applications such as pet food, cosmetics and personal care, household detergents & soaps and pharmaceutical and medical products. Flexible packaging films can be made from single-web substrates such as flexible plastics (PE, PP, polyester or PA), flexible foils and flexible papers, or they can be coated, laminated or coextruded with other materials to enhance their physical properties in various ways.

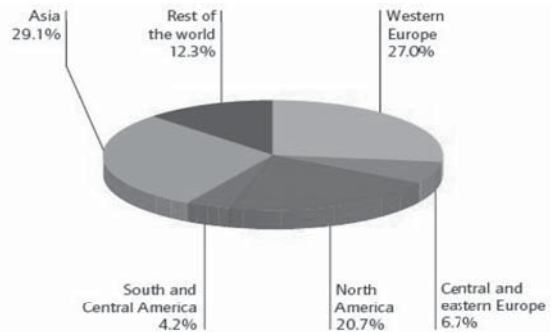
Worldwide demand for converted flexible packaging is forecasted to grow 3.6 percent per year to over 19 million metric tons in 2013, faster than real (inflation-adjusted) gains in GDP. Factors contributing to rising converted flexible packaging demand include growth in food and beverage shipments, which represent the largest market by far. In addition, cost performance and source reduction advantages, as well as ongoing developments in high-barrier resins and value added features, will continue to favour flexible packaging products over their rigid packaging materials.

Flexible packaging has reached market maturity in the developed nations of North America and Western Europe and future growth will be modest. However, in developing countries, the flexible packaging sees strong growth.

Asia is the largest regional market with 29.1% of global market volume in 2011, followed by Western Europe and North America. Asia is also the fastest-growing market for consumer flexible packaging, with a forecast CAGR for 2011-16 of 7.9%. The region

is forecast to represent 55.0% of total world flexible packaging consumption growth during the period 2011-16. India and China are the fastest-growing national markets for consumer flexible packaging, together accounting for 44.0% of world flexible packaging consumption growth during the forecast period.

Global consumer flexible packaging consumption by region, 2011 (% share by volume)



Source: Pira International Ltd

The Indian flexible packaging Market 2011 shows India represents a US\$ 3 billion market that is expected to continue growing at around 18-20% a year until 2015.

India is poised for huge growth with opening up of retail sector.

2. Business Review

Plastic Film Business

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

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

The CPP film is highly dynamic and versatile with high gloss, greater transparency, better heat sealability, good twisting property and better tear strength. These factors provide its application in food wraps, anti wraps,

anti fog, garment bags, deep freeze applications, etc. Presently CPP film is produced only from Indian plant and caters to captive & Indian market. The CPP plant in Egypt caters to the international market.

The Company's BOPET film is one of the main products of the Company. It has not only succeeded in retaining its market share but also continues to expand its markets in today's dynamic & rapidly changing packaging scenario. Biaxially oriented PET film (BOPET) is used successfully in a wide range of applications, due to its excellent combination of optical, physical, mechanical, thermal, and chemical properties, as well as its unique versatility. BOPET Films, produced in state-of-the-art ISO 9001-2000 certified plants in different range of microns, the films have the capacity to sustain the high fidelity graphics and meet the requirements of both rotogravure as well as flexographic printing standards besides having properties of BOPET film like optically brilliant, clear appearance, unequalled mechanical strength and toughness, excellent dielectric properties good flatness and coefficient of friction (COF), tear-resistant and puncture-resistant characteristics wide range of thickness as thin as 8 micron up to 50 micron, excellent dimensional stability over a wide range of temperatures, good resistance to most common solvents, moisture, oil, and grease, excellent barrier against a wide range of gases. BOPET film is produced from Indian plants and from Dubai & Mexico. Indian plant meets captive & Indian market requirements whereas overseas plants serve to overseas customers.

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

Flexible Packaging Business

The main products of this business are laminates made of various combinations of Polyester, BOPP, poly, metalized & hologram films and others in roll form and in various preformed pouches, rotogravure cylinders for various types of rotogravure printing, Anilox/Coating, Rollers for flexo printing and Shims for

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

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

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

The value added flexible packaging business of the Company has been progressively gaining larger share in the total revenue of the Company and increased to about 42% of the total consolidated revenue and growing at a faster pace both in the domestic and international market. Having attained its dominant position in the domestic market, the Company is emerging a growing player in the international market by giving a tough competition to giant peers group. The Company is expecting to make its strong presence in the international market in coming years having acquired customers like P&G, Nestle, Unilever, Conagra, Cargill etc. on a global scale. This segment contributes large share both in the top line and bottom line which is expected to be progressively increased in the coming years. The Company caters to its domestic and overseas customers from its plants in India at NOIDA & Jammu and plans to set up such plants in overseas market in future.

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

The Company has bought special software for making specialised Cylinders up to 2.2 mtrs. The same can be used for vinyl flooring, wood grains, Textile & various other specialised purposes. Zero discharge system with effluent treatment plant was installed to stop draining of waste chemical(s) after treatment.

The Company saves foreign exchange by developing in-house copper additive for copper plating. It is also having a proofing system which can print on actual substrate without engraving the Cylinders.

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

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

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

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

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

The Company has produced indigenously the new generation cost effective polyester base solvent less adhesive system for flexi pack, new ink system for PVC profile and special coating for producing matt effect in laminates.

The Company also manufactures customized need based packaging and processing machines. The ongoing process of innovation and introduction of machines through its in-house R&D facilities, having unique features and facilities for packaging products of different varieties, enables the Company to manufacture both tailor made machines as well as machines of specific design to suit the needs and

requirements of various customers both in India and abroad.

3. Financial and Operational Performance – Overview

The summarized financial results are given hereunder:

Summary of results:

(Rs. in Lacs)

	2011-12		2010-11	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Total Revenue	454295	310665	351241	231639
Profit before FinanceCost, Depreciation & Tax	68239	47259	114598	63026
Profit before Tax	30485	18895	84535	39799
Profit for the year	25502	14959	69798	28202

4. Expansion projects

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

Project at Poland

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

Land admeasuring about 67800 Sq. Meter has been acquired in WSEZ 'Invest Park Zone'. The site is fully developed and requisite infrastructures are fully available. Soil Testing and plot survey has been completed, architecture designing completed, civil construction work is almost complete. Major Plant and Machineries are already supplied at site and commissioning of same are at very advanced stage of completion. Term debt and working capital debt for project are fully tied up. The Project is expected to be completed by beginning of 2nd quarter of financial year 2013.

Project at USA

Flex Films (USA) Inc., 100% Subsidiary of the company is setting up facilities in Elizabeth Town, Kentucky, USA to Produce 30000 TPA of BOPET film with an estimated cost of US\$ 80.00 million. Land admeasuring 31.6 acres has been allotted in Elizabethtown of Kentucky USA. Civil construction has already commenced. The orders for major equipments have been placed and started arriving at site. The Project is expected to be completed by December 2012.

5. Opportunities & Threats

Opportunities

Flexible Packaging has been one of the fastest growing sectors of the packaging market over the past decade. Annual growth rate of 15-18% shows very broad perspective of Indian Flexible Packaging industry and its promising growth which is expected to be 25%.

Flexible Packaging that is a very versatile packaging form that can cater to any needs of the customers and can be customized to specific requirements of the end application. The inherent property of barrier protection of packaging substrates like PE, PET, PP, PA, etc., offers fearless protection against environmental threats like moisture, gas aroma, heat and chemical reaction. The convenience factor of handling and cost benefits are a few added advantages.

Factors driving growth of Flexible Packaging:

- Materials like metals are volatile, glass is becoming increasingly expensive, wood is not eco-friendly, therefore posing excellent growth prospect for flexible packaging.
- Flexible Packaging vies for conversion opportunities from rigid packaging and already controls the Foodservice area. In general, flexible packaging continues to provide solid market penetration vs. aseptic and hot-fill rigid packaging, a trend most industry pundits believe will continue.
- Flexible Packaging also has a strong outlook for barrier packaging, including stand-up pouches, non-retort stand-up pouches.
- A growing middle class population of over 400 million with high income. Changing Consumer habits in 1, 2 & 3 Tier cities with working style of fast economies like developed countries globally, therefore making life on a fast track. Thus impetus given on easy, fast, convenient and flexible products, which is the prime deliverance of Flexible Packaging.
- Rapid growth in globalization in FMCG segment.
- Emergence of organized retail and technological strides in food manufacturing and processing is further fuelling the next growth trajectory for the food industry in India.

The Company's new expansions will have high value added product offerings and its exposure in Flexible Packaging market will increase. Due to its constant efforts for excellent product quality, low cost manufacturing acumen, broad gamut of product offerings, one stop solution format, complete integration of conversion capabilities, hands on style management, motivated & skilled professional taskforce, top marquee of clients, aggressive marketing strategies, etc. the Company

is poised for becoming a major and important player in the industry.

The Company's established design development and cylinder operation with world class softwares like Esko Artpro 10, Sonic speed engravers, automatics proofing and mock-up machines has given the Company an added advantage over its competitors. This advantage can directly be leveraged to adding the profitability of the organization, as in-process flaws can be eradicated at the initial level of digital proof providing to the clients

Threats

The industry is very dynamic and very fragmented at the same time. Unorganized sector is still a very large part of the market. However, growing awareness for hygiene and growing health consciousness and also rapidly expanding organized retail sector help the Flexible Packaging companies in the organized sector to grow.

It is generalized as plastic industry globally and therefore perceived to be a non-eco-unfriendly industry experiencing stiff opposition. However, with technological advances made by the Company in reprocessing of plastic waste, flexible packaging has become safer for food products and well accepted the world over.

The Company faces competition from other domestic manufacturers. However, since the market is growing at a high rate and because of the Company's inherent strength, this factor is not worrisome.

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

6. Future Outlook

The global market for flexible packaging is projected to be worth more than US\$ 71 bn with world wide consumption set for annual growth of more than 4% to reach almost 22.5m tons by 2016.

Overall growth is dependent on increased industrial production and international trade. Demands on packaging converters have become more intense and sophisticated. Increased penetration of organized retail in India as well as increasing preference for branded products has greatly increased the demand for flexible packaging solutions, which has led to advent of machines and advanced technologies

for printing and converting packaging materials for the flexible packaging industry to meet the rising requirement.

On account of high barrier properties of flexible packaging, the demand is always growing. A recent application of “food-grade flavor molecules” added to polymer structure has resulted in the development of a film that retains odors/aromas inside of a package. The flexible packaging industry has been the center of revolutionary developments and innovations.

7. Internal Control Systems And Their Adequacy

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

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

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

8. Corporate Social Responsibility

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

- Environmental Responsibility
- Employee Engagement
- Community Initiatives

As a part of its Corporate Social Responsibility, UFLEX Limited endeavors towards creating a better and sustainable future for underprivileged children and youth through sports. In the last one year, UFLEX

Limited in association with Stairs has managed to impact the lives of thousands of underprivileged youth across the country, with various sporting initiatives.

UFLEX is dedicated towards creating sporting opportunities for underprivileged children across the country. Besides being a recreational activity, sport has an educative character which can help in building a strong character and help in social integration of underprivileged youth. These children have a lot of potential and latent energy that needs to be tapped and through Uflex Khelo Dilli, we hope to channelize this energy in the right direction. Our association with Stairs represents an extension of our social commitment to bring about a positive change in the life of underprivileged sections of the society by carrying out such programmes in sport, education and health.

Uflex Khelo Dilli was conceptualized with the aim to provide free of cost – space, infrastructure and sports equipment to the less fortunate children of our society, to play. The first edition of Uflex Khelo Dilli has already witnessed participation of more than 5000 children, who are regularly playing at 28 Uflex Stairs centres, which have been established near the colonies where these children reside.

Apart from Khelo Dilli, UFLEX Limited has also adopted cricket initiatives of Stairs, namely, Uflex Stairs Cricket Championship and Uflex Stairs Cricket Scholarship. UFLEX Limited supports Stairs in running cricket training academies, providing sports scholarship and sports gear to the underprivileged children. Recently, 64 talented children have been granted the Uflex Stairs Cricket Scholarship and are being training at accredited cricket centres in Delhi. Some of the students, who have been identified by Stairs are already doing well at the national level and are earning laurels for their States. Stairs also organizes sports camps at regular intervals to promote youth talent.

9. Risk Management

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

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

10. Company's Standalone Financial Performance & Analysis

A. Fixed Assets

The composition and growth of assets are as under:

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011
A. TANGIBLE ASSETS		
Freehold Land	256	256
Leasehold Land	4139	3456
Buildings	27440	19947
Plant & Machinery	182176	157901
Electrical Installations	5103	3852
Office Equipments	4369	3991
Furniture & Fixtures	4875	4813
Vehicles	2203	2188
Aircraft (on Lease)	3585	3585
Sub-Total (A)	234146	199989
B. INTANGIBLE ASSETS		
Software	1178	709
Patent	500	--
Sub-Total (B)	1678	709
Less: Accumulated Depreciation	90971	91446
Add: CWIP & Intangible Assets Under Development	881	7618
Net Fixed Assets (A+B)	145734	116870

B. Results of operations

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

(Rs. in lacs)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Amount	%	Amount	%
INCOME				
Revenue from Operations	307894	99	230066	99
Other Income	2771	1	1573	1
Total Revenue	310665	100	231639	100
EXPENDITURE				
Cost of Materials consumed	177733	57	117745	51
Purchase of Stock-in-Trade	26204	8	2125	1
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	(329)	0	(2893)	--
Employee benefits expense	15759	5	12760	6
Finance costs	15999	5	13488	6
Depreciation and amortization expense	12365	4	9739	4
Other expenses	47233	15	41248	18
Expenses Allocated to Self Constructed Assets	(3194)	--	(2372)	--
Total Expenses	291769	94	191840	83
Profit Before Tax	18895	6	39799	17

11. Human Resource Development/Industrial Relations

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

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

The effort to rationalize and streamline the work force is a continuous process. Currently the Company has 4670 employees as on 31st March, 2012. The industrial relations scenario remained harmonious throughout the year.

12. Environment, Occupational Health and Safety

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

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the Report on the matters mentioned in the said Clause and practice followed by the Company.

1. Company's Philosophy on Code of Governance

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

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

2. Board of Directors

a) Composition of the Board (As on March 31, 2012)

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

The composition and category of Directors as on 31.03.2012 is as follows:

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

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.

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

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

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

- Have furnished a declaration at the time of their appointment and also annually, that they satisfy the conditions of their being independent as laid down under Clause No.49 of the Listing Agreement. All such declarations are placed before the Board.

Information supplied to the Board

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

Compliance reports of all applicable laws to the Company

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

b) Board Meetings and attendance record of each Director

Four Board Meetings were held during the financial year 2011-2012. The dates on which the meetings were held are 29.04.2011, 04.08.2011, 02.11.2011 & 10.02.2012, and the gap between the two meetings were not more than four months.

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

Name of the Director	Attendance Particulars		No. of other Directorship and Committee Member/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship (in Public Co.)	No of Membership(s) /of Board Committees in other Companies (**)	No of Chairmanship(s) of Board Committees in other Companies (**)
Mr. Ashok Chaturvedi	4	No	3	-	1
Mr. S.K. Kaushik	4	Yes	3	1	-
Mr. Ravi Kathpalia	4	Yes	5	2	-
Mr. M.G. Gupta	4	Yes	2	1	1
Mr. A. Karati	4	Yes	6	6	-
Mr. N.K. Duggal (*)	2	No	4	1	-

(*) *Mr. V. Subramanian, Observer of IFCI attended the meetings on 04.08.2011 & 02.11.2011 on behalf of Mr. N.K. Duggal.*

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

3. AUDIT COMMITTEE

Presently, the Audit Committee comprises of three member Directors viz., Mr. Ravi Kathpalia, Mr. M.G. Gupta and Mr. A. Karati (Nominee-ICICI Bank Limited). All the members of the Audit Committee are Non-Executive Directors and all are independent. Mr. Ravi Kathpalia is the Chairman of the Audit Committee. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 10.09.2011. All the Members of the Audit Committee have accounting and financial management expertise.

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity and in line with the statutory and regulatory requirements as prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, which include the following:

Role of Audit Committee

1. Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause No. (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
8. Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with Internal Auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
15. To review the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal Audit Reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of Internal Auditors.
16. Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate.

Powers of Audit Committee

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

Details of Meetings and Attendance

During the year, the Audit Committee had met four times on 29.04.2011, 04.08.2011, 02.11.2011 & 10.02.2012. The attendance of each Committee members is as under:

Name of Member	No. of Meetings held	Meetings Attended
Mr. Ravi Kathpalia	4	4
Mr. M.G. Gupta	4	4
Mr. A. Karati (Nominee of ICICI Bank Limited)	4	4

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

4. Remuneration Committee

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

During the year, the Remuneration Committee Meeting had met once on 04.08.2011. All the Members had attended this Meeting.

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

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

Details of Remuneration paid to Managing/Whole-time Directors for the year ended 31.03.2012 are given below:

Name	Sitting Fee (Rs.)	Salary (Rs.)	Perquisites & Allowances etc. (Rs.)	Commission [Paid] (Rs.)	Total (Rs.)	Date of Reappointment/ Appointment	Service Contract
Mr. Ashok Chaturvedi	NIL	6,52,80,000	11,64,188	6,00,00,000	12,64,44,188	01.04.2009	5 years
Mr. S.K. Kaushik	NIL	35,78,720	17,44,290	--	53,23,010	01.08.2011	3 years

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

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

Name of Directors	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)
Mr. Ravi Kathpalia	80,000.00	1,80,000.00	2,60,000.00
Mr. M.G. Gupta	80,000.00	1,40,000.00	2,20,000.00
Mr. A. Karati Nominee – ICICI Bank Limited	80,000.00	1,00,000.00	1,80,000.00
Mr. N.K. Duggal Nominee – IFCI Limited	40,000.00	--	40,000.00

5. Shareholders'/Investors' Grievance Committee

The Board of Directors of the Company has constituted a Shareholders'/Investors' Grievance Committee comprising of Mr. Ravi Kathpalia (Chairman), Mr. M.G. Gupta and Mr. S.K. Kaushik. 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 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 has nominated a Committee of two officers, who normally attend to the transfer and other related matters within a period of 10 – 12 days. The Committee of Officers operates subject to overall supervision and directions of Shareholders'/Investors' Grievance Committee of Directors.

During the year, the Shareholders'/Investors' Grievance Committee had met on 29.09.2011 & 29.02.2012.

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

The total numbers of complaints received and resolved during the year under review were 11. Outstanding complaints as on 31.03.2012 were nil. There were no valid share transfers pending for registration for more than 30 days as on the said date.

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

6. Subsidiary Companies

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

- Financial statements, in particular the investments made by 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 a non-listed Indian subsidiary Company, i.e. UTech Developers Limited. This company does not fall under the category of 'material unlisted company'. SD Buildwell Pvt. Ltd. is a step-down Indian Subsidiary Company in terms of Clause 49(III) of the Listing Agreement, which also does not fall under the category of 'material unlisted company'. Mr. Ravi Kathpalia, an independent Director on the Board of the Company has been a Director on the Board of UTech Developers Ltd.

7. Board Procedure

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

8. Compliance Certificate

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

9. General Body Meetings

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

AGM	Day, Date & Time	Venue	Special Resolution Passed
20 th	Saturday, September 12, 2009 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	<ul style="list-style-type: none"> Re-appointment of Mr. Ashok Chaturvedi as Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 01.04.2009. Resolution under Section 81(1A) of the Companies Act, 1956 for issue of securities.
21 st	Saturday, September 4, 2010 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	Revision in the remuneration of Mr. S.K. Kaushik, Whole-time Director of the Company w.e.f. 01.06.2010.
22 nd	Saturday, September 10, 2011 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. 01.08.2011.

- (b) Whether Special Resolutions were put through Postal Ballot last year?
No.
- (c) Are Special Resolutions proposed to be put through Postal Ballot this year?
No Special Resolution requiring postal ballot is proposed at the ensuing Annual General Meeting.

10. Disclosures

a) Related Party Transactions

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

b) Disclosure of Accounting Treatment

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

c) Disclosures of Risk Management

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

d) Proceeds from public issue, rights issue, preferential issue, FCCB issue, etc.

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

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

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

f) Management Discussion and Analysis

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

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

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

h) Code of conduct

The Company has adopted the code of conduct and ethics for Directors and Senior Management. The code has been circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website www.uflexltd.com. The Board Members and Senior Management have affirmed their compliance with the code and a declaration signed by the Chairman & Managing Director appointed in terms of the Companies Act, 1956 (i.e. the CEO within the meaning of Clause 49-V of the Listing Agreement) is annexed to this report.

i) Review of Directors' Responsibility Statement

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2012 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. CEO/CFO Certifications

Mr. Ashok Chaturvedi, Chairman & Managing Director and Mr. R.K. Jain, President (Corporate Finance & Accounts), who are carrying responsibility of CEO/CFO respectively have given CEO/CFO certificate as per format prescribed under Clause No. 49(V) of the Listing Agreement to the Board at its meeting held on 11th July, 2012.

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

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

(i) The Board

The Chairman of the Company is the Executive Chairman.

All the Directors including Independent Directors are appointed/re-appointed by the Board from time to time. No maximum tenure for the Independent Directors has been specifically determined by the Board.

(ii) Remuneration Committee

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

(iii) Shareholders Rights

The quarterly, half-yearly and annual financial results of the Company are published in the newspapers and are also posted on the Company's website. The complete Annual Report is sent to each and every shareholder of the Company.

(iv) Audit Qualifications

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

(v) Training of Board Members

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

(vi) Mechanism for evaluation of Non-Executive Directors

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

(vii) Whistle Blower Policy

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

13. Means of Communication

The quarterly un-audited financial results duly approved by the Board of Directors are sent to all the Stock Exchanges where the Company's shares are listed immediately after the Board Meeting. The same are also published in 'English' and 'Hindi' newspapers in terms of the Listing Agreement within the stipulated period and in the format as prescribed by the Stock Exchanges and the Company posts its financial results for all quarters on its own website i.e. www.uflexltd.com and another website www.corpfiling.co.in, which is the common filing and dissemination portal for all companies listed on the BSE & NSE.

14. SEBI Complaints Redress System (SCORES)

The Company processes the investors' complaints received by it through a computerized complaints redress system. The salient features of this system are Computerized database of all inward receipts and action taken on them, online submission of Action Taken Reports (ATRs) alongwith supporting documents electronically in SCORES. The investors can view online the current status of their complaints submitted through SEBI Complaints Redress System (SCORES).

15. General Shareholders Information

(a) Annual General Meeting to be held

Date	:	04.09.2012
Day	:	Tuesday
Time	:	10:00 A.M.
Venue	:	Air Force Auditorium, Subroto Park, New Delhi – 110010

(b) Financial Calendar

- Results for quarter ending 30.06.2012 : 1st week of August, 2012
- Results for quarter ending 30.09.2012 : 1st week of November, 2012
- Results for quarter ending 31.12.2012 : 1st week of February, 2013
- Results for year ending 31.03.2013 : 1st week of May, 2013

(c) Book Closure date

30.08.2012 to 04.09.2012 (both days inclusive)

(d) Dividend payment date

Dividend for the financial year 2011-2012, if declared will be paid/credited to the account of the shareholders on or after 4th September, 2012.

(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
- 3) Societe de la Bourse de Luxembourg, Luxembourg (GDRs only)

Note: Annual Listing fee for the year 2012-2013 have been duly paid to all the above Stock Exchanges.

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

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

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

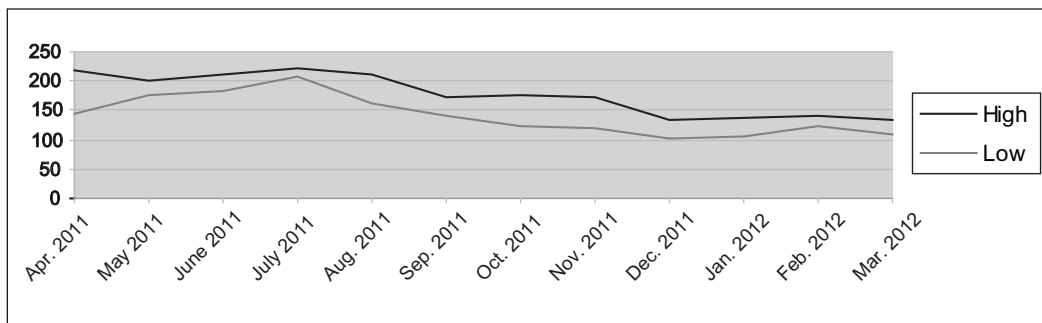
(h) Stock Market Price for the year 2011-2012:

Closing Share prices on National Stock Exchange are as under:

(In Rs.)

Month	High	Low
April, 2011	217.90	145.10
May, 2011	199.80	176.80
June, 2011	212.10	184.40
July, 2011	222.40	207.40
August, 2011	212.00	161.60
September, 2011	173.80	140.60
October, 2011	176.30	124.95
November, 2011	172.80	121.40
December, 2011	132.50	101.50
January, 2012	136.85	104.35
February, 2012	141.45	123.85
March, 2012	134.45	110.80

Share Price movement



(i) Performance in comparison to broad base in indices such as BSE sensx, Crisil index etc.

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

(j) Address for correspondence for Shares transfer and related matters:**For shares held in physical form:**

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

Beetal Financial & Computer Services Pvt. Ltd.

(Unit : UFLEX Limited)

BEETAL House, 3rd Floor, 99, Madangir

Behind Local Shopping Centre

Near Dada Harsukh Dass Mandir

New Delhi – 110062

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

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

(k) Share Transfer System.

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

(l) Distribution of Share holding as on 31.03.2012

Range in Numbers	No. of Shareholders	No. of shares	% of total equity
1 - 500	58199	5868090	8.13
501 - 1000	2404	1916466	2.65
1001 - 2000	1084	1648823	2.28
2001 - 3000	360	928091	1.29
3001 - 4000	188	679624	0.94
4001 - 5000	150	705966	0.98
5001 - 10000	236	1741027	2.41
10001 & above	280	58075275	80.42
Transit shares *		648124	0.90
TOTAL	62901	72211486	100.00

* As on March 31, 2012 these shares lying in pool account of NSDL/CDSL since buyers identity are not established.

(m) Categories of Shareholders as on 31.03.2012

Category	No. of shares held	% of shareholding
Promoters & Associates	31386975	43.46
Financial Institutions, Mutual Funds & Banks	44498	0.06
Foreign Institutional Investors	7375181	10.21
NRIs	567652	0.79
GDRs	5465840	7.57
Other Bodies Corporate	9024616	12.50
Others (General Public)	17698600	24.51
Shares in transit (Demat) *	648124	0.90
TOTAL	72211486	100.00

* As on March 31, 2012 these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

(n) Dematerialization of Shares and liquidity

Nearly 98.65% of total equity share capital is held in dematerialized form upto 31.03.2012 with NSDL/CDSL. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors.

(o) Outstanding GDRs/FCCBs/Warrants

- (i) The outstanding GDRs represent 5465840 shares as on 31.03.2012, which are nearly 7.57% of the Subscribed Share Capital of the Company.
- (ii) As on 31st March,2011 there were 94 Foreign Currency Convertible Bonds (FCCBs), out of which 1 FCCB was converted into 30711 equity shares on 9th June,2011 and the balance 93 FCCBs were redeemed on 6th March,2012.
- (iii) 1,00,00,000 warrants allotted to different parties as on 25.11.2010 were forfeited on 24.05.2012.

(p) Details of issue of equity shares during the period from 01.04.2011 to 31.03.2012

Date	Particulars of Issue/ Cancellation of Shares	No. of Shares	Total No. of Shares
	No. of equity shares before the issue/cancellation of shares		72180775
09.06.2011	Conversion of FCCBs	30711	72211486

(q) Plant Locations

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

(r) Address for Correspondence

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

Beetal Financial & Computer Services Private Limited (Unit: UFLEX Limited) BEETAL House, 3 rd Floor 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Dass Mandir New Delhi - 110062 Tel. No.011- 29961281-83 Fax No.011- 29961284	UFLEX Limited 305, 3 rd Floor, Bhanot Corner Pamposh Enclave, Greater Kailash-I New Delhi - 110048 Tel. No. : 011-26440917, 26440925 Fax No. : 011-26216922 e-mail : flexsec@vsnl.net
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The above report has been placed before the Board at its meeting held on 11th July, 2012 and the same was approved.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by UFLEX Limited for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

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

CA. S. V. Sehgal
Partner

Membership No. 080329

Place : NOIDA
Dated : 11th July, 2012

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 31st March, 2012 pursuant to the requirements of Clause 49 of the Listing Agreement.

For **UFLEX LIMITED**

ASHOK CHATURVEDI
Chairman & Managing Director

Place : NOIDA
Dated : 3rd July, 2012

AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of UFLEX LIMITED as at 31st March, 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to the statement attached to the Balance Sheet and Statement of Profit & Loss, u/s 215(2) of the Companies Act, 1956, regarding inability of the Managing Director to sign these Financial Statements, owing to his non-presence, within the territory of India.
5. Further to our comments in the Annexure referred to in paragraph (03) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement, dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of directors are disqualified as at 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

CA. S.V.SEHGAL

Place : NOIDA

Partner

Dated : 11th July, 2012

Membership No. 080329

ANNEXURE TO THE AUDITORS' REPORT OF UFLEX LIMITED FOR THE YEAR ENDED 31st MARCH 2012

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

1. In respect of fixed assets of the Company: -
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verification.

- (c) Substantial part of fixed assets have not been disposed off during the year.
2. In respect of inventories of the Company: -
- (a) Inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate, in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not significant and were properly dealt with in the books of account.
3. (a) The company has not given any loan during the year, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) During the year, the Company has taken unsecured loan of Rs. 250.00 Lacs, from a company, covered in the register maintained under Section 301 of the Companies Act, 1956, which was repaid before the date of the Balance Sheet. The Rate of interest and other terms and conditions of this loan was not *prima-facie* prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system, commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of each party during the year, have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time and in respect of Patent acquired, as comparable prices can not be ascertained, we are unable to comment whether the transaction was made at prevailing market prices at the relevant time.
6. The Company has not accepted any deposit, during the year, under the provisions of Section 58A & 58AA of the Companies Act, 1956 and the rules framed there-under.
7. The internal audit of the Company has been conducted by an independent firm of Chartered Accountants and in our opinion; the company has an internal audit system, commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed records have been maintained.
9. (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other applicable statutory dues 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, wealth tax and cess, which have not been deposited on account of any dispute. However following amounts are involved (Gross of amount deposited under protest, if any) with under-mentioned forums, in respect of the disputed statutory dues: -
- (i) Aggregate Sales Tax of Rs. 377.72 lacs, pending before (a) Various High Courts (Rs. 322.38 lacs), (b) Tribunal (Rs. 41.61 lacs), (c) Commissioner (Appeals) (Rs.0.69 lacs) & (d) Assessing Authorities (Rs. 13.04 lacs).
- (ii) Income Tax of Rs. 371.35 Lacs, pending before (a) Delhi High Court (Rs. 145.51 lacs) & (b) CIT (Appeals) (Rs. 225.84 lacs)
- (iii) Aggregate Excise duty of Rs. 3407.22 lacs, pending before (a) Supreme Court (Rs. 143.29 lacs), (b) Various High Courts (Rs.88.62 lacs), (c) Tribunal (Rs. 1494.72 Lacs) (d) Commissioners (Appeals) (Rs. 971.57 lacs) & (e) Assessing Authorities (Rs. 709.02 lacs).
- (iv) Aggregate Service Tax of Rs. 1963.36 lacs, pending before (a) Allahabad High Court (Rs. 92.50 Lacs), (b) Tribunal (Rs. 1665.25 lacs), (c) Commissioner (Appeals) (Rs. 73.15 lacs) & (e) Assessing Authorities (Rs. 132.46 lacs).

10. The Company has neither accumulated losses as at the year end nor it has incurred cash losses in the financial year under report and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks or debenture holders or financial institutions.
12. The Company has not granted loans and advances during the year, on the basis of security by way of pledge of shares, debentures and other securities. However the Company has maintained adequate records in respect of advance, by way of security deposit, granted to one party, in earlier years and outstanding as at the year-end, against the pledge of shares.
13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has not dealt or traded in shares, securities, debentures and other investments during the year. However, it has maintained proper records in respect of shares, investments in mutual funds and other investments and are held in the name of the Company.
15. According to the information and explanations given to us, and the records examined by us, the Company has given guarantees for loans taken by its Subsidiary and step down subsidiaries from banks, however in our opinion the terms and condition thereof are not *prima-facie* prejudicial to the interest of the Company.
16. To the best of our knowledge & belief and according to the information and explanations given to us and the records of the company examined by us, the term loan availed by the Company during the year, has been applied for the purposes for which loan was obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment.
18. During the year, company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. As the Company has neither issued debentures during the year nor have any outstanding balance in respect of debentures as at year end, hence provision of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

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

CA. S.V.SEHGAL
Partner

Place : NOIDA
Dated : 11th July, 2012

Membership No. 080329

BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs in Lacs)

Particulars	Note No.	As At	
		31 st March 2012	31 st March 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	2	7221.15	7218.08
b) Reserves and Surplus	3	122007.65	109817.26
c) Money received against share warrants	4	7500.00	7500.00
		136728.80	124535.34
(2) Non-Current Liabilities			
a) Long-term borrowings	5	63020.15	64236.97
b) Deferred tax liabilities (Net)	6	13392.38	14348.38
c) Other Long term liabilities	7	338.57	221.94
		76751.10	78807.29
(3) Current Liabilities			
a) Short-term borrowings	8	30985.81	18935.10
b) Trade payables	9	35480.49	21648.96
c) Other current liabilities	10	45980.89	24909.55
d) Short-term provisions	11	7526.11	9219.99
		119973.30	74713.60
TOTAL :		<u>333453.20</u>	<u>278056.23</u>
II ASSETS			
(1) Non-current assets			
a) Fixed assets	12		
i) Tangible assets		143800.73	109054.89
ii) Intangible assets		1052.16	197.52
iii) Capital work-in-progress		871.03	7422.02
iv) Intangible assets under development		10.30	195.57
b) Non-current investments	13(1)	49048.21	47996.58
c) Long term loans and advances	14	12923.79	8729.81
d) Other non-current assets	15	3977.13	1042.78
		211683.35	174639.17
(2) Current assets			
a) Current investments	13 (2)	-	1300.00
b) Inventories	16	21524.92	17222.94
c) Trade receivables	17	62183.25	48831.68
d) Cash and Bank Balances	18	8715.05	10244.51
e) Short-term loans and advances	19	27896.63	25558.95
f) Other current assets	20	1450.00	258.98
		121769.85	103417.06
TOTAL :		<u>333453.20</u>	<u>278056.23</u>

The accompanying Notes from S.No. 1 to 45 form an Integral Part of the Financial Statements.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

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

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

Place : NOIDA
Dated : 11th July, 2012

S.V. Sehgal
Partner

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31 st March 2012	For the Year Ended 31 st March 2011
REVENUE FROM OPERATIONS			
Gross Sales & Job Work	21 (A)	357707.62	268766.62
Less : Inter unit Sales & Job Work		35673.69	34354.06
Less : Excise Duty		26379.44	16368.25
Net Sales & Job Work		295654.49	218044.31
Other Operating Income	21 (B)	12239.19	12022.07
Revenue from Operations		307893.68	230066.38
Other Income	22	2771.00	1572.75
Total Revenue		310664.68	231639.13
EXPENSES:			
Cost of materials consumed	23	177732.69	117745.17
Purchase of Stock-in-Trade	24	26204.01	2125.22
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(328.93)	(2892.92)
Employee benefits expense	26	15759.05	12759.90
Finance costs	27	15998.62	13488.05
Depreciation and amortization expense		12364.70	9739.30
Other expenses	28	47232.79	41248.08
Expenses Allocated to Self Constructed Assets	29	(3193.57)	(2372.40)
Total Expenses		291769.36	191840.40
Profit before tax		18895.32	39798.73
Less : Tax expense:			
- Current tax		4851.00	10746.00
- Deferred tax		(956.00)	830.00
- Short Provision of Income Tax for earlier years		41.12	20.87
Profit for the year		14959.20	28201.86
EARNING PER SHARE			
a) Basic (Rs.)		20.72	41.61
b) Diluted (Rs.)		17.78	38.18

The accompanying Notes from S.No. 1 to 45 form an Integral Part of the Financial Statements.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

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

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

Place : NOIDA
Dated : 11th July, 2012

S.V. Sehgal
Partner

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs.in lacs)

	For the Year Ended 31 st March 2012	For the Year Ended 31 st March 2011	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax	18895.32		39798.73
Adjustment for :			
Depreciation & amortisation expense	12364.70	9739.30	
Exchange rate fluctuations (Net)	2614.43	31.92	
Loss / (Profit) on assets sold (Net)	629.88	(55.87)	
Fixed Assets written Off	2.61	61.37	
Finance Cost	15998.62	13488.05	
Interest received from Banks / others	(2126.79)	(782.99)	
Dividend received on Trade Investments	(117.40)	(117.40)	
Dividend received on Non- Trade Investments	(50.82)	(52.73)	
Profit on sale of Investments (Net)	(222.20)	(442.81)	
Provision for Doubtful Debt Written Back	(1026.07)	-	
Bad & Doubtful Debts (Provision)	638.06	817.30	
Sundry Balances written off (Net)	(941.31)	1951.06	24637.20
Operating Profit before Working Capital changes	46659.03		64435.93
Adjustment for :			
Trade and other receivables	(18761.45)	(6087.30)	
Inventories	(4301.98)	(7683.67)	
Trade and other payables	37941.55	408.67	(13362.30)
Cash generated from operating activities	61537.15		51073.63
Income Tax	(4892.12)	(10766.87)	
Exchange rate fluctuations	(2614.43)	(31.92)	(10798.79)
Net Cash from operating activities (A)	54030.60		40274.84
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(44837.80)	(27189.00)	
Sale proceeds of Fixed Assets	2976.39	775.13	
Inflow / (Outflow) on Investments (Net)	470.57	(3652.76)	
Loans to bodies corporate (Net)	(3917.83)	(11699.49)	
Interest received from Banks / others	2126.79	782.99	
Dividend received on Trade Investments	117.40	117.40	
Dividend received on Non- Trade Investments	50.82	52.73	
Net Cash used in Investing Activities (B)	(43013.66)		(40813.00)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Receipt of Securities Premium Reserve	41.37	15197.19	
Receipts from issue of Warrants (Net of Warrants Converted)	-	7500.00	
Premium on Redemption of FCCB's	(1131.66)	-	
Share Capital Received	3.07	724.69	
Dividend Paid	(5415.86)	(3246.70)	
Dividend Distribution Tax	(878.59)	(539.24)	
Finance Cost	(15998.62)	(13488.05)	
Borrowings (Net)	10833.89	(11723.00)	
Net Cash used in Financing Activities (C)	(12546.40)		(5575.11)
Net (Decrease) in Cash and Cash equivalents (A+B+C)	(1529.46)		(6113.27)
Opening Cash and Cash equivalents	10244.51		16357.78
Closing Cash and Cash equivalents #	8715.05		10244.51

Includes Rs. 1164.41 lacs (Previous Year Rs. 1224.60 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks as margin for letter of credits, guarantees & bills discounted.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

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

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

Place : NOIDA
Dated : 11th July, 2012

S.V. Sehgal
Partner

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**1. GENERAL****A. Company and its Background**

FLEX INDUSTRIES LIMITED an Indian Public Limited Company was established under the Provisions of Companies Act, 1956 (No 1 of 1956). The name of the Company was changed to UFLEX LIMITED w. e. f. 19th March 2007.

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

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

B. Significant Accounting Policies**a. Basis Of Preparation Of Financial Statements**

Financial Statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.

b. Use of Estimates and Judgements

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

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

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

c. Classification of Expenditure / Income

Except otherwise indicated:

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

d. Valuation**i) Fixed Assets**

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

ii) Finished Goods

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

iii) Work-in-Progress

Work-in-Progress are valued at lower of cost, based on weighted average method, (except in case of machine manufacturing where specific identification method is used) arrived after including depreciation on plant & machinery, electrical installation and factory building, repair & maintenance on

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- factory building, specific manufacturing expenses and specific payments & benefits to employees or net realisable value.
- iv) **Raw Materials**
Raw Materials are valued at lower of cost, based on first-in-first-out method arrived at after including freight inward and other expenditure directly attributable to acquisition or net realisable value.
- v) Stores, fuel and packing materials are valued at lower of cost, based on first-in-first-out method or net realisable value.
- vi) Inter-unit transfers of goods and services / job work are valued at cost price / the price agreed to between the units.
- e. Cost of spares, tools, jigs & dies are charged to revenue.
- f. **Leases**
- i) Lease rentals paid on operating leases are charged to revenue.
- ii) Lease rentals received under operating lease are recognized in the statement of Profit & Loss Account.
- g. Expenses incurred for issue of financial securities are charged to Securities Premium Reserve.
- h. **Foreign Currency Transactions**
- i) Foreign currency monetary items remaining unsettled at the year end are translated at year end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined.
- ii) Exchange differences on settlement / translation of monetary items, are adjusted as income / expense through the Exchange Fluctuation Account in the year they arise.
- iii) Difference between the forward and exchange rate on the date of transactions are adjusted over the period of the contract as an income / expense through the Exchange Fluctuation Account.
- iv) Profit or loss on cancellation of forward contracts for transactions, are adjusted as income / expense through Exchange Fluctuation Account in the year they arise.
- i. **Depreciation**
- i) Normal depreciation on all fixed assets, except land and extra shift depreciation on specific plant & machineries for the period of extra shift worked, are provided from the date of put to use for commercial production on straight line method at the rates prescribed in Schedule-XIV to the Companies Act, 1956 except in respect of rotogravure cylinders & shims, where it is provided @ 33-1/3% p.a., based on the estimated useful life of assets assessed by the management.
- ii) No depreciation is provided on leasehold land.
- iii) Depreciation on additions / deletions to fixed assets is provided on *pro-rata* basis from / to the date of additions / deletions.
- iv) In case the financial year consists of the period less / more than the normal period of 12 months, depreciation on fixed assets existing at the beginning of the financial year as well as those acquired during the said period are provided for the period covered on *pro-rata* basis.
- j. **Turnover**
- i) Gross sales are inclusive of inter-unit sale value and excise duty/cess recoveries and exclusive of sales tax.
- ii) Sales returns / rate difference are adjusted from the sales of the year in which the returns take place/ rate difference accepted.
- iii) Gross job work is inclusive of inter-unit job work value and excise duty/cess recoveries.
- iv) Consignment Sales are considered as Sales when goods are sold to Ultimate customer.
- k. **Purchases**
- i) Purchases are inclusive of inter-unit purchase value and net of CENVAT credits and materials consumed during trial run.
- ii) Purchases returns / rebates are adjusted from the purchases of the year in which the returns take place / rebates allowed.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**I. Investments**

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

m. Employee Benefits

- i) Defined Long Term benefit (other than leave encashment) is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit & Loss Account.
- ii) Defined long term benefits in respect of leave encashment is charged to profit & loss account based on the leave entitlement of employees remaining unutilised at the end of the year, at the undiscounted amount.
- iii) Defined Contribution Plans are charged to profit & loss account based on the contribution made to the specified fund.
- iv) Short term employee benefits are charged to Profit & Loss Account at the undiscounted amount in the year in which the related service is rendered.

n. Claims by / Against the Company

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

o. Borrowing Cost

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

p. Earning Per Share

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

q. Deferred Tax Assets / Liabilities

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

r. Research & Development

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

s. Impairment

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

t. Provisions, Contingent Liabilities and Contingent Assets

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
u. Intangible Assets

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

2 SHARE CAPITAL
A. AUTHORISED

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

B. ISSUED, SUBSCRIBED & PAID-UP

The issued, subscribed & Fully Paid up capital of the Company as at 31st March 2011 is of Rs. 7218.08 Lacs.

During the year, the Company has allotted 30,711 Fully paid up Equity Shares of Rs. 10/- Each on 09/06/2011 upon conversion of the Foreign Currency convertible Bonds (FCCB's) on request of the Foreign Currency convertible Bonds (FCCB's) Holder.

Accordingly the issued, subscribed and fully paid up capital of the Company is Rs. 7221.15 Lacs, represented by the 7,22,11,486 Equity Shares of Rs. 10/- Each as at 31st March 2012. The reconciliation of the Equity Share Capital of the Company is given as under:

	Issued & Subscribed		Fully Paid Up		Partly Paid Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 31st March 2010	65006646	6500.67	64933945	6493.40	72701	3.89
Addition during the year						
On Conversion of Warrants	3500000	350.00	3500000	350.00		
On Conversion of FCCB's	3746830	374.68	3746830	374.68		
Shares Forfeited During the year	(72701)	(7.27)	-	-	(72701)	(3.89)
Balance as At 31st March 2011	72180775	7218.08	72180775	7218.08	-	-
Addition during the year						
On Conversion of FCCB's	30711	3.07	30711	3.07		
Balance as at 31st March 2012	72211486	7221.15	72211486	7221.15	-	-

The Company's issued, subscribed and paid up capital of 72211486 (previous Year 72180775) Equity Shares of Rs. 10/- each, is distributed as under:

	As At 31 st March 2012		As At 31 st March 2011	
	Number	%	Number	%
a) Promoter & Promoter Group	31386975	43.47	31436759	43.55
Of which Shareholders holding More than 5% of the Paid up Capital				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anant Overseas Pvt. Ltd.	5415141	7.50	5415141	7.50
Anshika Investments Pvt. Ltd.	5271092	7.30	5271092	7.30
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
b) Public Shareholding	40824511	56.53	40744016	56.45
i) Institution	7418912	10.27	6581759	9.12
ii) Non-Institution	27939759	38.69	28696417	39.76
iii) GDRs (underlying shares)	5465840	7.57	5465840	7.57
Of which Shareholder holding More than 5% of the Paid up Capital				
Mr. Dilip Kumar Lakhi	-	-	3986135	5.52

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Further, the issued, subscribed and paid up capital of the Company includes 54,65,840 (Previous Year Same) Equity Shares lying with Depository, representing 27,32,920 (Previous Year Same) Global Depository Receipts (GDRs), issued through an international offering in US Dollars, outstanding as at Balance Sheet date.

Also the company has an outstanding 1,00,00,000 warrants carrying conversion price of Rs. 300/- each as on the Balance Sheet date. These warrants give holders the right to convert warrants into equal number of equity shares of the company at any time within 18 Months from the date of allotment i.e. 25th November 2010. However, the warrant holders did not exercise their rights for conversion of warrants into equity shares upto the due date.

C. Restriction on Voting Rights

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

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

3. RESERVES & SURPLUS

	(Rs. in Lacs)						
	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	General Reserve	Profit & Loss Account	Total
Balance as at 31st March 2010	2788.18	43089.42	1639.56	3.39	8108.26	17079.96	72708.77
Profit for the Year						28201.86	28201.86
(Less): Appropriations							
Proposed Dividend						(5415.86)	(5415.86)
Dividend Distribution Tax						(878.59)	(878.59)
Amount transferred to General Reserve						(2825.00)	(2825.00)
Additions on Conversion of Warrants/ FCCB's		15197.19					15197.19
Amount Transferred from Profit & Loss Account					2825.00		2825.00
Amount Transferred from Debenture Redemption Reserve to General Reserve			(1639.56)		1639.56		-
Amount Transferred from Revaluation Reserve to General Reserve*				(0.08)	0.08		-
Amount transferred From Equity Capital on Forfeiture of Equity Shares	3.89						3.89
Amount transferred from Securities Premium Reserve to Capital Reserve towards share forfeited during the year	85.69	(85.69)					-
Balance as at 31st March 2011	2877.76	58200.92	-	3.31	12572.90	36162.37	109817.26
Profit for the Year						14959.20	14959.20
(Less): Appropriations							
Proposed Dividend						(1444.23)	(1444.23)
Dividend Distribution Tax						(234.29)	(234.29)
Amount transferred to General Reserve						(1495.92)	(1495.92)
Addition on Conversion of FCCB's		41.37					41.37
Adjusted against the Premium Paid on redemption of FCCB's		(1131.66)					(1131.66)
Amount Transferred from Profit & Loss Account					1495.92		1495.92
Amount Transferred from Revaluation Reserve to General Reserve*				(0.08)	0.08		-
Balance as at 31st March 2012	2877.76	57110.63	-	3.23	14068.90	47947.13	122007.65

*Represent difference between depreciation charged on enhanced value of the revalued assets and the depreciation on their historical cost, at Straight Line Method prescribed in Schedule XIV of the Companies Act,1956.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	As At 31st March 2012	As At 31st March 2011
4. MONEY RECEIVED AGAINST SHARE WARRANTS		
Amount received @ Rs.75.00 each on allotment of 1,00,00,000 (Previous Year 1,35,00,000) Warrants	7500.00	10125.00
Less : Amount in respect of Nil (Previous Year 35,00,000) Warrants converted into Equity Shares.	- 7500.00	2625.00 7500.00
TOTAL :	7500.00	7500.00

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

5. LONG TERM BORROWINGS
A. Secured
Term Loans :

From Banks	63997.30	74262.81
From Financial Institution	18387.92	-
	82385.22	74262.81

B Unsecured

Foreign Currency Convertible Bonds (FCCBs)	-	4179.24
From Bodies Corporate	3099.10	1839.74
Sub-Total	85484.32	80281.79
Less: Current portion	22464.17	16044.82
TOTAL :	63020.15	64236.97

- a) The company had issued 4%, 850 FCCBs of the face value of US \$ 100,000 each, aggregating to US \$ 85 millions redeemable on March 9, 2012 at 121.89% of the outstanding principal amount. These bonds were convertible into equity shares of the company, at the option of the bondholders, at any time at an exchange rate of Rs. 44.44/\$ and share price of Rs. 144.70 but with conversion price reset on each anniversary of the FCCB issue on 8th of March. The conversion price is adjustable downwards only but not below Rs. 144.70 as determined under rules of SEBI. Up to the year end, Bonds aggregating to US\$ 28.70 million were converted into 79,42,197 equity shares, Bonds aggregating to US\$ 47.00 million were bought back by the Company and Bonds aggregating to US\$ 9.30 million were redeemed on due date for payment i.e. 9th March, 2012.
- b) The Company is availing the Secured Term Loan Facilities from Financial Institutions/banks. Their repayment terms and other details are given as under:

(Rs. in lacs)

Name of the Financial Institution/Banks	Sanctioned Amount	O/s As At 31/03/2012	Current Portion	Long Term	Repayment Terms
ICICI BANK LTD	* 16000.00	11000.00 (15000.00)	4000.00 (4000.00)	7000.00 (11000.00)	Repayable in 16 Equal Quarterly Installments of Rs.1000.00 Lacs each commencing from Jan 2011

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

Name of the Financial Institution/Banks	Sanctioned Amount	O/s As At 31/03/2012	Current Portion	Long Term	Repayment Terms
UCO Bank	* 25000.00	22482.74 (25000.09)	5000.00 (2517.35)	17482.74 (22482.74)	Repayable in 20 Equal Quarterly Installments of Rs. 1250.00 Lacs each commencing from December 2011.
IFCI Limited	* 20000.00	18387.92 (-)	3157.89 (-)	15230.03 (-)	Repayable in 19 Equal Quarterly Installments of Rs. 1052.63 lacs each commencing from September 2012.
Allahabad Bank	* 24000.00	22798.91 (23729.67)	4800.00 (1201.09)	17998.91 (22528.58)	Repayable in 20 Equal Quarterly Installments of Rs. 1200.00 Lacs each commencing from Feb 2012.
Allahabad Bank	** 2800.00	865.39 (1166.97)	311.12 (301.58)	554.27 (865.39)	Repayable in 36 Equal Quarterly Installments of Rs. 77.78 Lacs each commencing from April 2006
Bank of India	@ 10000.00	6850.26 (9366.08)	2500.00 (2515.82)	4350.26 (6850.26)	Repayable in 16 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jan 2011.
Total		82385.22	19769.01	62616.21	
Previous Year		(74262.81)	(10535.84)	(63726.97)	

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) and NOIDA (U.P.) and c) by guarantee of Chairman & Managing Director of the Company.

** This is secured by way of first charge on the aircraft and is guaranteed by Chairman & Managing Director of the Company.

@ This is secured a) on *pari passu* basis by way of second hypothecation of specific movable properties of the Company (save and except book debts), both present & future, subject to prior charges created and / or to be created in favour of Company's Bankers for working capital facilities, b) by second *pari passu* equitable mortgage of specific immovable properties of the Company situated at Malanpur (M.P.), Jammu (J & K) and NOIDA (U.P.) and c) is guaranteed by Chairman & Managing Director of the Company.

6. DEFERRED TAX LIABILITY (NET)

(Rs. in lacs)

	As At 31st March, 2012	As At 31 st March, 2011
Opening Balance	14348.38	13518.38
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	(956.00)	830.00
TOTAL :	13392.38	14348.38

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Rs.in lacs)		
	Deferred Tax Assets / (Liability) As At 01.04.2011	Current Year (Charge) / Credit	Deferred Tax Assets / (Liability) As At 31.03.2012
Deferred Tax Assets			
Other than unabsorbed depreciation & carry forward of losses.	819.34	(71.83)	747.51
Total (A)	819.34	(71.83)	747.51
Deferred Tax Liabilities			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(15167.72)	1027.83	(14139.89)
Total (B)	(15167.72)	1027.83	(14139.89)
Net Deferred Tax (Liability) (A-B)	(14348.38)	956.00	(13392.38)

	(Rs. in lacs)	
	As At 31 st March, 2012	As At 31 st March, 2011
7. OTHER LONG TERM LIABILITIES		
Securities Received	266.19	154.88
Retention Money	60.50	55.18
Lease Security Deposit	11.88	11.88
TOTAL :	338.57	221.94

8. SHORT TERM BORROWINGS
Secured

Working Capital Facilities From Bank	22585.53	18935.10
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Unsecured

From Others *	8400.28	-
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TOTAL :	30985.81	18935.10
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1. Working capital facilities from banks are secured a) on *pari passu*, by way of hypothecation of stock of raw materials, semi-finished goods, finished goods and book debts of the Company, both present and future, b) by way of second *pari passu* charge on specific fixed assets of the Company, situated at Malanpur (M.P.), Jammu (J & K) and NOIDA (U.P.), and c) by guarantee of Chairman & Managing Director of the Company.

2. * Guaranteed by Chairman & Managing Director of the Company.

9. TRADE PAYABLES

Suppliers	28782.66	18068.67
Due to Suppliers under MSMEDA*	395.81	194.52
Due to Related Parties	6302.02	3385.77
TOTAL :	35480.49	21648.96

* The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under :

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs.in lacs)

Sr. No.	Particulars	As At 31 st March, 2012	As At 31 st March, 2011
1	Principal amount due and remaining unpaid	395.81	194.52
2	Interest due on (1) above and the unpaid interest	Nil	Nil
3	Interest paid on all delayed payment under the MSMED Act	Nil	Nil
4	Payment made beyond the appointed day during the year	Nil	Nil
5	Interest due and payable for the period of delay other than (3) above	Nil	Nil
6	Interest accrued and remaining unpaid	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil

10. OTHER CURRENT LIABILITIES

Current Maturities of Long Term Borrowings	22464.17	16044.82
Capital Creditors	2776.64	1761.39
Due to Employees	883.04	1296.19
Interest Accrued but not due on Loans	247.03	93.15
Unclaimed Matured Deposits & Interest thereon*	0.09	0.18
Unclaimed matured debentures & interest thereon*	37.39	38.41
Unclaimed Dividend*	134.04	92.26
Advances from Customers	2117.74	2309.27
Advances from Subsidiaries	15599.02	-
Statutory Dues	1152.68	550.48
Others Payable	569.05	2723.40
TOTAL :	45980.89	24909.55

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

11. SHORT TERM PROVISIONS

Income Tax (Net)	3099.32	795.33
Wealth Tax	104.23	20.62
Proposed Dividend	1444.23	5415.86
Proposed Dividend Distribution Tax	234.29	878.59
Leave Encashment	1225.16	920.23
Staff Benefits	239.21	205.13
Warranty	8.86	2.55
Interest on Deferred Liabilities	1170.81	981.68
TOTAL :	7526.11	9219.99

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

12. FIXED ASSETS

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	Value/cost As At 01.04.2011	Additions during the year	Deductions during the year	Value/cost As At 31.03.2012	Upto 31.03.2011	For the year	Deductions	As At 31.03.2012	As At 31.03.2012	As At 31.03.2011	
A. TANGIBLE ASSETS											
Freehold Land	256.45	-	-	256.45	-	-	-	-	256.45	256.45	
Leasehold Land	3456.44	690.49	8.10	4138.83	-	-	-	-	4138.83	3456.44	
Building	19946.69	7721.21	227.42	27440.48	7081.40	710.49	227.42	7564.47	19876.01	12865.29	
Plant & Machinery	157900.57	40177.23	15901.36	182176.44	77309.30	10354.36	12314.73	75348.93	106827.51	80591.27	
Electrical Installation	3852.47	1274.90	24.77	5102.60	2269.03	193.04	24.77	2437.30	2665.30	1583.44	
Office Equipments	3990.85	484.75	106.95	4368.65	1353.86	289.94	104.13	1539.67	2828.98	2636.99	
Furniture & Fixtures	4813.17	185.59	124.15	4874.61	1234.90	299.99	124.15	1410.74	3463.87	3578.27	
Vehicles	2187.52	71.47	56.36	2202.63	649.31	202.36	45.03	806.64	1395.99	1538.21	
Aircraft (on Lease)	3584.70	-	-	3584.70	1036.17	200.74	-	1236.91	2347.79	2548.53	
Sub-Total (A)	199988.86	50605.64	16449.11	234145.39	90933.97	12250.92	12840.23	90344.66	143800.73	109054.89	
Previous Year	(183632.20)	(19889.01)	(3532.35)	(199988.86)	(84071.31)	(9614.38)	(2751.72)	(90933.97)	(109054.89)	(99560.89)	
B. INTANGIBLE ASSETS											
Software	709.39	468.94	-	1178.33	511.87	92.44	-	604.31	574.02	197.52	
Patent	-	500.00	-	500.00	-	21.86	-	21.86	478.14	-	
Sub-Total (B)	709.39	968.94	-	1678.33	511.87	114.30	-	626.17	1052.16	197.52	
Previous Year	(634.46)	(74.93)	(-)	(709.39)	(386.39)	(125.48)	-	(511.87)	(197.52)	(248.07)	
TOTAL	200698.25	51574.58	16449.11	235823.72	91445.84	12365.22	12840.23	90970.83	144852.89	109252.41	
Previous Year	(184266.66)	(19963.94)	(3532.35)	(200698.25)	(84457.70)	(9739.86)	(2751.72)	(91445.84)			
									Capital Work in Progress	871.03	7422.02
									Intangible Assets under Development	10.30	195.57
									TOTAL :	145734.22	116870.00

- Leasehold Land includes Rs.320.00 lacs (Previous Year Rs.320.00 lacs) pending execution of title deed.
- Building includes Rs. 5.30 lacs (Previous Year Rs.5.30 lacs) acquired on ownership basis & Rs.19.85 lacs (Previous Year Rs. 19.85 lacs) pending execution of title deed.
- Gross Block & Capital Work in Progress includes Pre-operative expenses, basis of which is certified by the Management.
- Capital Work in Progress includes Rs 67.02 lacs (Previous year Rs. 238.56 lacs) in respect of Machinery in Transit.
- Plant & Machinery includes Rs.2397.72 lacs in respect of Machineries, destroyed during out break of fires, on which depreciation has been ceased to be charged, from the date of fire (Refer Note No. 37 for details).
- Depreciation for the year includes Rs 0.52 lacs (Previous year Rs. 0.56 lacs) charged to Pre-operative expenses.
- Gross Block includes Rs. 5.08 lacs (Previous Year Same) added on revaluation of followings:
 - Rs. 2.27 Lacs for Building revalued as at 31st December 1987.
 - Rs. 2.81 lacs for Land revalued as at 31st December 1987.

13. INVESTMENTS

PARTICULARS	Description	Face Value	As At 31 st March, 2012		As At 31 st March, 2011	
			Number	Amount (Rs.In Lacs)	Number	Amount (Rs.In Lacs)
1. NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)						
A. Quoted						
Fully Paid Up						
In Shares						
Trade :						
Flex Foods Ltd. (Associate)	Equity	Rs.10/-	5870000	587.00	5870000	587.00
Non-Trade :						
Reliance Industries Ltd.	Equity	Rs.10/-	222892	2820.92	222892	2820.92
Reliance Infrastructure Ltd.	Equity	Rs.10/-	60000	1115.87	60000	1115.87
Ansal Properties & Infrastructure Ltd.	Equity	Rs.5/-	589910	1113.90	589910	1113.90
Kothari Products Ltd.	Equity	Rs.10/-	76200	152.40	76200	152.40
B.A.G.Films Ltd.	Equity	Rs.2/-	49300	4.93	49300	4.93
Total (1-A)				5795.02		5795.02

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Description	Face Value	As At 31 st March, 2012		As At 31 st March, 2011	
			Number	Amount (Rs.In Lacs)	Number	Amount (Rs.In Lacs)
B. Unquoted						
Fully Paid Up						
In Wholly Owned Subsidiaries						
Flex America Inc, USA	Equity	US\$ 1	100000	44.72	100000	44.72
Flex Middle East FZE, Dubai	Equity	AED 1 Million	107	12672.08	107	12672.08
Uflex Europe Ltd., UK	Equity	GBP 1	995000	726.92	995000	726.92
Uflex Packaging Inc, USA	Equity	US\$ 10	367500	1690.92	250000	1162.04
Utech Developers Ltd.	Equity	Rs.10/-	100000000	10000.00	100000000	10000.00
Upet Holding Ltd.	Equity	US\$ 1	38400001	17480.80	38400001	17480.80
Flex Films (USA) Inc	Equity	US\$ 5000	230	522.75	-	-
Trust Securities And Mutual Funds						
Reliance Dual Advantage Fixed Future Plan						
[Repurchase value Rs.111.95 lacs (Previous Year Rs.105.46 lacs)]	Units	Rs.10/-	1000000	100.00	1000000	100.00
Non-Trade :						
In Shares						
Fair Growth Financial Services Ltd.	Equity	Rs.10/-	100000	10.00	100000	10.00
Vijaya Home Loans Ltd.	Equity	Rs.10/-	50000	5.00	50000	5.00
Pan Parag India Ltd. (6% Non Cumulative Redeemable Preference Share)	Pref. Share	Rs.10/-	-	-	762000	-
Total (1-B)				43253.19		42201.56
Total (1)				49048.21		47996.58
2. CURRENT INVESTMENTS						
Investment in Mutual Funds				-		1300.00
[Repurchase value Rs. Nil (Previous Year Rs.1312.67 lacs)]						
Total (1)+(2)				49048.21		49296.58

Aggregate Market Value of Quoted Investment is Rs.4118.00 lacs (Previous Year Rs.4768.79 lacs). In the opinion of the Management, decline in the market value of the Investments is temporary.

14. LONG TERM LOANS & ADVANCES
 (Unsecured, Considered Good)

	(Rs. in lacs)	
	As At 31 st March, 2012	As At 31 st March, 2011
Capital Advances	2050.42	4445.12
Security Deposits	1063.13	1021.54
Loans to :		
- Subsidiary (Uflex Packaging Inc)	2467.68	1800.63
- Employees	135.53	73.53
- Others	8.50	9.50
Deposits :		
- With Excise Authority	274.83	235.37
- Others	202.80	80.27
Share Application Money to : (Pending Allotment)		
- Subsidiary	5646.06	-
- Other	215.72	-
MAT Credit Entitlement	-	211.00
Deposits / Advances with Income Tax Authorities	859.12	852.85
TOTAL :	12923.79	8729.81

Loan to subsidiary is for three years and carry interest rate of 6% p.a.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	As At 31 st March, 2012	As At 31 st March, 2011
15. OTHER NON-CURRENT ASSETS		
Long Term Trade Receivable	1916.67	480.95
Advances recoverable in cash or in kind or value to be received	519.10	561.83
Other Receivable	1541.36	-
TOTAL :	<u>3977.13</u>	<u>1042.78</u>
16. INVENTORIES		
Raw Materials	12509.15	8744.04
Work-in-Progress	5363.08	5761.63
Finished Goods	1802.83	1075.35
Material-in-Transit (Raw Materials)	1229.23	1054.73
Stores, Packing Material & Fuel	620.63	587.19
TOTAL :	<u>21524.92</u>	<u>17222.94</u>
17. TRADE RECEIVABLES (Unsecured, Considered Good)		
A. Trade receivable outstanding for a period exceeding six months	9191.02	8193.92
B. Other trade receivable	54182.40	42215.94
	<u>63373.42</u>	<u>50409.86</u>
Less : Provision for Bad & Doubtful Debts	1190.17	1578.18
TOTAL :	<u>62183.25</u> #	<u>48831.68</u>
# Includes due from :		
- Subsidiaries	5354.88	13259.25
- Related Party	502.94	285.08
18. CASH & BANK BALANCES		
a) Cash & Cash Equivalents		
Cash in hand	90.76	61.49
Balances with Scheduled Banks:		
- On Current Accounts	3226.21	2927.56
- On Cash Credits Accounts	2286.58	408.87
- On Fixed Deposits Accounts	1947.09	5621.99
	<u>7550.64</u>	<u>9019.91</u>
b) Other Bank Balances		
- On Fixed Deposits Accounts*	884.25	917.44
- On Fixed Deposits Accounts for a period more than 12 Months*	2.92	3.15
- On Unclaimed Dividend Account	134.04	92.26
- In Margin Money Accounts	143.20	211.75
Total :	<u>1164.41</u>	<u>1224.60</u>
	<u>8715.05</u>	<u>10244.51</u>

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31 st March, 2012	(Rs. in lacs) As At 31 st March, 2011
19. SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	5811.95	7088.72
Advances to Related Parties	62.13	243.98
Balances with Excise Authorities	2769.64	2219.61
Loans to Employees and others	2.13	6.64
Loans to Subsidiaries*	10480.78	12200.00
Loans to Other Bodies Corporate	8770.00	3800.00
Total :	<u>27896.63</u>	<u>25558.95</u>
*Represents loans given to followings :		
U Tech Developers Ltd.	8930.00	12200.00
Flex Middle East FZE	1526.40	-
Uflex Europe Ltd.	24.38	-
20. OTHER CURRENT ASSETS		
Interest accrued on :		
- Loan to a Subsidiary	153.97	24.94
- Loans to Others	27.24	156.77
- Deposits with Banks	292.53	77.27
Other Receivables	976.26	-
TOTAL :	<u>1450.00</u>	<u>258.98</u>
		(Rs. in lacs)
	For the Year Ended 31 st March, 2012	For the Year Ended 31 st March, 2011
21. REVENUE FROM OPERATIONS		
A. i) REVENUE FROM SALE OF PRODUCTS		
Gross Sales	353281.40	264598.99
Less : Inter Unit Sales	32259.67	31621.78
	<u>321021.73</u>	<u>232977.21</u>
Less : Excise Duty / Cess	26300.00	16269.29
	294721.73	216707.92
ii) REVENUE FROM SALE OF SERVICES		
Gross Job work	4426.22	4167.63
Less : Inter Unit Job Work	3414.02	2732.28
	<u>1012.20</u>	<u>1435.35</u>
Less : Excise Duty / Cess	79.44	98.96
TOTAL (A) :	<u>295654.49</u>	<u>218044.31</u>
B. OTHER OPERATING REVENUES		
Scrap Sales	3137.06	2251.57
Less : Excise Duty / Cess	226.28	160.55
	<u>2910.78</u>	<u>2091.02</u>
Packing, Forwarding and Insurance Recoveries	152.74	93.91
Export Incentive	2040.97	2560.61

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
Excise Duty Refund	845.79	782.73
Miscellaneous Operating Income	192.72	327.41
Licence fees	105.00	685.00
Technical & Support Fees	5991.19	5481.39
Total (B) :	12239.19	12022.07
Total (A+B):	307893.68	230066.38
PRODUCT WISE DETAILS OF REVENUE FROM SALE OF MANUFACTURED PRODUCTS / SERVICES		
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed and Plain Plastic Films	223537.15	186146.93
Packaging & Converting Machines	24072.90	8360.20
Printing Ink	15130.36	11184.74
Others	29783.39	26344.85
TOTAL :	292523.80	232036.72
PRODUCT WISE DETAILS OF REVENUE FROM SALE OF STOCK-IN-TRADE		
Paper	19117.70	-
Adhesive	6206.49	-
Aluminium	3136.86	-
Others	1049.08	2375.84
TOTAL :	29510.13	2375.84
GROSS REVENUE FROM SALE OF PRODUCTS & SERVICES		
	322033.93	234412.56
Less : Excise Duty / Cess	26379.44	16368.25
REVENUE FROM SALE OF PRODUCTS / SERVICES	295654.49	218044.31
22 OTHER INCOME		
Rent Received	181.90	64.45
Profit on sale of Investments (Net)		
-Non Current Investments	76.20	-
-Current Investments	146.00	442.81
Profit on sale of assets (Net)	-	55.87
Miscellaneous Income	71.89	56.50
Interest :		
-from Banks	1101.04	257.04
-from Others	1025.75	525.95
Investment Income:		
- Dividend received on Trade Investments	117.40	117.40
- Dividend received on Non-Trade Investments	50.82	52.73
TOTAL :	2771.00	1572.75
23. COST OF MATERIALS CONSUMED		
Opening Stock	8744.04	4546.71
Add : Purchases	214468.32	153357.14
	223212.36	157903.85
Less : Inter Unit Purchases	32970.52	31414.64
	190241.84	126489.21
Less : Closing Stock	12509.15	8744.04
TOTAL :	177732.69	117745.17
	177732.69	117745.17

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	<u>For the Year Ended 31st March, 2012</u>	<u>For the Year Ended 31st March, 2011</u>
PRODUCT WISE DETAILS OF COST OF MATERIALS CONSUMED :		
Fibre Chemicals	42544.88	31666.13
Plastic Granules	30813.31	37997.63
Plastic Films	20351.15	13836.18
Aluminium Foils	18827.39	1719.69
Paper	14316.11	1306.78
Solvents	12415.46	8106.97
Others	40765.29	24540.17
TOTAL :	180033.59	119173.55
Less : Materials Consumed during trial runs	2300.90	1428.38
TOTAL :	177732.69	117745.17
24. PURCHASE OF STOCK IN TRADE	26204.01	2125.22
PRODUCT WISE DETAILS OF PURCHASE OF STOCK IN TRADE :		
Paper	17020.68	-
Adhesive	5492.16	-
Aluminium	2772.86	-
Others	918.31	2125.22
TOTAL :	26204.01	2125.22
25. CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing Stock :		
Finished Goods	1802.83	1075.35
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed and Plain Plastic Films	610.60	664.60
Printing Ink	213.51	199.67
Work-in-Progress	5363.08	5761.63
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed and Plain Plastic Films	4167.81	4567.23
Packaging & Converting Machines	920.09	891.79
Printing Ink	86.55	96.22
	7165.91	6836.98
Less : Opening Stock :		
Stock in Trade	-	17.31
Finished Goods	1075.35	573.61
Work-in-Progress	5761.63	3353.14
	6836.98	3944.06
TOTAL :	328.93	2892.92
26. EMPLOYEE BENEFITS EXPENSES		
Salaries,Wages,Bonus,Benefits and Amenities	14274.32	11493.33
Contribution to Provident Fund and Other Funds	882.51	786.50
Employee Welfare Expenses	602.22	480.07
TOTAL :	15759.05	12759.90

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	For the Year Ended 31 st March, 2012	For the Year Ended 31 st March, 2011
27. FINANCE COSTS		
Interest		
- On Loans for Fixed Period	11029.63	9754.90
- On Other Loans / Liabilities	3211.93	2823.66
- On Shortfall in payment of Advance Tax	483.64	-
Discounting & Financial Charges	1273.42	909.49
TOTAL :	15998.62	13488.05
28. OTHER EXPENSES		
A. OTHER MANUFACTURING EXPENSES		
Power & Fuel Consumed	14126.86	12361.97
Repair & Maintenance-Machinery	2963.41	2714.28
Stores Consumed	2997.30	2394.57
Tools, Jigs & Dies	291.63	205.57
Packing Material Consumed	4794.80	3822.73
Cylinders / Processing Charges for Cylinders	924.78	999.65
Less : Inter Unit Charges	586.98	740.73
	337.80	258.92
Design & Development Charges	13.29	2.86
Excise Duty	(9.13)	54.37
Job Work Charges	1722.13	668.55
R & D Charges	29.43	25.26
TOTAL (A) :	27267.52	22509.08
B. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	583.49	525.25
Rates & Taxes	218.80	53.20
Insurance charges	317.04	256.99
Electricity & Water charges	299.79	300.67
Printing & Stationery	195.68	165.72
Postage, Telegram, Telephone & Fax Expenses	408.68	404.83
Vehicle Running & Maintenance Expenses	285.34	290.12
Lease Rent -Vehicles	400.76	363.73
Conveyance & Travelling Expenses	1923.80	1804.27
Repair & Maintenance :		
- Building	409.68	280.29
- Others	719.53	566.16
Legal & Professional Charges	954.60	944.82
Directors' sitting fees	7.00	12.00
General Expenses	1635.20	1903.58
Commission on Sales	298.71	276.99
Advertisement & Publicity	224.89	178.36
Entertainment Expenses	364.24	491.95
Charity & Donation	87.41	27.64
Rebate & Discount	1339.69	587.65
Freight & Forwarding charges	7355.36	6442.54
Fixed Assets Written -off	2.61	61.37
Loss on assets sold (Net)	629.88	-
Exchange Rate Fluctuations (Net)	2614.43	31.92
Provision for Doubtful Debt Written Back	(1026.07)	-
Bad & Doubtful Debts (Provision)	638.06	817.30
Sundry Balances written-off (Net)	(941.31)	1951.06
Claim (Exports)	17.98	0.59
TOTAL (B) :	19965.27	18739.00
TOTAL :	47232.79	41248.08

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	For the Year Ended 31 st March, 2012	(Rs. in lacs) For the Year Ended 31 st March, 2011
29. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS		
Cost of Material Consumed	1635.19	1140.36
Employee Benefits Expense	634.74	477.41
Finance Costs	11.38	9.30
Depreciation and amortisation expense	167.07	145.41
Other Expenses	745.19	599.92
TOTAL :	3193.57	2372.40

	As At 31 st March, 2012	(Rs.in lacs) As At 31 st March, 2011
30. Contingent liabilities not provided for in respect of :		
i) Guarantees issued by Banks	938.76	753.32
ii) Corporate Guarantees issued for facilities taken by subsidiary / step down subsidiaries from Banks	131367.50	97286.00
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	5970.34	4775.86
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	13095.90	2524.17
v) Show cause notice / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Company and are contested / appealed / replied.	5370.58	5183.56
vi) Additional demands raised by the Income Tax Department, which are under rectification & appeal	371.35	295.04
vii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	377.72	324.93
viii) Demand raised by PF authority for alleged lower contribution of PF and are under appeal	27.73	20.72
ix) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	13.60	12.20

31. Capital Commitments :		
The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	9943.48	19797.68

32. Disclosures for Assets under Operating Leases

The Company has given an aircraft on operating lease (Refer Note No.12 "Fixed Assets"). The Company has also taken certain vehicles on operating Lease.

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

a) In respect of an asset given on operating lease :	Current Year	(Rs.in lacs) Previous Year
i) Gross Carrying Amount	3584.70	3584.70
ii) Accumulated Depreciation	1236.91	1036.17
iii) Depreciation for the Year	200.74	200.74

b) Minimum future Lease Rentals on assets under Operating Leases both given / taken:

	of which not later than one year	of which later than one year and not later than 5 years	of which later than 5 years	Total
Payables	583.63	922.97	-	1506.60
	273.51	425.11	-	698.62
Receivables	45.00	-	-	45.00
	60.00	45.00	-	105.00

Previous Year figures have been given in Italic.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

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

34. Auditors Remuneration, as included in "Legal & Professional charges" under Note No."27(B)", is as under:-

	<u>Current Year</u>	<u>Previous Year</u>
		(Rs.in lacs)
a) Audit Fees	58.00	50.00
b) Taxation Matters	17.50	14.00
c) Company Law Matters	3.90	3.12
d) Other Services	13.34	13.21
e) Out of Pocket Expenses	2.43	1.69

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

36. Gratuity

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

	<u>Current Year</u>	<u>Previous Year</u>
		(Rs. In Lacs)
a. Reconciliation of opening and closing balances of obligation		
Obligations at period beginning	1095.48	843.73
Service cost	214.33	160.63
Past Service Cost	-	146.75
Interest cost	84.66	65.24
Actuarial (gain) / loss	65.90	(64.45)
Benefits paid	(74.54)	(56.42)
Obligations at period end	1385.83	1095.48
b. Reconciliation of opening and closing balances of fair value assets		
Plan assets at period beginning, at fair value	1062.61	758.04
Expected return on plan assets	96.25	72.83
Actuarial gain / (loss)	(10.60)	(10.71)
Contributions	270.10	298.87
Benefits paid	(74.54)	(56.42)
Plan assets at period end, at fair value	1343.82	1062.61
c. Amount Recognized in Balance Sheet		
Present value of the defined benefit obligations at the end of the period	1385.83	1095.48
Fair value of plan assets at the end of the period	(1343.82)	(1062.61)
Liability recognized in the balance sheet	42.01	32.87
Assumptions		
Interest rate	8% P.A.	8% P.A.
Estimated rate of return on plan assets	8% P.A.	8% P.A.
d. Gratuity cost for the period		
Service cost	214.33	160.63
Interest cost	84.66	65.24
Expected return on plan assets	(96.25)	(72.83)
Actuarial (gain) / loss	76.50	(53.74)
Past Service Cost	-	146.75
Net gratuity cost	279.24 #	246.05

#Includes Rs. 34.01 Lacs(Previous Year NIL) treated as Pre-Operative expenses during the year.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

37. Aggregate claim bill of Rs.2893.38 lacs, has been filed during the year, with insurance company, out of which Rs.2541.54 lacs is covered on re-instatement basis, towards machines, buildings, cables etc. destroyed during outbreak of fires in factory premises of the Company, situated at Jammu & Sector 60, NOIDA and balance of Rs.351.84 lacs towards stock of materials, which will be recovered from the insurance company.
38. During the year the Company has made payment of BLR \$ 800000 equivalent to Rs. 215.72 lacs to Flex P Films (Brasil) LTDA, towards subscription of Equity Shares. On Allotment of Equity Shares, Flex P Films (Brasil) LTDA will become a subsidiary of Uflex Limited.
39. Balances of some of the parties are subject to reconciliation & confirmations.
40. a) Rupees have been rounded off to the nearest thousand.
b) Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.
41. **EARNING PER SHARE**

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

	<u>Current Year</u>	<u>Previous Year</u>
(A) Profit for the year, after Adjustments, for computation of; (viz. Numerator) (Rs.in lacs)		
a) Basic Earning	14959.20	28201.86
Add : Interest on FCCB (Net of Tax)	131.55	123.60
b) Diluted Earning	15090.75	28325.46
(B) (i) Opening Balance of Equity Shares	72180775	65006646
Add / (Less) :		
Weighted Average Factor of FCCB's converted into Equity shares	24921	1657675
Weighted Average Factor of warrant converted into Equity shares	-	1169863
Weighted Average Factor of Equity Share Forfeited	-	(51787)
Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	72205696	67782397
(ii) Opening Balance of Equity Shares	72180775	65006646
Add / (Less) :		
Weighted Average Factor of outstanding FCCB's	2676711	2886911
Weighted Average Factor of outstanding Equity Warrants	10000000	3527397
Weighted Average Factor of Equity Share Forfeited	-	(51787)
Weighted Average Factor of FCCB's converted into Equity shares	24921	1657675
Weighted Average Factor of warrant converted into Equity shares	-	1169863
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	84882407	74196705
(C) Nominal Value Per Share	Rs. 10/-	Rs. 10/-
(D) Earning Per Share		
a) Basic (A(a)/B(i)) (Rs.)	20.72	41.61
b) Diluted (A(b)/B(ii)) (Rs.)	17.78	38.18

42. SEGMENT DISCLOSURE :

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

	<u>Current Year</u>	<u>Previous Year</u>
Domestic Revenue	284216.09	179634.58
Export Revenue :		
USA	13923.54	27724.00
Europe	7147.54	7377.80
Asia	9762.77	13757.87
Africa	8363.06	6838.20
Others	1757.99	1331.68
Total Export Revenue	40954.90	57029.55
Total Revenue*	325170.99	236664.13

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

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

(a) List of Related Parties:

- i) **Wholly Owned Subsidiaries** : Flex America Inc., Flex Middle East FZE, Uflex Europe Ltd., Uflex Packaging Inc., Upet Holding Ltd., U Tech Developers Ltd. and Flex Films (USA) Inc.
- ii) **Fellow Subsidiaries** : Flex Films Europa Sp. z.o.o., Flex P Films (Egypt) S.A.E., UPET (Singapore) PTE. Ltd., Flex Americas S.A. DE C.V., SD Buildwell Pvt.Ltd. and Tflex Americas LLC
- iii) **Associate** : Flex Foods Limited
- iv) **Joint Venture** : Qcell Limited
- v) **Key Management Personnel & their relatives (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi) and Mr. S.K. Kaushik, Wholetime Director
- vi) **Enterprises in which the persons referred in (v) along with their relatives exercise significant influence** : Flex International (P) Ltd., Anshika Investments (P) Ltd., Ultimate Flexipack Ltd., A.R.Infrastructures & Projects Pvt.Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshika Consultants (P) Ltd., A.R.Leasing (P) Limited, Cinflex Infotech (P) Ltd., Ultimate Enterprises (P) Ltd., AR Aerotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd., AC Infrastructures (P) Ltd., Club One Airways (P) Ltd., Flex Industries (P) Ltd., AC Infratech (P) Ltd., RC Properties (P) Ltd., A to Z Infratech (P) Ltd. and Ultimate Infratech (P) Ltd.

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

(Rs.in lacs)

Transactions	Wholly owned Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives	Enterprises as referred to in 'a (vi)' above	Total
i) Trade Transactions						
Sale of Goods/Services (Net)	12043.85 17790.61	4122.93 13402.01	15.71 12.39	-	3628.26 3053.49	19810.75 34258.50
Purchase of Goods/Services (Net)	346.02 1779.77	130.37 26.42	-	-	15737.78 7991.15	16214.17 9797.34
Bad Debts Written -off	11.08	-	-	-	-	11.08
Provision for Bad & Doubtful Debt	474.81	-	-	-	-	474.81
Dividend Income	-	-	117.40	-	-	117.40
Patent	-	-	117.40	500.00	-	500.00
Lease Charges Received	-	-	-	-	71.16 55.98	71.16 55.98
Licence & Support fees Received	54.50 64.00	5936.69 5417.39	-	-	-	5991.19 5481.39
Rent Received	0.65 7.80	-	-	30.00 30.00	4.08 4.08	34.73 41.88
Rent Paid	-	-	-	207.00 195.75	123.60 103.60	330.60 299.35
Interest Paid on Loans	-	-	-	-	0.77	0.77
Interest Received	147.56 29.34	-	4.46	-	-	147.56 29.34
Security Given	-	-	-	-	60.00	60.00

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs.in lacs)

Transactions	Wholly owned Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives	Enterprises as referred to in 'a (vi)' above	Total
Remuneration	-	-	-	717.68	-	717.68
	-	-	-	1243.84	-	1243.84
ii) Non Trade Transactions						
Investment in Shares	6697.68	-	-	-	-	6697.68
	4941.60	-	-	-	-	4941.60
Amount received on allotment of warrants / shares	-	-	-	-	-	-
	-	-	-	2250.00	15750.00	18000.00
Advance received against Supply of goods / Services (Net)	209.38	15389.64	-	-	-	15599.02
	-	-	-	-	-	-
Share Application Money received back	25.75	-	-	-	-	25.75
	-	-	-	-	-	-
Repayment of Loan Taken	-	-	-	-	250.00	250.00
	-	-	100.00	-	8700.00	8800.00
Loan Taken	-	-	-	-	250.00	250.00
	-	-	100.00	-	700.00	800.00
Loan Given	2323.59	-	-	-	-	2323.59
	15461.66	-	-	-	-	15461.66
Recovery of Loan Given	3749.20	-	-	-	-	3749.20
	5113.09	-	-	-	-	5113.09
Total	26084.07	25579.63	133.11	1454.68	20065.65	73317.14
	45187.87	18845.82	334.25	3719.59	36418.30	104505.83
Balance as on 31.03.2012						
Debit	17207.33	1291.12	4.90	-	520.71	19024.06
	18072.76	9170.47	-	-	482.52	27725.75
Credit	219.07	15402.92	-	496.35	5782.70	21901.04
	-	-	1.50	-	3297.64	3299.14

Previous Year figures have been given in Italic.

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

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

(Rs. in lacs)

Description	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
Raw Material				
Imported	54574.57	30.31	22397.19	18.79
Indigenous	125459.02	69.69	96776.36	81.21
TOTAL :	180033.59#	100.00	119173.55	100.00
# Includes Material Consumed during Trial Runs Rs.2300.90 lacs (Previous Year Rs.1428.38 lacs).				
Stores, Spares, Tools, Jigs & Dies Consumed				
Imported *	1380.71	30.37	889.76	26.30
Indigenous	3165.15	69.63	2493.99	73.70
TOTAL :	4545.86	100.00	3383.75	100.00

* Includes spares of Rs.1256.93 lacs (Previous year Rs.783.61 lacs) charged to Repair & Maintenance-Machinery.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
45. Other Particulars

Description	(Rs.in lacs)	
	Current Year	Previous Year
a) CIF Value of Imports		
i) Raw Materials / Stock - in - Trade	70889.71	22721.15
ii) Capital Goods	20168.01	13786.96
iii) Stores & Spares	1263.10	809.12
iv) Material-in-Transit - Raw Materials	654.57	443.29
v) Material-in-Transit - Capital Goods / Spare Parts	-	52.23
b) Expenditure in Foreign Currency		
i) Travelling expenses	315.56	321.51
ii) Advertisement & Publicity	39.10	27.87
iii) General expenses	55.08	26.22
iv) Commission on Sales	91.56	69.43
v) Discounting & Bank charges	44.22	47.15
vi) Entertainment Expenses	15.49	2.39
vii) Legal & Professional Charges	43.97	26.09
viii) Repair & Maint. -Others	10.51	21.59
ix) Claim Exports	17.98	0.59
x) Rent	54.93	51.04
xi) Interest on FCCB's	194.73	168.52
xii) Repair & Maint. -Machinery	48.65	24.88
xiii) Job work	44.43	-
xiv) Freight Charges	4.68	-
xv) Royalty	2.91	-
xvi) Premium on Redemption of FCCB's	1018.50	-
c) Earning in Foreign Exchange		
i) F.O.B. value of Export of Manufactured / Stock - in - Trade	36884.10	52815.22
ii) Sales of Services	87.71	232.01
iii) Technical & Support Fees	5991.19	5481.39
iv) Interest	147.56	-
v) Misc. Operating Income	5.02	-

Signatories to Notes 1 to 45

For and on behalf of the Board of Directors

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

S. K. Kaushik
 Whole-time Director

Ravi Kathpalia
 Director

Rakesh Malhotra
 Sr. General Manager (Corp. Accounts)

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

For Vijay Sehgal & Co.
 Chartered Accountants

 Place : NOIDA
 Dated : 11th July, 2012

S.V. Sehgal
 Partner

STATEMENT PURSUANT TO SECTION 215 (2) OF THE COMPANIES ACT, 1956

As per section 215(1) of the Companies Act, 1956 every Balance Sheet and Profit and Loss Account of a Company shall be signed on behalf of the Board of Directors by not less than two Directors of the Company one of whom shall be a Managing Director where there is one.

However the attached Balance sheet, Statement of Profit and Loss along with Notes and Cash Flow Statement of UFLEX Limited has not been signed by the Managing Director as he was not present within the territory of India at the time of the Board Meeting in which such accounts were approved.

He had gone out of territory of India to attend some urgent business meetings with customers which were unavoidable and therefore has not signed the attached Balance Sheet, Statement of Profit and Loss along with Notes and Cash Flow Statement of the Company.

As advised to the Company, when the Managing Director is not present in India at the time of signing the Balance Sheet & Statement of Profit & Loss, any other Director of the Company automatically get the right by the virtue of sub-section 1(ii) and sub-section 2 of section 215 of the Companies Act, 1956 to sign the Balance Sheet and Statement of Profit & Loss explaining the reason for the absence of Managing Director. Hence we are attaching this statement pursuant to section 215 (2) of the Companies Act, 1956 and due to this reason and as authorised by the Board of Directors, we have signed the attached Balance Sheet, Statement of Profit and Loss along with Notes and Cash Flow Statement of the Company.

For & On behalf of the Board

S.K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Place : NOIDA
Date : 11th July, 2012

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

S. No.	Name of the Subsidiary Company	Financial year of the Subsidiary	Issued, subscribed and paid up capital of Subsidiary Company as on 31st March 2012	Extent of interest of the holding Company as on 31st March 2012	Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the Members of the Holding Company and is not dealt in the Accounts of Holding Company for the financial year and previous financial years		Net aggregate amount of Profits/(Losses) of the subsidiary so far as it concerns the Members of the holding Company and is dealt in the Accounts of Holding Company for the Financial Year and Previous Financial years	
					Current Year	Previous Years	Current Year	Previous Year
1	Flex America Inc	3/31/2012	1,00,000 of Equity Shares of US\$1each	100%	US \$ 98,328 Equivalent to Rs. 50.03 Lacs	US \$ 1,261,262 equivalent to Rs. 641.73 Lacs	NIL	NIL
2	Flex Middle East FZE	3/31/2012	107 Equity Shares of AED 1 Million each	100%	US \$ 12,212,734 equivalent to Rs.6213.84Lacs	US \$ 136,514,065 equivalent to Rs.69458.36 Lacs	NIL	NIL
3	UFlex Europe Limited	3/31/2012	9,95,000 Equity Shares of GBP 1 Each	100%	GBP (6,49,011) equivalent to Rs. (527.39) Lacs	GBP (7,48,284) equivalent to Rs. (608.06) Lacs	NIL	NIL
4	UTech Developers Limited	3/31/2012	10,00,00,000 Equity Shares of Rs. 10 Each	100%	Rs. 303.53 Lacs	Rs.923.05 Lacs	NIL	NIL
5	UFLEX Packaging Inc.	3/31/2012	367,500 Equity Shares of US \$ 10 Each	100%	US \$ (1,070,238) Equivalent to Rs. (544.54) Lacs	US \$ (23,26,798) equivalent to Rs. (1183.87) Lacs	NIL	NIL
6	UPET Holdings Limited	3/31/2012	3,84,00,001 Equity Shares of US \$ 1 Each	100%	US \$ (9,118) equivalent to Rs. (4.64) Lacs	US \$ (41,056) equivalent to Rs. (20.89) Lacs	NIL	NIL
7	Flex Films (USA) Inc.	3/31/2012	230 Common Stock of US \$5000 each	100%	US \$ (176,371) Equivalent to Rs. (89.74) Lacs	NIL	NIL	NIL
Subsidiary of U Tech Developers Limited								
8	S.D.Buildwell Private Limited	3/31/2012	10,000 Equity Shares of Rs. 10 Each	54%	Rs. 2.52 Lacs	Rs. (0.42) Lac	NIL	NIL
Subsidiary of UPET Holdings Limited								
9	UPET (Singapore) Limited	3/31/2012	3,82,00,100 Equity Shares of US \$ 1 Each	100%	US \$ (5,825) equivalent to Rs. (2.96) Lacs	US \$ (12,427) equivalent to Rs. (6.32) Lacs	NIL	NIL
Subsidiary of UPET (Singapore) Limited								
10	Flex Americas S.A. de C.V.	3/31/2012	4,19,201 Equity Shares of MXP 1000 Each	100%	MXP 483.12 Lacs Equivalent to Rs.1913.15 Lacs	MXP 2922.49 Lacs Equivalent to Rs.11573.08 Lacs	NIL	NIL
Subsidiary of Flex Middle East FZE								
11	Flex P. Films Egypt S.A.E.	3/31/2012	26,800,000 Equity Shares of 10/- Egyptian Pound Each Equivalent to USD 47,914,115	100%	US \$ 9,50,322 Equivalent to Rs.483.53 Lacs	US \$ (16,96,075) Equivalent to Rs.(862.96) Lacs	NIL	NIL
12	Flex Films Europa Sp. z.o.o.	3/31/2012	2029441 Equity Shares of PLN 50 each	100%	PLN (2,668,773.59) Equivalent to Rs.(435.54) Lacs	PLN (82,178.33) Equivalent to Rs.(13.41) Lacs	NIL	NIL
Subsidiary of UFLEX Packaging INC								
13	TFLEX Americas LLC @	3/31/2012	3,000,000 Units of \$ 1 Each	100%	US \$ (15,12,177.60) Equivalent to Rs.(769.40) Lacs	NIL	NIL	NIL

@ Includes amount allocated to minority interest upto 31st March 2011 and acquired during the year.

Notes:

- As the end of the Financial Year of the Subsidiaries ended 31st March, 2012 coincides with the end of the Financial Year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.
- AKC Developers Ltd., a fellow subsidiary is not reported above, since the company has transferred the Management and Control under the agreement dated 21st May 2010 with an understanding to transfer the entire shareholding on payment of the amount under the agreement.
- Following Rates are used for conversion of the Amount are as under:
(a) 1 USD Equivalent to Rs. 50.88 (b) 1 GBP Equivalent to Rs.81.26 (c) 1 MXP Equivalent to Rs.3.96 (d) 1 PLN Equivalent to Rs.16.32

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

Place : NOIDA
Dated : 11th July, 2012

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**TO THE BOARD OF DIRECTORS OF
UFLEX LIMITED**

(Formerly known as Flex Industries Limited)

We have audited the attached Consolidated Balance Sheet of UFLEX LIMITED (here-in-after called "Company") and its subsidiaries, Flex America Inc., Uflex Europe Ltd., Uflex Packaging Inc., Flex Middle East FZE, UPET Holdings Limited, UTech Developers Limited, Flex P. Films (Egypt) S.A.E., UPET (Singapore) PTE Limited, Flex Americas S.A. de C.V., SD Buildwell Private Limited, Flex Films Europa Sp. z.o.o., Tflex Americas LLC, & Flex Films (USA) Inc. and Joint venture, Qcell Limited (here-in-after collectively called "**UFLEX Group**") as at 31st March 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the UFLEX Group for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of the Subsidiaries and Joint Venture, whose financial statements reflect total assets of Rs. 4,00,660.51 lacs as at 31st March 2012, total revenues of Rs. 2,14,642.56 lacs and Net Cash Outflows amounting to Rs. 9,377.18 lacs, for the year then ended. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

We report that the Consolidated Financial Statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS) 21- "Consolidated Financial Statements"; Accounting Standard (AS) 23- "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 – "Financial Reporting of Interest in Joint Ventures", prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies.

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

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the UFLEX Group as at 31st March 2012;
- b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the UFLEX Group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the UFLEX Group for the year ended on that date.

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

CA. S. V. SEHGAL
Partner

Membership No. 080329

Place : NOIDA

Dated : 11th July, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs in Lacs)

Particulars	Note No.	As At	
		31 st March, 2012	31 st March, 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	2	7221.15	7218.08
b) Reserves and Surplus	3	211650.65	174133.07
c) Money received against share warrants	4	7500.00	7500.00
		226371.80	188851.15
(2) Minority Interest	5	-	73.36
(3) Non-Current Liabilities			
a) Long-term borrowings	6	114616.88	95265.80
b) Deferred tax liabilities (Net)	7	15694.27	16064.97
c) Other Long term liabilities	8	338.57	521.75
		130649.72	111852.52
(4) Current Liabilities			
a) Short-term borrowings	9	43678.60	22317.48
b) Trade payables	10	60375.56	36091.82
c) Other current liabilities	11	59277.99	46580.75
d) Short-term provisions	12	8540.04	10587.03
		171872.19	115577.08
Total:		528893.71	416354.11
II ASSETS			
(1) Non-current assets			
a) Fixed assets	13		
i) Tangible assets		265987.56	174638.84
ii) Intangible assets		1701.36	614.55
iii) Capital work-in-progress		29117.51	30800.40
iv) Intangible assets under development		10.30	195.57
b) Non-current investments	14(1)	9645.53	9566.05
c) Long term loans and advances	15	14885.89	20756.38
d) Other non-current assets	16	3977.13	1042.78
		325325.28	237614.57
(2) Current assets			
a) Current investments	14 (2)	-	1300.00
b) Inventories	17	43363.30	36506.23
c) Trade receivables	18	99556.92	76369.10
d) Cash and Bank Balances	19	16808.11	27828.13
e) Short-term loans and advances	20	42522.59	36483.28
f) Other current assets	21	1317.51	252.80
		203568.43	178739.54
Total:		528893.71	416354.11

The accompanying Notes from S.No. 1 to 37 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

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

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

Place : NOIDA
Dated : 11th July, 2012

S.V. Sehgal
Partner

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31 st March 2012	For the Year Ended 31 st March 2011
Revenue from Operations			
Gross Sales & Job Work	22 (A)	500815.56	390940.93
Less : Inter unit Sales & Job Work		35673.69	34354.06
Less : Excise Duty		26430.94	16368.25
Net Sales & Job Work		438710.93	340218.62
Other Operating Income	22 (B)	12873.30	9426.49
Revenue from Operations		451584.23	349645.11
Other Income	23	2514.17	1434.29
Share of Profit in Associate for the Year		196.89	162.08
Total Revenue		454295.29	351241.48
Expenses:			
Cost of materials consumed	24	264903.16	166053.02
Purchase of Stock-in-Trade		28081.79	4275.39
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(2580.09)	(10049.16)
Employee benefits expense	26	22513.35	17123.38
Finance costs	27	19925.31	16431.98
Depreciation and amortization expense		17828.83	13631.00
Other expenses	28	76331.76	61853.20
Expenses Allocated to Self Constructed Assets	29	(3193.57)	(2612.16)
Total Expenses		423810.54	266706.65
Profit before tax		30484.75	84534.83
Less : Tax expense:			
- Current tax		5305.88	12224.71
- Deferred tax		(332.95)	2607.08
- Short Provision of Income Tax for earlier years		61.99	20.87
Profit for the year before Minority Interest		25449.83	69682.17
Minority Interest (Share in Losses)		52.11	116.13
Profit for the year		25501.94	69798.30
Earning Per Share			
a) Basic (Rs.)		35.32	102.97
b) Diluted (Rs.)		30.20	94.24

The accompanying Notes from S.No. 1 to 37 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

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

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

Place : NOIDA
Dated : 11th July, 2012

S.V. Sehgal
Partner

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	(Rs. in lacs)	
	For the Year Ended 31 st March, 2012	For the Year Ended 31 st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	30484.75	84534.83
Adjustment for :		
Depreciation & amortisation expense	17828.83	13641.31
Exchange rate fluctuations (Net)	(1702.76)	(2015.00)
Foreign Currency Translation Reserve	3942.57	(925.20)
Loss / (Profit) on assets sold (Net)	631.54	(46.28)
Fixed Assets written Off	2.61	61.37
Finance Costs	19925.31	16431.98
Interest received from Banks / others	(1958.28)	(778.70)
Dividend received on Non- Trade Investments	(50.82)	(52.73)
Profit on sale of Investments (Net)	(222.20)	(442.81)
Provision for Doubtful Debt Written Back	(1026.07)	-
Bad & Doubtful Debts (Provision)	638.06	994.09
Sundry Balances written off (Net)	(899.81)	2101.72
Operating Profit before Working Capital changes	67593.73	113504.58
Adjustment for :		
Trade and other receivables	(21097.88)	(33148.31)
Inventories	(6857.07)	(18434.07)
Trade and other payables	39366.74	15257.59
Cash generated from operating activities	79005.52	77179.79
Income Tax	(5367.87)	(12245.58)
Exchange rate fluctuations (Net)	1702.76	2015.00
Net Cash from operating activities (A)	75340.41	66949.21
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(100971.41)	(54496.82)
Sale proceeds of Fixed Assets	2996.04	863.24
Inflow / (Outflow) on Investments (Net)	1442.72	(823.30)
Loans to bodies corporate (Net)	(4970.00)	(1584.26)
Capital Reserve / (Goodwill) arising on acquisition	(250.85)	(330.87)
Interest received from Banks / others	1958.28	778.70
Dividend received on Non- Trade Investments	50.82	52.73
Net Cash used in Investing Activities (B)	(99744.40)	(55540.58)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipt of Securities Premium Account	41.37	15197.19
Receipts from issue of Warrants (Net of Warrants Converted)	-	7500.00
Premium on Redemption of FCCB's	(1131.66)	-
Share Capital Received	3.07	724.69
Addition / (deletion) in Minority Interest	(21.25)	(697.27)
Dividend Paid	(5415.86)	(3246.70)
Dividend Distribution Tax	(878.59)	(539.24)
Finance Costs	(19925.31)	(16431.98)
Borrowings (Net)	40712.20	(5257.71)
Net Cash used in Financing Activities (C)	13383.97	(2751.02)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(11020.02)	8657.61
Opening Cash and Cash equivalents	27828.13	19170.52
Closing Cash and Cash equivalents #	16808.11	27828.13
# Includes Rs. 2238.06 lacs (Previous Year Rs. 5194.06 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks.		

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

Rakesh Malhotra
Sr. General Manager (Corp. Accounts)

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

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

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

Place : NOIDA
Dated : 11th July, 2012

S.V. Sehgal
Partner

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

1. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS

a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention (except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956), on the accrual basis of accounting and in accordance with the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.

b) Principles of Consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of the consolidated financial statements as laid down under the Accounting Standard (AS)-21 on "Consolidation of Financial Statements" issued by the Institute of Chartered Accountants of India on the following main lines:

- I. The financial statements of the holding company and its subsidiaries, for the financial year ending 31st March, have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, subject to regrouping & netting of certain items, which present the consolidation in a fair manner without affecting the materiality, after eliminating the intra-group transactions and also unrealized profit or losses resulting from intra-group transactions included in the carrying amount of assets.
- II. The financial statements of Joint Venture have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India.
- III. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as that of holding company's financial statements.
- IV. The excess / shortfall of cost to the holding company of its investment over its share of equity in the respective subsidiary companies and joint venture companies is recognized in the financial statements as goodwill / capital reserve respectively as per the equity method of valuation.
- V. All the figures of assets, liabilities, revenue & expenses of subsidiaries, which are stated in foreign currency in its separate financial statements, are converted into Indian Rupees in accordance with the Accounting Standard (AS)-11 "The Effects of Changes in Foreign Exchange Rates", issued by the Institute of Chartered Accountants of India.
- VI. Differences arising in consolidation on account of translations are reflected in "Foreign Currency Translation Reserve (arising on Consolidation)", under "Reserve & Surplus".
- VII. Investment in the associate company, i.e. M/s Flex Foods Limited, have been accounted under the Equity Method as per Accounting Standard 23- "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.
- VIII. The principles of consolidation are consistently followed except for the changes required by statute and / or Accounting Standards.

c) The Consolidated Financial Statements include the results of the following entities :

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
1	Flex America Inc.	USA	Subsidiary	100%
2	Uflex Europe Limited	London-UK	Subsidiary	100%
3	Uflex Packaging Inc.	USA	Subsidiary	100%
4	Tflex Americas LLC	USA	Subsidiary	100%
5	Flex Middle East FZE	Dubai-UAE	Subsidiary	100%
6	Flex P. Films (Egypt) S.A.E.	Egypt	Subsidiary	100%
7	Flex Films Europa Sp. z.o.o.	Poland	Subsidiary	100%

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
8	UPET Holdings Limited	Mauritius	Subsidiary	100%
9	UPET (Singapore) PTE Ltd.	Singapore	Subsidiary	100%
10	Flex Americas S.A.de C.V.	Mexico	Subsidiary	100%
11	Flex Films (USA) Inc.	USA	Subsidiary	100%
12	UTech Developers Limited	India	Subsidiary	100%
13	SD Buildwell Private Limited	India	Subsidiary	54%
14	Qcell Limited	Gambia	Joint Venture	40%
15	Flex Foods Limited	India	Associate	47.15%

d) OTHER SIGNIFICANT ACCOUNTING POLICIES

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

2 SHARE CAPITAL

A Authorised

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

B Issued, Subscribed & Paid-Up

The Issued, Subscribed & Fully Paid up capital of the Holding Company as at 31st March 2011 is of Rs.7218.08 Lacs .

During the year, the Holding Company has allotted 30,711 Fully paid up Equity Shares of Rs. 10/- each on 09/06/2011 upon conversion of the Foreign Currency Convertible Bonds (FCCB's) on request of the Foreign Currency Convertible Bonds (FCCB's) Holder .

Accordingly the Issued, Subscribed and Fully Paid up capital of the Holding Company is Rs.7221.15 Lacs, represented by the 7,22,11,486 Equity Shares of Rs. 10/- Each as at 31st March 2012. 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 31st March 2010	65006646	6500.67	64933945	6493.40	72701	3.89
Addition during the year						
On Conversion of Warrants	3500000	350.00	3500000	350.00		
On Conversion of FCCB's	3746830	374.68	3746830	374.68		
Shares Forefeited During the year	(72701)	(7.27)	-	-	(72701)	(3.89)
Balance as At 31st March 2011	72180775	7218.08	72180775	7218.08	-	-
Addition during the year						
On Conversion of FCCB's	30711	3.07	30711	3.07		
Balance as at 31st March 2012	72211486	7221.15	72211486	7221.15	-	-

The Holding Company's issued, subscribed and paid up capital of 72211486 (previous Year 72180775) Equity Shares of Rs. 10/- each, is distributed as under:

	As At 31 st March, 2012		As At 31 st March, 2011	
	Number	%	Number	%
a) Promoter & Promoter Group	31386975	43.47	31436759	43.55
Of which Shareholders holding More than 5% of the Paid up Capital				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anant Overseas Pvt. Ltd.	5415141	7.50	5415141	7.50
Anshika Investments Pvt. Ltd.	5271092	7.30	5271092	7.30
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
b) Public Shareholding	40824511	56.53	40744016	56.45
i) Institution	7418912	10.27	6581759	9.12
ii) Non-Institution	27939759	38.69	28696417	39.76
iii) GDRs (underlying shares)	5465840	7.57	5465840	7.57
Of which Shareholders holding More than 5% of the Paid up Capital				
Mr. Dilip Kumar Lakhi	-	-	3986135	5.52

Further, the issued, subscribed and paid up capital of the Holding Company includes 54,65,840 (Previous Year Same) Equity Shares lying with Depository, representing 27,32,920 (Previous Year Same) Global Depository Receipts (GDRs), issued through an international offering in US Dollars, outstanding as at Balance Sheet date.

Also the Holding Company has an outstanding 1,00,00,000 warrants carrying conversion price of Rs. 300/- each as on the Balance Sheet date. These warrants give holders the right to convert warrants into equal number of equity shares of the company at any time within 18 Months from the date of allotment i.e. 25th November 2010. However, the warrant holders' did not exercise their rights for conversion of warrants into equity shares upto the due date.

C. Restriction on Voting Rights

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

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

3. RESERVES & SURPLUS

(Rs. in Lacs)

	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	Legal Reserve	Foreign Currency Translation Reserve (Arising on Consolidation)	General Reserve	Profit & Loss Account	Total
Balance as at 31st March 2010	2806.27	43089.42	1639.56	3.39	134.93	(5770.37)	8099.92	46350.22	96353.34
Profit for the Year								69798.30	69798.30
(Less): Appropriations									
Proposed Dividend								(5415.86)	(5415.86)
Dividend Distribution Tax								(878.59)	(878.59)
Amount transferred to Legal Reserve								(266.53)	(266.53)
Amount transferred to General Reserve								(3091.53)	(3091.53)
Additions on Conversion of Warrants/ FCCB's		15197.19							15197.19

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
3. RESERVES & SURPLUS

(Rs. in Lacs)

	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	Legal Reserve	Foreign Currency Translation Reserve (Arising on Consolidation)	General Reserve	Profit & Loss Account	Total
Amount Transferred from Profit & Loss Account					266.53		3091.53		3358.06
Amount Transferred from Debenture Redemption Reserve to General Reserve			(1639.56)				1639.56		-
Amount Transferred from Revaluation Reserve to General Reserve*				(0.08)			0.08		-
Amount transferred From Equity Capital on Forfeiture of Equity Shares	3.89								3.89
Amount transferred from Securities Premium to Capital Reserve towards share forfeited during the year	85.69	(85.69)							-
Addition during the year						(925.20)			(925.20)
Balance as at 31st March 2011	2895.85	58200.92	-	3.31	401.46	(6695.57)	12831.09	106496.01	174133.07
Profit for the Year								25501.94	25501.94
(Less): Appropriations									
Proposed Dividend								(1444.23)	(1444.23)
Dividend Distribution Tax								(234.29)	(234.29)
Amount transferred to Legal Reserve								(243.48)	(243.48)
Amount transferred to General Reserve								(1739.40)	(1739.40)
Addition on Conversion of FCCB's		41.37							41.37
Adjusted against the Premium Paid on redemption of FCCB's		(1131.66)							(1131.66)
Amount Transferred from Profit & Loss Account					243.48		1739.40		1982.88
Amount Transferred from Revaluation Reserve to General Reserve*				(0.08)			0.08		-
Addition during the year						14784.45			14784.45
Balance as at 31st March 2012	2895.85	57110.63	-	3.23	644.94	8088.88	14570.57	128336.55	211650.65

* Represent difference between depreciation charged on enhanced value of the revalued assets and the depreciation on their historical cost, at Straight Line Method prescribed in Schedule XIV of the Companies Act, 1956.

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	As At 31 st March, 2012	As At 31 st March, 2011
4. MONEY RECEIVED AGAINST SHARE WARRANTS		
Amount received @Rs.75.00 each on allotment of 1,00,00,000 (Previous Year 1,35,00,000) Warrants	7500.00	10125.00
Less : Amount in respect of Nil (Previous Year 35,00,000) Warrants converted into Equity Shares.	- 7500.00	2625.00 7500.00
TOTAL :	7500.00	7500.00
<p>In terms of the Resolution passed through Postal Ballot declared on 19th November 2010 ,the Holding Company had allotted 135 Lacs Warrants at a price of Rs.300/- per warrant (inclusive of premium of Rs.290/- per warrant), which gives holders the right to convert warrants into equal number of equity shares of the Holding Company at any time within 18 Months from the date of allotment viz. 25th November 2010.</p>		
5. MINORITY INTEREST		
Share Capital		
Equity Share Capital	0.46	272.56
Profit & Loss Account		
Balance on Acquisition	(82.72)	(82.72)
Add: Post acquisition profit / (loss) till year end	(168.59)	(116.48)
	(251.31)	(199.20)
Less: Amount Transferred to Goodwill on acquisition of Minority Interest	250.85 (0.46)	- (199.20)
	-	73.36
6. LONG TERM BORROWINGS		
A. Secured		
Term Loans :		
From Banks	128348.74	112787.64
From Financial Institution	18387.92	-
	146736.66	112787.64
B. Unsecured		
Foreign Currency Convertible Bonds (FCCBs)	-	4179.24
From Bodies Corporate	3108.60	1839.74
	149845.26	118806.62
Less: Current portion	35228.38	23540.82
TOTAL :	114616.88	95265.80
7. DEFERRED TAX LIABILITY (NET)		
Opening Balance	16064.97	13457.26
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year *	(370.70)	2607.71
TOTAL :	15694.27	16064.97
*Includes Rs. 37.75 lacs (Previous Year Nil) adjusted against the expenses treated as Pre-operative expenses during the year.		
8. OTHER LONG TERM LIABILITIES		
Securities Received	266.19	154.88
Retention Money	60.50	354.99
Lease Security Deposit	11.88	11.88
TOTAL :	338.57	521.75

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	<u>As At 31.03.2012</u>	<u>As At 31.03.2011</u>
9. SHORT TERM BORROWINGS		
Secured		
Working Capital Facilities From Bank	35278.32	22290.80
Unsecured		
From Others *	8400.28	26.68
TOTAL :	<u>43678.60</u>	<u>22317.48</u>
10. TRADE PAYABLES		
Suppliers	53713.81	32599.66
Due to Suppliers under MSMEDA	395.81	194.52
Due to Related Parties	6265.94	3297.64
TOTAL :	<u>60375.56</u>	<u>36091.82</u>
11. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	35228.38	23540.82
Capital Creditors	9193.34	4695.84
Due to Employees	1069.94	1302.91
Interest Accrued but not due on Loans	471.58	93.15
Unclaimed Matured Deposits & Interest thereon*	0.09	0.18
Unclaimed matured debentures & interest thereon*	37.39	38.41
Unclaimed Dividend*	134.04	92.26
Advances from Customers	3423.99	5219.42
Advances from Others	6500.00	6500.00
Statutory Dues	1316.91	565.70
Others Payable	1902.33	4532.06
TOTAL :	<u>59277.99</u>	<u>46580.75</u>
* These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund.		
12. SHORT TERM PROVISIONS		
Income Tax (Net)	3913.38	2030.18
Wealth Tax	104.23	20.62
Proposed Dividend	1444.23	5415.86
Proposed Dividend Distribution Tax	234.29	878.59
Leave Encashment	1230.90	924.38
Staff Benefits	433.34	333.17
Warranty	8.86	2.55
Interest on Deferred Liabilities	1170.81	981.68
TOTAL :	<u>8540.04</u>	<u>10587.03</u>

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

13. FIXED ASSETS

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK					NET BLOCK		
	Value/cost As At 01.04.2011	Additions during the year	Deductions during the year	Adjustments	Value/cost As At 31.03.2012	Upto 31.03.2011	For the year	Deductions	Adjustments	As At 31.03.2012	As At 31.03.2012	As At 31.03.2011
A. TANGIBLE ASSETS												
Freehold Land	3011.53	12.73	-	339.35	3363.61	-	-	-	-	-	3363.61	3011.53
Leasehold Land	11397.36	690.64	8.10	425.68	12505.58	-	-	-	-	-	12505.58	11397.36
Building	29741.91	15460.42	227.42	1782.42	46757.33	7897.99	1211.21	227.42	123.89	9005.67	37751.66	21843.92
Plant & Machinery	209773.51	79860.31	15903.14	9124.67	282855.35	85749.03	14938.23	12315.34	1165.76	89537.68	193317.67	124024.48
Electrical Installation	5800.52	4800.31	24.77	435.62	11011.68	2475.95	370.18	24.77	29.28	2850.64	8161.04	3324.57
Office Equipments	4322.85	550.31	110.01	25.99	4789.14	1428.21	359.18	107.19	6.93	1687.13	3102.01	2894.64
Furniture & Fixtures	5080.43	227.28	159.08	35.48	5184.11	1323.66	335.94	153.15	9.57	1516.02	3668.09	3756.77
Vehicles	2617.22	245.04	88.14	25.40	2799.52	780.18	302.08	62.60	9.75	1029.41	1770.11	1837.04
Aircraft (on Lease)	3584.70	-	-	-	3584.70	1036.17	200.74	-	-	1236.91	2347.79	2548.53
Sub-Total (A)	275330.03	101847.04	16520.66	12194.61	372851.02	100691.19	17717.56	12890.47	1345.18	106863.46	265987.56	174638.84
<i>Previous Year</i>	(239980.60)	(38996.92)	(3647.49)	-	(275330.03)	(90218.53)	(13241.82)	(2769.16)	-	(100691.19)	(174638.84)	(149762.07)
B. INTANGIBLE ASSETS												
Goodwill (Arising on Consolidation)	330.87	250.85	-	-	581.72	-	-	-	-	-	581.72	330.87
Software	823.94	482.56	-	(7.43)	1299.07	540.26	117.19	-	0.12	657.57	641.50	283.68
Patent	-	500.00	-	-	500.00	-	21.86	-	-	21.86	478.14	-
Sub-Total (B)	1154.81	1233.41	-	(7.43)	2380.79	540.26	139.05	-	0.12	679.43	1701.36	614.55
<i>Previous Year</i>	(735.19)	(419.62)	-	-	(1154.81)	(392.30)	(147.96)	-	-	(540.26)	(614.55)	(342.89)
TOTAL	276484.84	103080.45	16520.66	12187.18	375231.81	101231.45	17856.61	12890.47	1345.30	107542.89	267688.92	175253.39
<i>Previous Year</i>	(240715.79)	(39416.54)	(3647.49)	-	(276484.84)	(90610.83)	(13389.78)	(2769.16)	0.00	(101231.45)		
										Capital Work in Progress	29117.51	30800.40
										Intangible Assets under Development	10.30	195.57
										TOTAL :	296816.73	206249.36

- Leasehold Land includes Rs.320.00 lacs (Previous Year Rs.320.00 lacs) pending execution of title deed.
- Freehold Land includes Rs.1422.96 lacs (Previous Year Rs.1313.74 lacs) pending execution of title deed.
- Building includes Rs. 5.30 lacs (Previous Year Rs.5.30 lacs) acquired on ownership basis & Rs.19.85 lacs (Previous Year Rs. 19.85 lacs) pending execution of title deed.
- Gross Block & Capital Work in Progress includes Pre-operative expenses, basis of which is certified by the Management.
- Capital Work in Progress includes Rs 67.02 lacs (Previous year Rs. 288.09 lacs) in respect of Machinery in Transit.
- Plant & Machinery includes Rs.2397.72 lacs in respect of Machineries, destroyed during out break of fires, on which depreciation has been ceased to be charged, from the date of fire.
- Depreciation for the year includes Rs 27.78 lacs (Previous year Rs. 22.06 lacs) charged to Pre-operative expenses.
- Gross Block includes Rs. 5.08 lacs (Previous Year Same) added on revaluation of followings:
 - Rs. 2.27 Lacs for Building revalued as at 31st December 1987.
 - Rs. 2.81 lacs for Land revalued as at 31st December 1987.
- Adjustments in Gross Block & Depreciation Block represents amount arising on translation of Foreign subsidiaries / Joint Venture.

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

Particulars	As At 31 st March, 2012	As At 31 st March, 2011
14. INVESTMENTS		
1. NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)		
i) INVESTMENT IN ASSOCIATES		
In Equity Shares- Quoted, fully paid up		
Carrying Value of Investment	443.73	443.73
Add : Share of Post acquisition Profits	<u>2276.65</u>	<u>2079.76</u>
	2720.38	2523.49
Less : Dividend received upto the year end	<u>(469.60)</u>	<u>(352.20)</u>
Carrying Amount of Investment	2250.78	2171.29
ii) INVESTMENT IN OTHERS		
a) Quoted Fully Paid up Equity Shares	5208.02	5208.02
b) Un Quoted Fully Paid up Equity Shares	2086.73	2086.74
c) Trust Securities & Mutual Fund	<u>100.00</u>	<u>100.00</u>
TOTAL :	<u>9645.53</u>	<u>9566.05</u>
2. CURRENT INVESTMENTS		
Trust Securities & Mutual Fund	-	1300.00
TOTAL	<u>9645.53</u>	<u>10866.05</u>
15. LONG TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Capital Advances	7748.41	16680.63
Security Deposits	5126.59	2534.44
Loans to :		
- Employees	160.77	80.76
- Others	8.50	9.50
Deposits :		
- With Excise Authority	274.83	235.37
- Others	209.81	88.64
Share Application Money (Pending Allotment)	329.59	-
MAT Credit Entitlement	134.79	248.68
Deposits / Advances with Income Tax Authorities	<u>892.60</u>	<u>878.36</u>
TOTAL :	<u>14885.89</u>	<u>20756.38</u>
16. OTHER NON-CURRENT ASSETS		
Long Term Trade Receivable	1916.67	480.95
Advances recoverable in cash or in kind or value to be received	519.10	561.83
Other Receivables	<u>1541.36</u>	<u>-</u>
TOTAL :	<u>3977.13</u>	<u>1042.78</u>

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31 st March, 2012	(Rs. in lacs) As At 31 st March, 2011
17. INVENTORIES		
Raw Materials	18734.54	14612.81
Work-in-Progress	9950.03	8567.38
Finished Goods	7548.27	1951.76
Stock - in - Trade	20.21	44.44
Material-in-Transit :		
- Raw Materials	1828.22	1682.12
- Raw Materials (Intra Group)	481.65	981.27
- Finished Goods	3516.01	7890.85
Stores, Packing Material & Fuel	1284.37	775.60
TOTAL :	<u>43363.30</u>	<u>36506.23</u>
18. TRADE RECEIVABLES		
(Unsecured, Considered Good)		
A. Trade receivables outstanding for a period exceeding six months	18124.41	12532.70
B. Other trade receivables	82654.70	65591.37
	100779.11	78124.07
Less : Provision for Bad & Doubtful Debts	1222.19	1754.97
TOTAL :	<u>99556.92</u> #	<u>76369.10</u>
# Include due from Related Party	502.94	285.08
19. CASH & BANK BALANCES		
a) Cash & Cash Equivalents		
Cash in hand	128.18	175.69
<u>Balances with Bank</u>		
- On Current Accounts	9665.53	13136.26
- On Cash Credits Accounts	2286.58	408.87
- On Fixed Deposits Accounts	2489.76	8777.83
	14570.05	22498.65
b) Remittance in Transit	-	135.42
c) Other Bank Balances		
- On Fixed Deposits Accounts*	908.36	938.51
- On Fixed Deposits Accounts a period for more than 12 Months*	2.92	3.15
- On Unclaimed Dividend Account	134.04	92.26
- In Margin Money Accounts	1192.74	4160.14
	2238.06	5194.06
TOTAL :	<u>16808.11</u>	<u>27828.13</u>

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

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31 st March, 2012	(Rs. in lacs) As At 31 st March, 2011
20. SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	30659.83	29544.56
Advances to Related Parties	20.99	744.30
Balances with Excise Authorities	2769.64	2087.78
Loans to Employees and others	2.13	6.64
Loans to Bodies Corporate	9070.00	4100.00
TOTAL :	42522.59	36483.28
21. OTHER CURRENT ASSETS		
Interest accrued on :		
- Loans to Others	46.23	173.96
- Deposits with Banks	295.02	78.84
Other Receivables	976.26	-
TOTAL :	1317.51	252.80
	For the Year Ended 31 st March, 2012	(Rs. in lacs) For the Year Ended 31 st March, 2011
22. REVENUE FROM OPERATIONS		
A. i) REVENUE FROM SALE OF PRODUCTS		
Gross Sales	496389.34	386773.30
Less : Inter Unit Sales	32259.67	31621.78
	464129.67	355151.52
Less : Excise Duty / Cess	26351.50	16269.29
	437778.17	338882.23
ii) REVENUE FROM SALE OF SERVICES		
Gross Job work	4426.22	4167.63
Less : Inter Unit Job Work	3414.02	2732.28
	1012.20	1435.35
Less : Excise Duty / Cess	79.44	98.96
	932.76	1336.39
TOTAL (A) :	438710.93	340218.62
B. OTHER OPERATING REVENUES		
Scrap Sales	4558.20	2832.07
Less : Excise Duty / Cess	226.28	160.55
	4331.92	2671.52
Packing, Forwarding and Insurance Recoveries	433.01	93.91
Exchange Rate Fluctuation (Net)	1702.76	2015.00
Export Incentive	2416.09	2560.61
Excise Duty Refund	845.79	782.73
Miscellaneous Operating Income	294.52	569.91
Licence fees	105.00	685.00
Technical & Support Fees	2744.21	47.81
TOTAL (B) :	12873.30	9426.49
TOTAL (A+B):	451584.23	349645.11

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Rs. in lacs)	
	For the Year Ended 31 st March, 2012	For the Year Ended 31 st March, 2011
23. OTHER INCOME		
Rent Received	181.25	56.65
Profit on sale of Investments (Net)		
- Non Current Investments	76.20	-
- Current Investments	146.00	442.81
Profit on sale of assets (Net)	-	46.28
Miscellaneous Income	101.62	57.12
Interest :		
- from Banks	1157.02	275.61
- from Others	801.26	503.09
Investment Income:		
- Dividend received on Non-Trade Investments	50.82	52.73
TOTAL :	<u>2514.17</u>	<u>1434.29</u>
24. COST OF MATERIALS CONSUMED		
Opening Stock	15594.08	7604.87
Add : Purchases	301495.79	205456.87
	<u>317089.87</u>	<u>213061.74</u>
Less : Inter Unit Purchases	32970.52	31414.64
	<u>284119.35</u>	<u>181647.10</u>
Less : Closing Stock	19216.19	15594.08
TOTAL :	<u>264903.16</u>	<u>166053.02</u>
25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK-IN-TRADE		
Closing Stock :		
Stock - in - Trade	20.21	44.44
Finished Goods	11064.28	9842.61
Work-in-Progress	9950.03	8567.38
	<u>21034.52</u>	<u>18454.43</u>
Less : Opening Stock :		
Stock - in - Trade	44.44	93.85
Finished Goods	9842.61	4127.76
Work-in-Progress	8567.38	4183.66
	<u>18454.43</u>	<u>8405.27</u>
TOTAL :	<u>2580.09</u>	<u>10049.16</u>
26. EMPLOYEES BENEFITS EXPENSE		
Salaries,Wages,Bonus,Benefits and Amenities	20576.64	15758.04
Contribution to Provident Fund and Other Funds	1059.65	812.13
Employees Welfare Expenses	877.06	553.21
TOTAL :	<u>22513.35</u>	<u>17123.38</u>

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Rs. in lacs)	
	For the Year Ended 31 st March, 2012	For the Year Ended 31 st March, 2011
27. FINANCE COSTS		
Interest		
- On Loans for Fixed Period	13127.55	11059.14
- On Other Loans / Liabilities	3518.11	3232.06
- On Shortfall in payment of Advance Tax	483.83	-
Discounting & Financial Charges	2795.82	2140.78
TOTAL :	<u>19925.31</u>	<u>16431.98</u>
28. OTHER EXPENSES		
A. OTHER MANUFACTURING EXPENSES		
Power & Fuel Consumed	22600.78	17424.35
Repair & Maintenance-Machinery	4578.44	3485.51
Stores Consumed	4108.87	2760.69
Tools, Jigs & Dies	292.40	205.59
Packing Material Consumed	9924.30	7010.96
Cylinders / Processing Charges for Cylinders	924.78	999.65
Less : Inter Unit Charges	586.98	740.73
Design & Development Charges	13.29	2.86
Excise Duty	(9.13)	54.37
Job Work Charges	1872.47	1075.59
Other Direct Charges	229.02	406.71
R & D Charges	43.67	26.02
TOTAL (A) :	<u>43991.91</u>	<u>32711.57</u>
B. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent,Rates & Taxes	1478.05	1241.32
Rates & Taxes	384.74	179.89
Insurance charges	698.20	500.84
Electricity & Water charges	350.99	347.71
Printing & Stationery	208.35	183.50
Postage,Telegram,Telephone & Fax Expenses	1094.54	910.52
Vehicle Running & Maintenance Expenses	399.52	389.05
Lease Rent -Vehicles	400.76	363.73
Conveyance & Travelling Expenses	3118.75	2343.99
Repair & Maintenance :		
- Building	460.46	339.86
- Others	1576.88	1047.92
Legal & Professional Charges	1575.87	1217.80
Directors' sitting fees	7.00	12.00
General Expenses	1910.38	2062.36
Commission on Sales	1446.39	886.05
Advertisement & Publicity	319.34	272.36
Entertainment Expenses	538.34	757.89
Charity & Donation	87.41	52.42
Rebate & Discount	2224.51	1117.45

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	For the Year Ended 31 st March, 2012	(Rs. in lacs) For the Year Ended 31 st March, 2011
Freight & Forwarding charges	14572.57	11666.92
Fixed Assets Written -off	2.61	61.37
Loss on assets sold (Net)	631.54	-
Provision for Doubtful Debts Written Back	(1026.07)	-
Bad & Doubtful Debts (Provision)	638.06	994.09
Sundry balances written-off (Net)	(899.81)	2101.72
Claim (Exports)	35.10	0.59
Marketing Expenses	105.37	90.28
TOTAL (B) :	32339.85	29141.63
TOTAL :	76331.76	61853.20

29. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS

Cost of Material Consumed	1635.19	1304.17
Employee Benefits Expense	634.74	512.54
Finance Costs	11.38	9.86
Depreciation and amortisation expense	167.07	149.52
Other Expenses	745.19	636.07
TOTAL :	3193.57	2612.16

	As At 31 st March, 2012	(Rs. in lacs) As At 31 st March, 2011
30. A. Contingent liabilities not provided for in respect of :		
i) Guarantees issued by Banks	938.76	753.32
ii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	5970.34	4775.86
iii) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	16112.15	12789.43
iv) Show cause notices / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Holding Company and are contested / appealed / replied.	5370.58	5183.56
v) Additional demands raised by the Income Tax Department, which are under rectification & appeal	371.35	311.39
vi) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	377.72	324.93
vii) Demand raised by PF authority for alleged lower contribution of PF and are under appeal	27.73	20.72
viii) Amount demanded by the erstwhile workers of the Holding Company and are pending in labour Court	13.60	12.20
B. The share in the aggregate contingent liability of the Associate	111.50	115.65

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in lacs)

	As At 31st March, 2012	As At 31st March, 2011
31. Capital Commitments		
a) The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for	40479.97	49202.41
b) The share in the aggregate capital commitments of the Associate	11.50	150.66
32.		
a) Rupees have been rounded off to the nearest thousand.		
b) Previous Year figures have been recasted/regrouped/ reclassified, wherever considered necessary.		
c) The results for the current year are not strictly comparable with that of the previous year as the current year figures includes the results of the following additional Foreign company in which interest was acquired during the year.		

Name of the Company	Nature of Relationship	% of ownership Interest
Flex Films (USA) Inc.	Subsidiary	100%

33. EARNING PER SHARE

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

	Current Year	Previous Year
(A) Profit for the year, after Adjustments, before exceptional items (viz. Numerator) (Rs.in lacs)		
a) Basic Earning	25501.94	69798.30
Add : Interest on FCCB (Net of Tax)	131.55	123.60
b) Diluted Earning	25633.49	69921.90
(B) (i) Opening Balance of Equity Shares	72180775	65006646
Add / (Less) :		
Weighted Average Factor of FCCB's converted into Equity shares	24921	1657675
Weighted Average Factor of warrant converted into Equity shares	-	1169863
Weighted Average Factor of Equity Share Forfeited	-	(51787)
Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	72205696	67782397
(ii) Opening Balance of Equity Shares	72180775	65006646
Add / (Less) :		
Weighted Average Factor of outstanding FCCB's	2676711	2886911
Weighted Average Factor of outstanding Equity Warrants	10000000	3527397
Weighted Average Factor of Equity Share Forfeited	-	(51787)
Weighted Average Factor of FCCB's converted into Equity shares	24921	1657675
Weighted Average Factor of warrant converted into Equity shares	-	1169863
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	84882407	74196705

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	<u>Current Year</u>	<u>Previous Year</u>
	Rs. 10/-	Rs. 10/-
(C) Nominal Value Per Share		
(D) Earning Per Share		
(a) Basic (A(a)/B(i)) (Rs.)	35.32	102.97
(b) Diluted (A(b)/B(ii)) (Rs.)	30.20	94.24

34. ADDITIONAL DISCLOSURE FOR JOINT VENTURE

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

	<u>Current Year</u>		<u>Previous Year</u>	
	(Rs. in lacs)		(Rs. in lacs)	
	(1851.35)		(1355.49)	
Reserve & Surplus				
Fixed Assets				
Tangible	2179.68		2102.81	
Intangible	60.15		74.97	
Capital Work-in-Progress	-	2239.83	891.10	3068.88
Current Assets, Loans and Advances				
Long Term Loans and Advances	113.87		19.00	
Inventories	20.21		44.44	
Sundry Debtors	372.24		220.48	
Cash & Bank Balances	116.98		41.39	
Loans & Advances	67.38	690.68	39.66	364.97
Current Liabilities & Provisions				
Current Liabilities	441.27	441.27	448.73	448.73
Total Income		2537.76		1848.13
Total Expenses		2878.96		2469.74

35. During the last financial year, due to strategic reasons, UTech Developers Ltd., wholly owned subsidiary, had entered into Share sale and purchase Agreement on 21st May 2010 for the sale and transfer of its entire shareholding of Equity Shares and Preference Shares of its subsidiary (which was in Joint Venture for handling municipal solid waste processing) at a total consideration of Rs. 7416.85 lacs to its Joint Venture partner. Out of the Total consideration an amount of Rs. 4000.00 lacs was received by UTech Developers Ltd. upto date of Balance Sheet, which is included in the Note No.11 - "Other Current Liabilities".

As per the agreement, UTech Developers Ltd. has transferred the management and control of its subsidiary to the Joint Venture Partner and accordingly the financial statements of the subsidiary of UTech Developers Ltd., are not incorporated into the Consolidated Financial Results.

Profit on the sale of ownership will be recognized upon transfer of shareholding of subsidiary of UTech Developers Ltd., to Joint Venture Partner and compliance of all other conditions under the agreement.

36. During the year the Holding Company has made payment of BLR \$ 800000 equivalent to Rs. 215.72 lacs to Flex P Films (Brasil) LTDA, towards subscription of Equity Shares. On Allotment of Equity Shares, Flex P Films (Brasil) LTDA will become a subsidiary of Uflex Limited.

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

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

(a) List of Related Parties:

i) **Associate:** Flex Foods Limited

ii) **Key Management Personnel & their relatives (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director , Mr. S.K. Kaushik, Wholetime Director, Mr. Pradeep Tyle (Director of Flex Middle East FZE) , Mr. R.K.Jain (Director of Flex Middle East FZE), Mr. P.L.Sirsamkar (Director of Flex Middle East FZE), Mr.Pradeep Srivastava (Director of Uflex Europe Ltd.) and Mr. S.K.Sharma (Manager of Utech Developers Limited).

iii) **Enterprises in which the persons referred in (ii) along with their relatives exercise significant influence:** Flex International (P) Ltd., Anshika Investments (P) Ltd., Ultimate Flexipack Ltd., A.R.Infrastructure & Projects Pvt.Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshika Consultants (P) Ltd., A.R.Leasing (P) Limited, Cinflex Infotech (P) Ltd., Ultimate Enterprises (P) Ltd., AR Aerotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd.,AC Infrastructures (P) Ltd., Club One Airways (P) Ltd.,Flex Industries (P) Ltd., AC Infratech (P) Ltd., RC Properties (P) Ltd., A to Z Infratech (P) Ltd. and Ultimate Infratech (P) Ltd.

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

(Rs.in lacs)

	Transactions	Associates	Key Management Personnel	Enterprises as referred to in 'a (iii)' above	Total
i)	Trade Transactions				
	Sale of Goods/Services (Net)	15.71	-	3628.26	3643.97
		12.39	-	3053.49	3065.88
	Purchase of Goods/Services (Net)	-	-	16310.39	16310.39
		-	-	7991.15	7991.15
	Patent	-	500.00	-	500.00
		-	-	-	-
	Lease Charges Received	-	-	71.16	71.16
		-	-	55.98	55.98
	Rent Received	-	30.00	4.08	34.08
		-	30.00	4.08	34.08
	Rent Paid	-	207.00	123.60	330.60
		-	195.75	103.60	299.35
	Debit Balance Written - off	-	-	-	-
		-	-	-	-
	Interest Paid on Loans	-	-	0.77	0.77
		4.46	-	-	4.46
	Dividend Income	117.40	-	-	117.40
		117.40	-	-	117.40
	Security Given	-	-	-	0.00
		-	-	60.00	60.00
	Remuneration	-	890.94	-	890.94
		-	1611.80	-	1611.80

NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs.in lacs)

	Transactions	Associates	Key Management Personnel	Enterprises as referred to in 'a (iii)' above	Total
ii)	Non Trade Transactions				
	Loan Taken	-	-	250.00	250.00
		<i>100.00</i>	-	<i>700.00</i>	<i>800.00</i>
	Amount received on allotment of warrants/ shares	-	-	-	-
		-	<i>2250.00</i>	<i>15750.00</i>	<i>18000.00</i>
	Repayment of Loan Taken	-	-	250.00	250.00
		<i>100.00</i>	-	<i>8700.00</i>	<i>8800.00</i>
	Total	133.11	1627.94	20638.26	22399.31
		<i>334.25</i>	<i>4087.55</i>	<i>36418.30</i>	<i>40840.10</i>
	Balance as on 31.03.2012				
	Debit	4.90	-	520.71	525.61
		-	-	<i>1029.38</i>	<i>1029.38</i>
	Credit	-	503.98	5769.59	6273.57
		<i>1.50</i>	<i>21.07</i>	<i>3297.64</i>	<i>3320.21</i>

Ultra Urban Infratech Ltd. an associate company is not reported above, since the Investor, UTech Developers Limited, has transferred the Management & ownership control to Joint Venture Partner under the agreement dated 21st May'2010 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

Note: Previous Year figures have been given in Italic.

Notes : Signatories to Notes 1 to 37

For and on behalf of the Board of Directors

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

S. K. Kaushik
Whole-time Director

Ravi Kathpalia
Director

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

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

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

Place : NOIDA
Dated : 11th July, 2012

S.V. Sehgal
Partner

DETAILS OF SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Value	Capital (Note No. 1)	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision For Taxation	Profit after Tax
Flex America Inc.	USD MN	0.10	1.36	13.81	12.35	-	80.16	0.17	0.08	0.09
	Rs in Lac	50.88	691.97	7,026.53	6,283.68	-	40,785.41	86.50	40.70	45.80
Uflex Packaging Inc.	USD MN	3.68	(3.40)	10.49	10.21	-	15.44	(1.07)	-	(1.07)
	Rs in Lac	1,872.38	(1,729.92)	5,337.31	5,194.85	-	7,855.87	(544.42)	-	(544.42)
Tflex Americas LLC.	USD MN	3.00	(4.07)	5.54	6.61	-	2.66	(1.86)	-	(1.86)
	Rs in Lac	1,526.40	(2,070.82)	2,818.75	3,363.17	-	1,353.41	(946.37)	-	(946.37)
Uflex Europe Ltd.	GBP MN	0.99	(1.39)	1.77	2.17	-	0.88	(0.65)	-	(0.65)
	Rs in Lac	804.47	(1,129.51)	1,438.30	1,763.34	-	715.09	(528.19)	-	(528.19)
Flex Middle East FZE	USD MN	29.16	148.35	240.11	62.60	80.69	129.70	12.21	-	12.21
	Rs in Lac	14,836.61	75,480.48	122,167.97	31,850.88	41,055.07	65,991.36	6,212.45	-	6,212.45
Flex P. Films (Egypt) S.A.E.	USD MN	47.91	(0.75)	79.01	31.85	-	68.06	1.19	0.24	0.95
	Rs in Lac	24,376.61	(381.60)	40,200.29	16,205.28	-	34,628.93	605.47	122.11	483.36
Flex Films Europa Sp. z.o.o.	PLN MN	101.47	(2.75)	168.83	70.11	-	12.67	(2.73)	(0.06)	(2.67)
	Rs in Lac	16,559.90	(448.80)	27,553.06	11,441.96	-	2,067.74	(445.54)	(9.79)	(435.75)
Upet Holdings Limited	USD MN	38.40	(0.05)	38.36	0.01	38.20	-	(0.01)	-	(0.01)
	Rs in Lac	19,537.92	(25.44)	19,517.57	5.09	19,436.16	-	(5.09)	-	(5.09)
Upet (Singapore) Pte Ltd.	USD MN	38.20	(0.02)	38.19	0.01	38.05	-	(0.01)	-	(0.01)
	Rs in Lac	19,436.16	(10.18)	19,431.07	5.09	19,359.84	-	(5.09)	-	(5.09)
Flex Americas S.A. de C.V.	MXN MN	419.21	306.51	1,951.14	1,225.42	-	1,601.63	67.21	18.90	48.31
	Rs in Lac	16,600.72	12,137.80	77,265.14	48,526.62	-	63,424.55	2,661.52	748.44	1,913.08
Flex Films (USA) Inc.	USD MN	12.32	(0.18)	17.84	5.70	-	-	(0.29)	(0.12)	(0.17)
	Rs in Lac	6,268.42	(91.58)	9,076.99	2,900.15	-	-	(147.55)	(61.06)	(86.49)
Utech Developers Ltd.	Rs in Lac	10,000.00	1,226.58	26,766.37	15,539.79	63,731.51	547.10	489.24	185.71	303.53
SD Buildwell Pvt. Ltd	Rs in Lac	1.00	3.88	3,263.07	3,258.19	-	7.77	6.98	2.32	4.66

1. Including Share Application Money, if any.

2. Following Rates are used for conversion of the Amount are as under.

- a. 1 USD Equivalent to Rs. 50.88
- b. 1 GBP Equivalent to Rs.81.26
- c. 1 MXP Equivalent to Rs.3.96
- d. 1 PLN Equivalent to Rs.16.32



UFLEX LIMITED

Regd. Office :

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

DP ID*	
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Client ID*	
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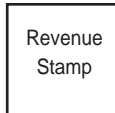
PROXY FORM

Proxy No. :

Regd. Folio No. No. of shares held I/We
of in the district
of being a Member/Members of the above named
Company hereby appoint
of in the district of
..... or failing him/her of in
the district of as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on **Tuesday, the 4th September, 2012 at 10.00 A.M.** at Air Force Auditorium, Subroto Park, New Delhi-110 010 and at any adjournment thereof.

Signed this day of 2012.

Signature



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

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



UFLEX LIMITED

Regd. Office :

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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

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

I hereby record my presence at the 23rd Annual General Meeting of the Company being held at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on **Tuesday, the 4th September, 2012 at 10.00 A.M.**

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

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

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

