

TWENTY NINTH

ANNUAL REPORT

2017-2018



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UFLEX LIMITED



UFLEX LIMITED

CIN: L74899DL1988PLC032166

TWENTY NINTH ANNUAL REPORT 2017-2018

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman & Managing Director
ACHINTYA KARATI
INDU LIBERHAN
TARA SANKAR SUDHIR BHATTACHARYA
ARVIND MAHAJAN
V. ANISH BABU (w.e.f. 16.05.2017)
Nominee IFCI
PRADEEP PODDAR (w.e.f. 30.05.2017)
AMITAVA RAY
Whole-time Director
M. G. GUPTA (upto 31.07.2017)

SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

AJAY KRISHNA

AUDITORS

Statutory Auditors

M/s KAAP & ASSOCIATES
89, Lower Ground Floor,
Gujarat Vihar, Delhi - 110092

Internal Auditors (FY 2017-18)

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

Cost Auditors

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

Secretarial Auditors

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

SUBSIDIARY COMPANIES

UFlex Packaging Inc., USA
Flex Films (USA) Inc., Kentucky, USA
UFlex Europe Limited, UK
Flex Middle East FZE, UAE
Flex P. Films (Egypt) S.A.E., Egypt
Flex Films Europa Sp.zo.o., Poland
UPET Holdings Ltd., Mauritius

UPET (Singapore) Pte. Ltd., Singapore
Flex Americas S.A. de C.V., Mexico
Digicyl Pte. Ltd., Singapore (w.e.f 15.02.2018)
UTech Developers Limited
SD Buildwell Pvt. Ltd.
USC Holograms Pvt. Ltd.
Refex Energy (Rajasthan) Pvt. Ltd.
(upto 30.05.2017)
Bundelkhand Projects Pvt. Ltd.
(upto 30.05.2017)

BANKERS

UFLEX Ltd., India - Bankers

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

Flex Middle East FZE, Dubai - Bankers

United Arab Bank, Dubai
Flex Americas S.A. de C.V., Mexico - Bankers
BBVA Bancomer, Mexico
Flex P. Films (Egypt) S.A.E., Egypt - Bankers
KFW IPEX Bank, Germany
QNB Alahli, Egypt
ADIB, Egypt
National Bank of Abu Dhabi, Egypt
Banque Misr, Egypt

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

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

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

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

REGISTRAR AND SHARE TRANSFER AGENT

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

WORKS

India

A-1, Sector-60, NOIDA (U.P.)
A-2, Sector-60, NOIDA (U.P.)
C-5-8, 17, 18, Sector 57, NOIDA (UP)
D-1-2, 15-16, Sector - 59, NOIDA (U.P.)
Unit-I, Lane No. 3, Phase-I, SIDCO Industrial Complex, Bari Brahmna, Jammu

Unit-II, Lane No. 2, Phase-I, SIDCO Industrial Complex, Bari Brahmna, Jammu

Unit-III, Lane No. 3, Phase-I, SIDCO Industrial Complex, Bari Brahmna, Jammu

SM8 + SM10, Sanand, Gujarat

Dubai

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

Mexico

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

Egypt

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

Poland

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

USA

1221, North Black Branch Road, Elizabethtown, KY 42701

ZONAL OFFICES

Mumbai

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

Kolkata

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

Bengaluru

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

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Members of UFLEX Limited will be held on **Thursday, 2nd August, 2018** at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) The Audited Financial Statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and the Auditors thereon; and
 - b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon.
2. To declare the dividend for the year 2017-2018 on the equity shares of the Company.
3. To appoint a Director in place of Shri Ashok Chaturvedi (DIN: 00023452), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Arvind Mahajan (DIN: 02410540), who was appointed as an Independent Director and who holds office of Independent Director upto 2nd August, 2018 being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 3 (three) consecutive years i.e from 3rd August, 2018 to 2nd August, 2021 and whose office shall not be liable to retire by rotation.”
5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof,

for the time being in force), Shri Achintya Karati (DIN: 00024412), who was appointed as an Independent Director and who holds office of Independent Director upto 31st March, 2019 being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of 3 (three) consecutive years i.e from 1st April, 2019 to 31st March, 2022 and whose office shall not be liable to retire by rotation.”

6. To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the modification to the Articles of Association of the Company, a Copy of which is available for inspection at the registered office and also available on the website of the Company at www.uflexltd.com (Weblink: <http://www.uflexltd.com/pdf/UFLEXPROPOSEDAoA.pdf>) be and is hereby approved and adopted in total exclusion, substitution and superseding the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above Resolution.”
7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Jitender, Navneet & Co., Cost Accountants who was re-appointed as the Cost Auditors of the Company by the Board of Directors, for conducting the audit of the cost records of the Company for the financial year 2018-19, be paid the remuneration of Rs. 18.70 Lacs excluding applicable taxes and out of pocket expenses that may be incurred.”
8. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“Regulations”) and all other

applicable Rules, Schedules, Regulations, Circulars, Directions, Notifications, Press Notes, Guidelines and Laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned Authorities while granting such approvals, permissions, sanctions, consent of the members of the Company be and is hereby accorded to the Board of Directors to increase the total shareholding limit of foreign investment by Foreign Portfolio Investors ("FPIs") and / or Foreign Institutional Investors ("FIIs"), as defined and registered under the relevant regulations by the Securities and Exchange Board of India ("SEBI"), on their own account and on behalf of each of their SEBI approved sub-accounts, by whatever name called, to acquire and hold Equity Shares of the Company under the 'Foreign Portfolio Investment Scheme' under FEMA and regulations framed thereunder, up to an aggregate limit upto 49% of the paid up equity share capital of the Company, provided however that the shareholding of foreign investors, including FPIs or FIIs, on its own account and on behalf of each of their SEBI approved sub-accounts in the Company, shall not exceed such limits as may be prescribed, from time to time, under applicable FEMA laws, rules and regulations;

RESOLVED FURTHER THAT the Board of Directors of the Company (which shall include any Committee which the Board may constitute, or any Director/Officer authorised by the Board for this purpose) be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including raising limit from 24% to aggregate limit upto 49% without requiring to secure any further consent or approval of the members of the Company".

By Order of the Board

AJAY KRISHNA

Sr. Vice President (Legal) &

Company Secretary

ACS No. 3296

Place : NOIDA

Dated : 28th May, 2018

Regd. Office:

305, 3rd Floor, Bhanot Corner,

Pamposh Enclave, Greater Kailash-I

New Delhi-110048

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from **26th July, 2018 to 2nd August, 2018 (both days inclusive)**.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.

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

5. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs. 22,76,815/- (Rupees Twenty Two Lacs Seventy Six Thousands Eight Hundred Fifteen Only) being the unpaid and unclaimed dividend amount pertaining to Dividend, 2009-10 to the Investor Education and Protection Fund of the Central Government.

6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be

obtained from the concerned Depository Participant and holdings should be verified.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Electronic copy of the Annual Report of the 29th Annual General Meeting of the Company *inter alia* indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 29th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
9. The Company has paid the Annual Listing Fees for the year 2018-2019 to the following Stock Exchanges, viz. the BSE Limited and the National Stock Exchange of India Limited (NSE) on which the Company's Securities are presently listed.
10. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 including amendments thereto ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Account as prescribed by the IEPF Authority. In pursuance of Compliance of said rules Company has transferred 2,32,290 (Two Lacs Thirty Two Thousands Two Hundred Ninety) Equity Shares to Investor Education and Protection Fund (IEPF).
11. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing the shareholders facility

to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).

- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- i) The voting period begins on **30th July, 2018 (9:00 AM)** and ends on **1st August, 2018 (5:00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 27th July, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders." Tab.
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

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

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for **UFLEX LIMITED** on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
13. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share

capital of the Company as on the *cut-off date* i.e. 27th July, 2018.

14. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the *cut-off date* only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
15. Shri Mahesh Gupta, Practicing Company Secretary (Membership No. 2870) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
16. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" or "polling paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
17. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
18. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.uflexltd.com and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.
19. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company.

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

Item No. 4

Shri Arvind Mahajan was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He holds office as Independent Director of the Company up to 2nd August, 2018 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). Nomination and Remuneration Committee of the Board of Directors,

on the basis of the report of performance evaluation of Shri Arvind Mahajan, has recommended reappointment of Shri Arvind Mahajan as Independent Director for a second term of 3 (three) consecutive years i.e. from 3rd August, 2018 to 2nd August, 2021. The Board, based on the performance evaluation of Shri Arvind Mahajan and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Shri Arvind Mahajan would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Shri Arvind Mahajan as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Shri Arvind Mahajan is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Arvind Mahajan for the office of Independent Director of the Company. The Company has also received declarations from Shri Arvind Mahajan that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Shri Arvind Mahajan fulfil the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Shri Arvind Mahajan is an independent of the management.

Details of Shri Arvind Mahjan is provided in the "Annexure" to the Notice pursuant to the provisions of (i) Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Arvind Mahajan is interested in the resolution set out respectively at Item No. 4 of the Notice with regard to his re-appointment. Save and except the above, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the Notice.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

Item No. 5

Shri Achintya Karati was appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He holds office as Independent Directors of the Company up to 31st March, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Shri Achintya Karati, has recommended reappointment of Shri Achintya Karati as Independent Director for a second term of 3 (three) consecutive years i.e. 1st April, 2019 to 31st March, 2022. The Board, based on the performance evaluation of Shri Achintya Karati and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Shri Achintya Karati would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Shri Achintya Karati as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Shri Achintya Karati is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given his consent to act as Director. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Achintya Karati for the office of Independent Director of the Company. The Company has also received declarations from Shri Achintya Karati he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Shri Achintya Karati fulfil the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Shri Achintya Karati is independent of the management.

Details of Shri Achintya Karati is provided in the "Annexure" to the Notice pursuant to the provisions of (i) Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Achintya Karati is interested in the resolution set out at Item No. 5 of the Notice with regard to his re-appointment. Save and except the above, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 5 of the Notice except to the extent of their shareholding in the Company.

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

Item No. 6

The Existing Articles of Association ("AOA") of the Company are based on Companies Act, 1956. In order to bring the existing AOA of the Company in line with the provisions of the Companies Act, 2013 (the "Act"), the Company will have to make numerous changes in the existing AOA. It is therefore considered desirable to adopt a Comprehensive new set of Articles of Association of the Company ("New Articles"), in substitution of and to the exclusion of existing AOA.

Pursuant to the provision of section 14 of the Act, approval of the shareholders of the company by way of special resolution is required for the adoption of the New Articles to replace existing AOA and accordingly, the approval of the shareholders is being sought for the adoption of the New Articles.

A Copy of the proposed New Articles to be adopted are available for inspection by the members at the registered office of the Company during normal business hours on all working days from the date of dispatch of notice, upto the date of Annual General Meeting i.e. 2nd August, 2018 and is also available on the website of the Company at www.uflexltd.com (Weblink: <http://www.uflexltd.com/pdf/UFLEXPROPOSEDAoA.pdf>)

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 6 of the Notice except to the extent of their shareholding in the Company.

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

Item No. 7

The Board of Directors on the recommendation of Audit Committee re-appointed M/s. Jitender, Navneet & Co., Delhi, Cost Auditors, (Firm Registration No.00119) for the Financial Year 2018-19. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be

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

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

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

Item No. 8

As per the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and the 'Consolidated FDI Policy' (issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India) ("FDI Policy"), the total investment by all Foreign Portfolio Investors ("FPIs") and Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI"), including their subaccounts, under the portfolio investment scheme, is not to exceed 24% of the paid-up equity share capital of the Company.

However, this limit can be increased to 49% of the paid-up equity share capital of the Company under the automatic route, after approval by the board of directors and members of the Company by way of a special resolution and subject to intimation to the Reserve Bank of India ("RBI").

Pursuant to the FEMA 2000 and the FDI Policy, foreign investment of up to 49% of the paid-up equity share capital is being permitted under the automatic route. As

on 31/03/2018, holding of FPIs/FIIs is 11.70% of paid-up equity share capital in the Company.

To attract the foreign investments and to make more space for the FPIs/ FIIs to invest in the equity share capital of the Company, it is proposed to enhance the investment limits of FPIs/FIIs in the Company, under Foreign Portfolio Investment Scheme framed under FEMA, from 24% to 49% of the paid-up equity share capital of the Company. This would result in widening the investor base of the Company, facilitating/ benefiting the shareholders and the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution for increasing the limit of shareholding by FPIs / FIIs from 24% to upto 49% of the paid up equity share capital of the Company.

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

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

By Order of the Board

AJAY KRISHNA

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

Place : NOIDA
Dated : 28th May, 2018

Regd. Office:

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

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

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and SS-2 issued by ICSI

Name of Director	Shri Ashok Chaturvedi	Shri Arvind Mahajan	Shri Achintya Karati
Date of Birth	15.10.1956	24.12.1947	23.03.1946
Date of Appointment	21.06.1988	03.08.2016	14.09.2000
Experience in specific Functional areas	Chief Promoter of UFLEX Group of Companies who had set up the business himself being the first generation entrepreneur and has in depth knowledge in flexible packaging business of the company.	Shri Mahajan is retired from Indian Army as Director General, Corps of Electronics and Mechanical Engineers. Shri Mahajan's areas of specialization are finance, law, management, sales, marketing, administration, research, corporate governance and technical operation.	He has held several important positions in ICICI Bank Limited.

Name of Director	Shri Ashok Chaturvedi	Shri Arvind Mahajan	Shri Achintya Karati
Qualification	B.Sc.	Shri Arvind Mahajan holds a Post Graduate Degree in Automobile Engineering from Military College of Electronics & Mechanical Engineering, Secunderabad; Masters Diploma in Business & Administration Management) from Symbiosis Institute of Management Studies, Pune. He holds Doctor of Philosophy (Ph.D) (Technology & National Security) from Chaudhary Charan Singh University, Meerut.	B.Com., LL.B.
Terms and Conditions of appointment or re-appointment	Shri Ashok Chaturvedi retires by rotation at the ensuing Annual General Meeting	Shri Arvind Mahajan is proposed to be re-appointed as an Independent Director for 2 nd Term.	Shri Achintya Karati is proposed to be re-appointed as an Independent Director for 2 nd Term.
Remuneration sought to be paid	Shri Ashok Chaturvedi retires by rotation at the ensuing Annual General Meeting. Remuneration is being paid as per Terms and Conditions earlier approved by the Shareholders.	Nil	Nil
Remuneration last drawn	As above	Nil	Nil
Shareholding in the Company	502533 Equity Shares	Nil	Nil
Relationship with other Directors, Manager and other key managerial personnel	Not related to any other Directors and other Key Managerial Personnels of the Company	Not related to any other Directors and Key Managerial Personnels of the Company	Not related to any other Directors and Key Managerial Personnels of the Company
No. of Meeting of the Board attended	4	4	4
Directorship in other Public Limited Companies / excluding private companies which are subsidiary of public company	1. Flex Foods Ltd. 2. U Tech Developers Ltd.	--	1. J.K. Cement Limited 2. Jay Bharat Maruti Limited 3. Shyam Telecom Limited 4. Sangam (India) Limited 5. Delton Cables Limited 6. U Tech Developers Limited 7. Ultimate Flexipack Limited

Name of Director	Shri Ashok Chaturvedi	Shri Arvind Mahajan	Shri Achintya Karati
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Committee of Directors Chairman - -UFLEX Limited -Flex Foods Limited Nomination and Remuneration Committee Member -Flex Foods Limited	--	Audit Committee Chairman - Shyam Telecom Limited Member - UFLEX Limited - Sangam (India) Limited - J.K. Cement Limited - Jay Bharat Maruti Ltd. - Delton Cables Limited - Ultimate Flexipack Limited Nomination and Remuneration Committee Member - UFLEX Limited - J.K. Cement Limited - Ultimate Flexipack Limited - Jay Bharat Maruti Ltd. - Delton Cables Limited - Sangam (India) Limited - Shyam Telecom Limited Stakeholders' Relationship Committee Chairman - UFLEX Limited- Member - Sangam (India) Ltd. CSR Committee Member - UFLEX Limited - Ultimate Flexipack Limited Committee of Directors Member - UFLEX Limited

DETAILS OF SHAREHOLDING/OTHER CONVERTIBLE INSTRUMENTS OF NON-EXECUTIVE DIRECTORS OF THE COMPANY AS ON 31.03.2018

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

Sl. No.	Name of Director	No. of Equity Shares	Other convertible Instruments
01	Shri Achintya Karati	Nil	Nil
02	Shri Anish Babu Venugopal (Nominee – IFCI)	Nil	Nil
03	Shri Tara Sankar Sudhir Bhattacharya	Nil	Nil
04.	Smt. Indu Liberhan	Nil	Nil
05	Shri Arvind Mahajan	Nil	Nil
06	Shri Pradeep Narendranath Poddar	Nil	Nil

DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure of presenting this Twenty Ninth Annual Report together with the Standalone & Consolidated Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS

The summarized financial results for the year ended 31st March, 2018 and for the previous year ended 31st March, 2017 are as follows:

[Rs. in Crores]

	Consolidated Year Ended		Standalone Year Ended	
	2018	2017	2018	2017
Revenue from Operations	6788.55	6504.78	3873.75	3887.48
Other Income	19.98	20.51	16.35	17.11
Share in Profit of Associates for the Year	3.21	4.07	-	-
Total Income	6811.74	6529.36	3890.10	3904.59
Profit before Finance Cost, Depreciation & Tax	902.58	898.87	476.15	510.41
Finance Cost	197.09	186.82	144.22	118.78
Depreciation	351.59	317.54	221.28	187.68
Profit before Tax	353.90	394.51	110.65	203.95
Less: Tax Expenses	41.70	43.76	9.73	10.40
Profit for the year before Minority Interest	312.20	350.75	100.92	193.55
Non Controlling Interest	(1.72)	(2.29)	-	-
Profit for the year	310.48	348.46	100.92	193.55
Total Other Comprehensive Income for the Year	68.99	(141.68)	5.73	8.55
Total Comprehensive Income for the Year	379.47	206.78	106.65	202.10

During the year under review, your Company achieved consolidated total income and net profit of Rs. 6811.74 crore and Rs. 310.48 crore respectively as against total income and net profit of Rs. 6529.36 crore and Rs. 348.46 crore respectively during the previous financial year ended 31st March, 2017.

Further, your Company has achieved standalone total income of Rs. 3890.10 crore and net profit of Rs. 100.92

crore as against total income of Rs. 3904.59 crore and net profit of Rs. 193.55 crore during the previous financial year ended 31st March, 2017.

Due to the implementation of GST w.e.f. 1st July, 2017 the figures of Total Income for the year ended 31st March, 2018 & for the previous ended 31st March, 2017 are not comparable.

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

The Details of financial performance of all subsidiaries and associates are contained in Note No. 47 of the Notes to Accounts to the Consolidated Financial Statements.

TRANSFER OF UNCLAIMED DIVIDEND TO AUTHORITY

An amount of Rs. 22,76,815/- (Rupees Twenty Two Lacs Seventy Six Thousand Eight Hundred Fifteen Only) was transferred to Investor Education and Protection Fund (IEPF) during the year under review.

TRANSFER OF UNCLAIMED SHARES TO AUTHORITY

As per the Provision of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has transferred 232290 (Two Lacs Thirty Two Thousand Two Hundred Ninety) Equity Shares on which Dividend was not paid for more than seven years, to the Investor Education and Protection Fund (IEPF) during the year under review.

DIVIDEND

Your Directors are pleased to recommend a dividend @ Rs 2 per share for the financial year ended 31st March 2018 after considering future needs of the company for growth.

The dividend, if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 26th July, 2018. In respect of shares held in dematerialized form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner.

CHANGE IN NATURE OF BUSINESS

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

SHARE CAPITAL

The paid-up equity share capital outstanding as on 31st March, 2018 was Rs. 72.21 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31st March, 2018 none of the Directors of the Company except the following, held shares or convertible instruments of the Company:

Mr. Ashok Chaturvedi, CMD	5,02,533 Equity Shares
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FIXED DEPOSITS

The company neither had any fixed deposits outstanding as on 31st March 2018 nor fresh/renewal of deposits were accepted during the financial year 2017-2018. There were no unclaimed deposits as on 31st March 2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. M.G. Gupta resigned from the Board of Directors w.e.f. 1st August, 2017 due to personal reasons. The Board of Directors placed on record their appreciations for the valuable contribution made by Mr. M.G. Gupta during his tenure as Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashok Chaturvedi, Chairman & Managing Director (DIN 00023452) of the Company due for retirement by rotation and being eligible, offers himself for reappointment. The brief resume and other details as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 are provided in the Notice of Annual General Meeting of the Company.

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

Mr. R.K. Jain, Chief Financial Officer of the Company resigned from his position w.e.f. 1st September, 2017 and Mr. Rajesh Bhatia has been appointed in his place as Chief Financial Officer w.e.f. 1st September, 2017.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b. that the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the Profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

STATUTORY AUDIT & AUDITORS

There is no change in Statutory Auditors. M/s. KAAP & Associates, Chartered Accountants (Firm Registration No. 019416N), will continue as the Statutory Auditors of the Company as appointed for a term of five consecutive years in the last Annual General Meeting i.e. from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013.

The Report given by M/s. KAAP & Associates, Chartered Accountants (Firm Registration No. 019416N), Statutory Auditors on the financial statement of the Company for the year 2017-18 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors has not reported any matter under section 143 (12) of the Act, therefore, no details is required to be disclosed in the Boards Report.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2018 are self-explanatory and therefore do not call for any further comments.

Internal Auditors

The Board of Directors of your Company has appointed Mr. Rakesh Malhotra, Assistant Vice President, as Internal Auditor pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2018-2019.

Cost Auditors

The Board of Directors of your Company has re-appointed M/s. Jitender, Navneet & Co., Delhi, Cost Accountants (Firm Registration No.00119) as Cost Auditors of the Company for the financial year 2018-2019.

Secretarial Auditors

The Board has re-appointed M/s Mahesh Gupta & Co., Practicing Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor is annexed to the Report as per **Annexure 'A'**.

SUBSIDIARY COMPANIES

Flex Middle East FZE, UAE; UFlex Europe Limited, UK; UFlex Packaging Inc., USA; UPET Holdings Ltd., Mauritius; UTech Developers Limited, India and USC Holograms Pvt. Ltd., India are Subsidiary Companies u/s 2(87) of the Companies Act, 2013. Digicyl Pte. Limited, Singapore has been incorporated as Wholly Owned Subsidiary of the Company during the year under review.

Further, UPET (Singapore) Pte. Ltd., Singapore; Flex Americas, S.A. de C.V., Mexico; Flex P. Films (Egypt) S.A.E, Egypt; Flex Films Europa Sp.zo.o., Poland; Flex Films (USA) Inc.; and SD Buildwell Pvt. Ltd. are step-down subsidiaries of the Company. Reflex Energy (Rajasthan) P Ltd and Bundelkhand Projects Pvt. Ltd ceased to be step Subsidiaries of the Company w.e.f. 31st May, 2017.

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

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

Consolidated Financial Statements

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

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given at note No. 47 of the Consolidated Financial Statements in Form AOC-1 and thus forms an integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of the society and environment.

Accordingly, the Company was supposed to undertake CSR Activities utilizing Rs. 378.44 Lac based on the average profits of the three preceding financial years. However, the Company spent Rs. 317.34 Lac upto 31st March, 2018. The balance amount of Rs. 61.10 Lac, could not be spent as the Company was not able to identify meaningful CSR interventions.

CORPORATE GOVERNANCE

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

A separate Report on Corporate Governance along with Report on Management Discussion and Analysis is enclosed as part of this Report as **Annexure 'C' & 'D'** and forms an Integral Part of this Report

Disclosure under Companies Act, 2013

(i) Extracts of Annual Return

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

(ii) Meetings

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

(iii) Composition of Audit Committee

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

(iv) Related Party Transactions

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

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website: www.uflexltd.com at the web-link <http://www.uflexltd.com/pdf/Policies/UFLEX-RELATED-PARTY-TRANSACTIONS-POLICY.pdf>

(v) Particulars of Loans, Guarantees and Investments

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL FINANCIAL CONTROLS

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

BOARD EVALUATION

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

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

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaints were received from any employee during the financial year 2017-2018 and hence no complaint is outstanding as on 31st March, 2018 for redressal.

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

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2018 and the date of this report affecting financial position of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

RISK MANAGEMENT

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

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

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

CIN: L74899DL1988PLC032166

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

However no risk has been identified which in the opinion of the Board may threaten the existence of the Company.

POLICY ON REMUNERATION

The Company has in place Nomination and Remuneration Policy for Directors, Key Management Personnel and Senior Management Personnel. The said Policy is available at www.uflexltd.com.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up till the date of the ensuing Annual General Meeting. Members interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

AWARDS

During the year under review, your Company received 21 Awards and Accolades conferred by reputable organizations/ bodies based out of India and Overseas for excellence, Some of these awards & accolades includes:

- Prestigious Economic Times Polymers Lifetime Achievement Award 2018 was conferred on your Chairman & Managing Director, Mr. Ashok Chaturvedi in the month of March 2018.
- Flexible Packaging Achievement Awards 2018 – Gold in Technical Innovation.
- 5 India Star Packaging Excellence Awards by Indian Institute of Packaging.
- Asia's Most Promising Brand in Packaging Sector by World Consulting & Research Corporation.

The details of all Awards and Accolades conferred upon the Company are provided on the company's website at <http://www.uflexltd.com/awards.php>

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

For & On behalf of the Board
Ashok Chaturvedi

Place : NOIDA Chairman & Managing Director
Dated : 28th May, 2018 (DIN 00023452)

ANNEXURE - A
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
UFLEX LIMITED
(CIN: L74899DL1988PLC032166)
305, 3RD FLOOR, BHANOT CORNER,
PAMPOSH ENCLAVE, GREATER KAILASH – I
NEW DELHI – 110048

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not applicable as the Company did not issue any securities during the financial year under review.**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not applicable as the Company has not granted any Options to its employees during the financial year under review.**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable as the Company has not issued any debt securities during the financial year under review.**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable as the Company has not get delisted its equity shares from any stock exchange during the financial year under review.**

CIN: L74899DL1988PLC032166

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) The management has identified and informed the following laws are being specifically applicable to the Company:
1. Indian Boilers Act, 1923 and Rules made thereunder
 2. The Petroleum Act, 1934, and Rules and Regulations made thereunder
 3. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016.
 4. Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder
 5. Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
 6. Environment (Protection) Act, 1986 and Rules made thereunder
 7. Legal Metrology Act, 2009 and Rules made thereunder

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

The Company was required to spend Rs. 378.44 Lacs on identified CSR activities as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies Act, 2013. Out of the above stated amount, Company spent Rs. 317.34 Lakhs during the year.

We further report that

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

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

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

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

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

**For Mahesh Gupta and Company
Company Secretaries**

Mahesh Kumar Gupta
Prop.

Place : Delhi
Date : 28th May, 2018

FCS No.: 2870
C.P. No.: 1999

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

ANNEXURE – A-1

To,
The Members,
UFLEX LIMITED
(CIN: L74899DL1988PLC032166)
305, 3rd Floor, Bhanot Corner,
Pamposh Enclave, Greater Kailash-1,
New Delhi-110048

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

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

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Prop.

FCS No.: 2870
C.P. No.: 1999

Place : Delhi
Date : 28th May, 2018

ANNEXURE - 'B'
CSR Report for the FY 2017-18

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of Companies Act, 2013 and the same is placed on the Company's website www.uflexltd.com and the weblink for the same is http://www.uflexltd.com/pdf/Policies/UFLEX-CSR-Policy.PDF
2.	The Composition of the CSR Committee	Mrs. Indu Liberhan, Chairman Mr. A. Karati, Member Mr. Amitava Ray, Member
3.	Average net profit of the company for last three financial years: Average net profit	Rs 18,922 Lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs.378.44 Lacs
5.	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year;	The Company has spent Rs 317.34 Lacs
	b) Amount unspent, if any;	Rs. 61.10 Lacs
	c) Manner in which the amount spent during the financial year is detailed below:	The manner in which the amount is spent in detailed in the ANNEXURE "B-1"

ANNEXURE "B-1" :CSR ACTIVITIES AT UFLEX

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: Local area or other Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads Direct expenditure on projects or programs Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	UFLEX STAIRS Khelo Dilli (30 Centres)	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Delhi Districts: All	Rs. 54 Lakh	(1) Direct Expenditure: Rs. 24,02,550/- (2) Overheads: Rs. 1,26,450/-	Rs. 25,29,000/-	STAIRS - A registered NGO
2	UFLEX STAIRS Cricket Scholarship	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Delhi Districts: All	Rs. 5 Lakh	(1) Direct Expenditure: Rs.2,22,300/- (2) Overheads: Rs.11,700/-	Rs. 2,34,000/-	STAIRS - A registered NGO
3	UFLEX STAIRS Cricket Championship	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Himachal Pradesh Venue: HPCA Ground	Rs. 5 Lakh	(1) Direct Expenditure: Rs.2,22,300/- (2) Overheads: Rs.11,700/-	Rs. 2,34,000/-	STAIRS - A registered NGO

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: Local area or other Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads Direct expenditure on projects or programs Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4	UFLEX STAIRS Khelo Himachal (Adoption of 4 STAIRS sports promotion centres) and support UFLEX STAIRS HIMACHAL KHEL MAHOTSAVA	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Himachal Pradesh District: Una	Rs. 15 Lakh	(1) Direct Expenditure: Rs.6,66,900/- (2) Overheads: Rs.35,100/-	Rs. 7,02,000/-	STAIRS - A registered NGO
5	UFLEX STAIRS Khelo Haryana (Adoption of 4 centres)	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Haryana District: Sirsa	Rs. 15 Lakh	(1) Direct Expenditure: Rs.6,66,900/- (2) Overheads: Rs.35,100/-	Rs. 7,02,000/-	STAIRS - A registered NGO
6	UFLEX STAIRS Khelo Uttar Pradesh and support Stairs4Abilty	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Uttar Pradesh District: Kushinagar	Rs. 10 Lakh	(1) Direct Expenditure: Rs.4,44,600/- (2) Overheads: Rs.23,400/-	Rs. 4,68,000/-	STAIRS - A registered NGO
7	UFLEX STAIRS School Football League	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Delhi Districts: All	Rs. 90 Lakh	(1) Direct Expenditure: Rs.40,04,250/- (2) Overheads: Rs.2,10,750/-	Rs. 42,15,000/-	Through registered NGO implementation partner STAIRS
8	UFLEX STAIRS School Football League	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Gujarat;	Rs. 178.5 Lakh	(1) Direct Expenditure: Rs.79,47,500/- (2) Overheads: Rs.4,18,000/-	Rs. 83,65,500/-	Through registered NGO implementation partner STAIRS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: Local area or other Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads Direct expenditure on projects or programs Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
9	UFLEX STAIRS School Football League	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Uttar Pradesh	Rs. 154 Lakh	(1) Direct Expenditure: Rs.68,52,350/- (2) Overheads: Rs.3,60,650/-	Rs. 72,13,000/-	Through registered NGO implementation partner STAIRS
10	STAIRS AGAINST DRUGS	Companies Act 2013; Section 135, Schedule VII, item i Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	State: Delhi	Rs. 10 Lakh	Rs.10,00,000 (one time grant)		Through registered NGO implementation partner STAIRS
11	Village Ecosystem Restoration through community action	Companies Act 2013; Section 135, Schedule VII, item iv Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water	District: Gautam Budha Nagar, Greater Noida, Uttar Pradesh	Rs. 20 Lakh	(1) Direct Expenditure: Rs.16,58,962/- (2) Overheads: Rs.1,13,046/-	Rs.17,72,008/-	AROH FOUNDATION with FIINOVIATION
12	Village Ecosystem Restoration through community action	Companies Act 2013; Section 135, Schedule VII, item iv Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water	District: Bhind; Near Malanpur	Rs. 10 Lakh	(1) Direct Expenditure: Rs.7,36,521/- (2) Overheads: Rs.63,122/-	Rs. 7,99,643/-	BAL MAHILA VIKAS SAMITI with FIINOVIATION

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs: Local area or other Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads Direct expenditure on projects or programs Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
13	Protection of National Heritage Art, Culture and Promotion and Development of Traditional Art	Companies Act 2013; Section 135, Schedule VII, item v Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	State: Delhi	Rs. 5 Lakh	(1) Direct Expenditure: Rs.5,00,000/-	Rs. 5,00,000	NATYA VRIKSHA
14	Uttar Pradesh Cricket Association (UPCA)	Companies Act 2013; Section 135, Schedule VII, item vii Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	State: Uttar Pradesh City: Lucknow	Rs. 30 Lakh	Rs. 30 Lakh	Rs. 30,00,000	Direct
Total				Rs. 6,01,50,000/-		Rs. 3,17,34,151/-	

6. In case the Company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reasons for not spending the amount shall be stated in the Board Report.

Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society.

The Company could not spent balance amount of Rs. 61.10 Lacs, as the Company was not able to identify meaningful CSR Activities.

7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

Place : NOIDA
Dated : 28th May, 2018

(ASHOK CHATURVEDI)
Chairman & Managing Director
DIN : 00023452

(INDU LIBERHAN)
Chairperson of CSR Committee
DIN: 03341420

ANNEXURE - 'C' REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**"the Listing Regulations"**), the Company submits the Report on Corporate Governance followed by the Company.

1. Company's Philosophy on Code of Governance

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

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

2. Board of Directors

a) Composition & Category of the Board (As on March 31, 2018)

The Board of Directors of the Company comprises of Eight Directors, consisting of two Executive Directors (including Executive Chairman), five Independent Non-Executive Directors (including one Woman Director) and one Nominee Director of IFCI being lender of the Company. The Board consists of eminent persons with considerable professional expertise and experience in business and industry, finance, audit, law, banking and public enterprises. None of the Independent Directors of the Company serve as an Independent Director in more than Seven Listed Companies and where any Independent Director is serving as a Whole-time Director in any Listed Company, such Director is not serving as an Independent Director in more than three Listed Companies. All the Directors have made disclosures regarding their directorships and memberships on various Committees across all Companies in which they are Directors and Members.

The composition and category of Directors as on 31.03.2018 are as follows:

Name of Director	Designation	Category
Mr. Ashok Kumar Chaturvedi DIN : 00023452	Chairman & Managing Director	Promoter/Executive Chairman
Mr. Amitava Ray DIN : 00184143	Whole-time Director	Executive Director
Mr. Achintya Karati DIN : 00024412	Director	Independent, Non-Executive
Mr. Anish Babu Venugopal (*) DIN : 02830575	Nominee Director – IFCI Limited	Non-Executive
Mr. Tara Sankar Sudhir Bhattacharya DIN : 00157305	Director	Independent, Non-Executive
Mrs. Indu Liberhan DIN : 03341420	Director	Independent, Non-Executive
Mr. Arvind Mahajan (\$) DIN : 02410540	Director	Independent, Non-Executive
Mr. Pradeep Narendranath Poddar (#) DIN : 00025199	Director	Independent, Non-Executive
Mr. Madan Gopal Gupta (@) DIN : 00023524	Director	Independent, Non-Executive

Note: (*) Mr. Anish Babu Venugopal (DIN : 02830575) was nominated as Nominee Director-IFCI Limited w.e.f. 16th May, 2017.

(\$) Mr. Arvind Mahajan (DIN : 02410540) was appointed as Additional Director on 3rd August, 2016 and regularized at the 28th Annual General Meeting of the Company held on 31st July, 2017.

(#) Mr. Pradeep Narendranath Poddar (DIN : 00025199) was appointed as an Additional Director w.e.f. 30th May, 2017 & regularized at the 28th Annual General Meeting of the Company held on 31st July, 2017.

(@) Mr. Madan Gopal Gupta (DIN : 00023524) resigned from the Directorship of the Company w.e.f. 1st August, 2017

b) Board Meetings and Attendance Record of each Director

Four Board Meetings were held during the financial year 2017-2018. The dates on which the meetings were held are 30.05.2017, 11.08.2017, 11.11.2017 and 07.02.2018 and the gap between the two meetings was not more than 120 days.

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

Name of the Director	Attendance Particulars		No. of other Directorship and Committee Membership / Chairpersonship		
	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 Kumar Chaturvedi	4	No	2	--	--
Mr. Amitava Ray	3	No	4	--	--
Mr. Achintya Karati	4	Yes	7	6	1
Mr. Anish Babu Venugopal (**)	2	No	--	--	--
Mr. Tara Sankar Sudhir Bhattacharya	3	No	6	3	1
Mrs. Indu Liberhan	4	Yes	--	--	--
Mr. Arvind Mahajan (\$)	4	No	--	--	--
Mr. Pradeep Narendranath Poddar (#)	4	No	3	2	1
Mr. Madan Gopal Gupta (@)	1	No	--	--	--

Note: (*) In accordance with the Listing Regulations, Membership and Chairpersonship of the Audit Committee and Stakeholders' Relationship Committee alone in all Public Limited Companies whether Listed or not (excluding UFLEX Limited) have been considered. Further, every Director has informed the Company about the Committee positions he / she occupies in other Companies as on 1st April, 2018.

(**) Mr. Anish Babu Venugopal (DIN : 02830575) was nominated as Nominee Director-IFCI Limited w.e.f. 16th May, 2017.

(\$) Mr. Arvind Mahajan (DIN : 02410540) was appointed as Additional Director on 3rd August, 2016 and regularized at the 28th Annual General Meeting of the Company held on 31st July, 2017.

(#) Mr. Pradeep Narendranath Poddar (DIN : 00025199) was appointed as an Additional Director w.e.f. 30th May, 2017 & regularized at the 28th Annual General Meeting of the Company held on 31st July, 2017.

(@) Mr. Madan Gopal Gupta (DIN : 00023524) resigned from the Directorship of the Company w.e.f. 1st August, 2017

c) Disclosure of relationships between directors inter-se;

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

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

As on 31st March, 2018, none of the Non-Executive Directors of the Company held shares and convertible instruments of the Company.

e) Board Procedure

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

f) Information supplied to the Board

The Board has complete access to all information of the Company, including *inter-alia*, the information to be placed before the Board of Directors as required under the Listing Regulations.

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

g) Compliance reports of all laws applicable to the Company

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

h) Compensation or Profit Sharing

No Employee including Key Managerial personnel or director or promoter of the Company was entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

i) Independent Directors

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

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

The Independent Directors have confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the Listing Regulations.

Separate Meetings of Independent Directors

As stipulated the Code of Conduct for Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 7th February, 2018 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Boards which is necessary to effectively and reasonably perform and discharge their duties.

j) Familiarization Programme for Independent Directors

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

Further the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarization programme imparted to the Independent directors during the year are available on the website of the Company (weblink : <http://www.uflexltd.com/pdf/Policies/UFLEX-FP-Independent-Directors-17-18.pdf>).

3. Audit Committee

Presently, the Audit Committee comprises of Five Members Directors viz., Mrs. Indu Liberhan, Mr. Amitava Ray, Mr. Achintya Karati, Mr. Tara Sankar Sudhir Bhattacharya & Mr. Pradeep Narendranath Poddar. All the Members of the Audit Committee are Non-Executive and Independent Directors except Mr. Amitava Ray (Executive, Whole-time Director). Mrs. Indu Liberhan is the Chairperson of the Audit Committee. During the year Mr. Pradeep Narendranath Poddar was appointed as Member of the Audit Committee in the Board of Directors Meeting held on 11th August, 2017. Majority of the members of Audit Committee have accounting and financial management expertise. The Company Secretary acts as the Secretary to the Audit Committee.

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors

from time to time are in conformity and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and the Listing Regulations, which include the following:

Role of Audit Committee

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

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

- 1) management discussion and analysis of financial condition and results of operations;

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

Powers of Audit Committee

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

Details of Meetings and Attendance

During the year, the Audit Committee had met four times on 30.05.2017, 11.08.2017, 11.11.2017 & 07.02.2018. The attendance of each Committee members is as under:

Name of Member	Meetings Attended
Mrs. Indu Liberhan	4
Mr. Achintya Karati	4
Mr. Amitava Ray	3
Mr. Tara Sankar Sudhir Bhattacharya	3
Mr. Pradeep Narendranath Poddar (#)	2
Mr. Madan Gopal Gupta (@)	1

Note: (#) *Mr. Pradeep Narendranath Poddar (DIN : 00025199) was appointed as Member of the Audit Committee in the Board of Directors Meeting held on 11th August, 2017*

(@) *Mr. Madan Gopal Gupta (DIN : 00023524) resigned from the Directorship of the Company w.e.f. 1st August, 2017*

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

4. Nomination and Remuneration Committee

Terms of Reference

The terms of reference of Committee includes, responsibility of recommend/review the remuneration of executive directors after taking into consideration, inter-alia, various factors such as qualification, experience, expertise of the director prevailing remuneration in the corporate world and financial positions of the company etc., formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance, Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal etc. and formulate criteria for determining qualifications, positive attitude and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

During the year Mr. Madan Gopal Gupta (Chairman) of the Nomination and Remuneration Committee resigned from the Directorship of the Company w.e.f. 1st August, 2017 and Mr. Arvind Mahajan was appointed as the Member of Nomination and Remuneration Committee w.e.f 1st August, 2017 in the Board of Director's Meeting held on 30th May, 2017.

Presently, the Nomination and Remuneration Committee consists of three Members viz. Mrs. Indu Liberhan (Chairperson), Mr. Achintya Karati and Mr. Arvind Mahajan. All the members of the Nomination and Remuneration Committee are Non-Executive Directors and all are Independent. Mrs. Indu Liberhan (Chairperson of Nomination and Remuneration Committee) was present in the last Annual General Meeting held on 31st July, 2017. The Company Secretary acts as the Secretary to the Committee.

During the year, the Nomination and Remuneration Committee had met twice on 30.05.2017 & 11.08.2017. All the Members have attended these Meetings.

Performance Evaluation for Independent Director

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

5. Remuneration of Directors

Details of Remuneration paid to Managing/Whole-time Directors for the year ended 31.03.2018 are given below:

(Rs. In Lacs)

Name	Sitting Fee (Rs.)	Salaries, Allowances and Employer's Contribution to PF (Rs.)	Perquisites (Rs.)	Total (Rs.)	Date of Appointment/ Re-Appointment	Service Term
Mr. Ashok Kumar Chaturvedi (Chairman & Managing Director)	--	578.64	25.25	603.89	01.02.2014	5 years
Mr. Amitava Ray (Whole-time Director)	--	225.21*	--	225.21	02.02.2016	5 years

Note: *The above remuneration excludes incremental amount of accumulated leave encashment due over previous year of Rs.2.92 Lacs.

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

The company does not have any stock option scheme.

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

Sitting fees is paid to Non-executive directors for attending each meeting of the Board and Committees thereof. The criteria for making payment to Non-Executive Directors is available at the Company's website www.uflexltd.com (weblink: <http://www.uflexltd.com/pdf/Policies/Uflex-criteria-for-making-payment-to-non-executive-directors.pdf>).

Details of sitting fees paid to the Non-Executive Directors during the financial year are as follows:

Amount (in Rs.)

Name of Directors	Board Meetings	Committee Meetings	Total
Mr. Achintya Karati	2,00,000	6,50,000	8,50,000
Mr. Anish Babu Venugopal (*) Nominee – IFCI Limited	1,00,000	--	1,00,000
Mr. Tara Sankar Sudhir Bhattacharya	1,50,000	2,00,000	3,50,000
Mrs. Indu Liberhan (\$))	2,00,000	5,00,000	7,00,000
Mr. Arvind Mahajan (**)	2,00,000	1,00,000	3,00,000
Mr. Pradeep Narendranath Poddar (#)	2,00,000	1,50,000	3,50,000
Mr. Madan Gopal Gupta(@)	50,000	2,00,000	2,50,000

Note: (*) Mr. Anish Babu Venugopal (DIN : 02830575) was nominated as Nominee Director-IFCI Limited w.e.f. 16th May, 2017.
(\$) Mrs. Indu Liberhan (DIN : 03341420) was appointed as the Member of Stakeholders' Relationship Committee and

Chairperson of Corporate Social Responsibility (CSR) Committee in the Board of Directors Meeting held on 11th August, 2017.

(**) *Mr. Arvind Mahajan (DIN : 02410540) was appointed as the Member of Nomination and Remuneration Committee w.e.f 1st August, 2017 in the Board of Directors Meeting held on 30th May, 2017.*

(#) *Mr. Pradeep Narendranath Poddar (DIN : 00025199) was appointed as Member of the Audit Committee in the Board of Directors Meeting held on 11th August, 2017.*

(@) *Mr. Madan Gopal Gupta (DIN : 00023524) resigned from the Directorship of the Company w.e.f. 1st August, 2017*

6. Stakeholders' Relationship Committee

During the year Mr. Madan Gopal Gupta (Chairman) of the Stakeholders' Relationship Committee resigned from the Directorship of the Company w.e.f. 1st August, 2017 and Mrs. Indu Liberhan was appointed as a member of Stakeholders' Relationship Committee in the Board of Directors Meeting held on 11th August, 2017.

Presently the Stakeholders' Relationship Committee consists of three Members viz. Mr. Achintya Karati (Chairman), Mr. Amitava Ray and Mrs. Indu Liberhan.

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

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

During the year, the Stakeholders' Relationship Committee had met on 05.04.2017, 12.07.2017, 25.10.2017 and 02.01.2018. All the Members had attended the meetings.

The total numbers of complaints received and resolved during the year under review were 24. Outstanding complaints as on 31.03.2018 were Nil. There were no valid share transfers pending for registration for more than 10 days as on the said date.

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

Prohibition of Insider Trading

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

7. Corporate Social Responsibility (CSR) Committee

During the year Mr. Madan Gopal Gupta (Chairman) of the Corporate Social Responsibility (CSR) Committee resigned from the Directorship of the Company w.e.f. 1st August, 2017 and Mrs. Indu Liberhan was appointed as Chairperson of Corporate Social Responsibility (CSR) Committee in the Board of Directors Meeting held on 11th August, 2017.

Presently, the CSR Committee has three Members consisting of Mrs. Indu Liberhan (Chairperson), Mr. Achintya Karati and Mr. Amitava Ray.

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

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

The Terms of reference of the Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder; recommending the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy of the Company from time to time as specified in Schedule VII of the Companies Act, 2013. CSR Policy is available on the website of the Company www.uflexltd.com (Weblink: <http://www.uflexltd.com/pdf/Policies/UFLEX-CSR-Policy.PDF>).

One meeting of the Corporate Social Responsibility Committee was held on 12.03.2018 during the year and all the members had attended this Meeting.

8. Subsidiary Companies

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

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

The Company has two un-listed Indian Subsidiary Companies i.e. Utech Developers Limited & USC Holograms Private Limited and three Step-down Indian Subsidiary Companies, i.e. S.D. Buildwell Private Limited, Refex Energy (Rajasthan) Private Limited (upto 30th May, 2017) and Bundelkhand Projects Private Limited (upto 30th May, 2017). These Companies do not fall under the category of 'material unlisted subsidiary company'.

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

9. General Body Meetings

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

AGM	Day, Date & Time	Venue	Special Resolution Passed
26 th	Wednesday, July 22, 2015, At 10:00 A.M.	Air Force Auditorium, Subroto Park New Delhi – 110010	NIL
27 th	Tuesday, August 2, 2016, At 10:00 A.M.	Air Force Auditorium, Subroto Park New Delhi – 110010	NIL
28 th	Monday, July 31, 2017, At 10:00 A.M.	Air Force Auditorium, Subroto Park New Delhi – 110010	NIL

- Whether Special Resolutions were put through Postal Ballot?**

During the period under review, there was no postal ballot conducted by the Company.

- Whether any Special Resolution is proposed to be passed through Postal Ballot?**

Special Resolution(s) as may be considered necessary/required would be passed through Postal Ballot.

- Procedure for Postal Ballot**

For conducting a Postal Ballot, notice specifying the resolutions proposed to be passed through Postal Ballot as also the relevant explanatory statement & the postal ballot forms are dispatched to all the shareholders alongwith self-addressed postage prepaid/business reply envelope. The shareholders are requested to send back the postal ballot forms duly filled up & signed in the postage prepaid/ business reply envelopes provided to them by the Company, so as to reach the scrutinizer (in whose name the envelopes are made) on or before the 30th day from the date of issue of notice by the Company.

The company has entered into e-voting registration agreement with CDSL to provide e-voting facilities to its shareholders.

The scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hands over the results to the Chairman or in his absence to any Director authorized by the Board. The Chairman or any other Director thereupon declares the results of the postal ballot.

10. Means of Communication

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

National Stock Exchange of India Limited through:

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

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

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

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

The Presentation made to the Institutional Investors and Analysts, if any are not communicated individually to the Shareholders of the Company. However, the same have been uploaded on the website of the Company.

11. CEO/CFO Certifications

The Chairman & Managing Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of the Listing Regulations at its meeting held on 28th May, 2018.

12. General Shareholders Information

(a) Annual General Meeting to be held on:

Date : 02.08.2018
Day : Thursday
Time : 10:00 A.M.
Venue : Air Force Auditorium, Subroto Park, New Delhi – 110010

(b) Tentative Financial Calendar

- Results for quarter ending 30.06.2018 : By mid of August, 2018
- Results for quarter ending 30.09.2018 : By mid of November, 2018
- Results for quarter ending 31.12.2018 : By mid of February, 2019
- Results for year ending 31.03.2019 : By 30th May, 2019

(c) Book Closure date

26th July, 2018 to 2nd August, 2018 (Both Days Inclusive)

(d) Dividend payment date

Dividend for the financial year 2017-2018, if declared will be paid/credited to the account of the shareholders on or after 2nd August, 2018.

(e) Listing of Equity Shares on Stock Exchanges

The equity shares are listed on the following Stock Exchanges:

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

Note: Annual Listing fees for the year 2018-2019 have been duly paid to the above Stock Exchanges.

(f) Stock Code - (Equity shares)

Trading symbol – National Stock Exchange of India Ltd.: 'UFLEX'

Trading symbol – BSE Limited: 500148

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

(h) Stock Market Price High-Low Data of the Company for the year 2017-2018:

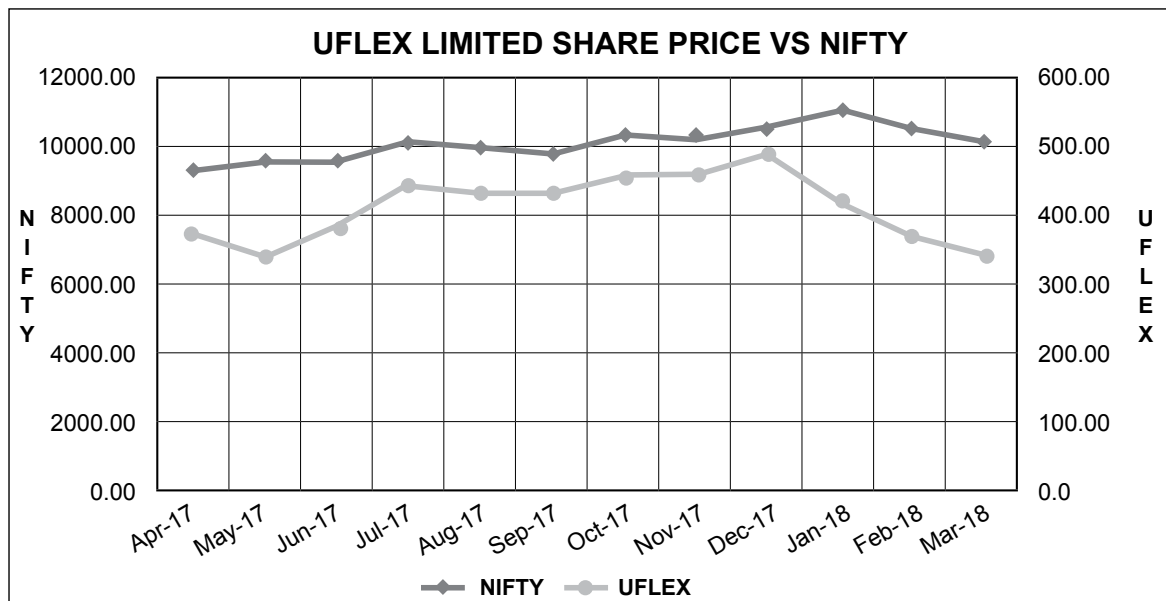
Closing Share prices on National Stock Exchange are as under:

Amount (in Rs.)

Month	High	Low
April-17	370.95	290.70
May-17	381.30	335.65
June-17	396.15	358.00
July-17	447.35	386.95
August-17	439.90	375.20
September-17	453.60	423.15
October-17	487.95	430.85
November-17	468.25	443.70
December-17	497.15	443.40
January-18	491.25	421.55
February-18	419.30	360.60
March-18	372.85	324.45

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

Performance in comparison to NIFTY



(Closing value of UFLEX Limited Share Price Vs. NIFTY on the last trading day of the Month).

(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, E-mail: beetal@beetalfinancial.com

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

(k) Share Transfer System

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

(l) Distribution of Shareholding as on 31.03.2018

Category (Share)	Number of Shareholders	Total Number of Shares	% to Total Shares
Upto 500	40263	3660874	5.08
501 - 1000	1665	1323043	1.83
1001 - 2000	837	1259720	1.74
2001 - 3000	273	691308	0.96
3001 - 4000	153	550364	0.76
4001 - 5000	111	518907	0.72
5001 - 10000	197	1415801	1.96
10001 - 20000	99	1379786	1.91
Above 20000	152	61411683	85.04
TOTAL	43750	72211486	100.00

(m) Categories of Shareholders as on 31.03.2018

Category	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	11	31784339	44.02
(2)	Foreign	--	--	--
Total Shareholding of Promoter and Promoter Group		11	31784339	44.02
(B)	Public Shareholding			
(1)	Institutions	141	9857847	13.65
(2)	Non-institutions	43598	30569300	42.33
Total Public Shareholding		43739	40427147	55.98
(C)	Non Promoter-Non Public	--		
(C1)	Shares underlying DRs	--	--	--
(C2)	Shares held by Employee Trusts	--	--	--
Total (A+B+C)		43750	72211486	100.00

(n) Dematerialization of Shares and liquidity

Nearly 99.174%. of total equity share capital is held in dematerialized form upto 31.03.2018 with NSDL and CDSL. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors.

(o) Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity

No ADRs / GDRs / Warrants or any Convertible Instruments have been issued by the Company during the year under review and there is no outstanding ADRs / GDRs / Warrants or any convertible instruments as on 31st March, 2018.

(p) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

A section on the Risk Management is covered in detail under Management Discussion and Analysis Report forming part of Annual Report. The details of Commodity Price Risk and Foreign Currency Risk are discussed in the Notes on the Financial Statements. However, Company has not undertaken any hedging activity during the year.

(q) Plant Locations

The Company has following Plant Locations in India:

1. A-1, Sector-60, NOIDA (U.P.)
2. A-2, Sector-60, NOIDA (U.P.)

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

(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, 3rd Floor, 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Dass Mandir New Delhi – 110062 Tel. No. : 011- 29961281-83 Fax No. : 011- 29961284 E-mail: beetal@beetalfinancial.com	UFLEX Limited 305, 3rd Floor, Bhanot Corner Pamposh Enclave, Greater Kailash-I New Delhi - 110048 Tel. No. : 011-26440917, 26440925 Fax No. : 011-26216922 E-mail : flexsec@vsnl.net
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13. Disclosures

a) Related Party Transactions

During the year, Company has no materially significant related party transaction with any of related party, which is considered to have potential conflict with the interests of the Company at large. Suitable disclosure as required by the Indian Accounting Standards-24 (Ind AS-24) has been made in the notes on the Financial Statements.

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

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

b) Whistle Blower Policy / Vigil Mechanism

Fraud-free and corruption-free work culture has been the core of the Company' functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put even greater emphasis to address this risk. It is affirmed that no personnel has been denied access to the Audit Committee.

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

c) Accounting Treatment

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

d) Risk Management

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

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

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

f) Management Discussion and Analysis

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

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

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

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

h) Code of conduct

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

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

i) Review of Directors' Responsibility Statement

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2018 have been prepared as per applicable Indian Accounting Standards (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

j) The Company has complied with the conditions of Corporate Governance requirements as stipulated in the Listing Regulations, as applicable.

14. Other Requirement as per the Listing Regulations

(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.

(ii) Shareholders' Rights

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

(iii) Audit Qualifications

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

(iv) Reporting of Internal Auditors

The Internal Auditors directly report to the Audit Committee.

15. Disclosures with respect to demat suspense account/unclaimed suspense account

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

Sl. No.	Particulars	Number of Shareholders	Total Number of equity shares held
1.	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the year	656	55214
2	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	2	600
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	2	600
4	Transferred to Investor Education and Protection Fund (IEPF) in accordance with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	588	49668
5	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year	66	4946

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

16. Compliance Certificate

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

The above report has been placed before the Board at its meeting held on 28th May, 2018 and the same was approved.

**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS
OF THE CORPORATE GOVERNANCE**

TO THE MEMBERS OF UFLEX LIMITED

1. This Certificate is issued in accordance with terms of our engagement, with Uflex Limited ('the Company').
2. We, Kaap & Associates, Chartered Accountants, the Statutory Auditors of the Company, have examined the compliance of conditions of the Corporate Governance by the Company, for the year ended on March, 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

Management's Responsibility

3. The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the conditions of the Corporate Governance, as stipulated in the Listing Regulations.
6. We have carried out an examination of the relevant records of the Company in accordance with the "Guidance Note on Certification of Corporate Governance", issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the "Guidance Note on Reports or Certificates for Special Purposes", issued by the ICAI, which requires, *inter-alia*, that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements", issued by the ICAI.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of the Corporate Governance, as stipulated in the Listing Regulations, during the year ended, March, 31, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kaap & Associates**
Chartered Accountants
Firm Registration No.: 019416N

CA. Deepak Sehgal
Partner

Membership No.: 085391

Place : NOIDA
Date : May 28, 2018

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, 2018 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **UFLEX LIMITED**

ASHOK CHATURVEDI

Chairman & Managing Director
DIN 00023452

Place : NOIDA
Dated : May 28, 2018

ANNEXURE - D MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING STATEMENTS

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

1. Global Economy

The global economy is experiencing cyclical recovery underpinning an upsurge in investment, manufacturing activity and trade. The reasons attributed to this recovery are amiable global financing conditions, by-and-large accommodative policies, rising confidence and firming commodity prices. **Global GDP growth is estimated to have picked up from 2.4 percent in 2016 to 3 percent in 2017.**

In advanced economies, growth in 2017 is estimated to have rebounded to 2.3 percent, driven by a pickup in capital spending, a turnaround in inventories, and strengthening external demand. While growth accelerated in all major economies, the improvement was markedly stronger than expected in the Euro Area. Growth among EMDEs is estimated to have accelerated to 4.3 percent in 2017, reflecting firming activity in commodity exporters and continued solid growth in commodity importers. Most EMDE regions benefited from a recovery in exports.

The improvement in economic activity among commodity exporters took place as key economies—such as Brazil and the Russian Federation—emerged from recession, prices of most commodities rose, confidence improved, the drag from earlier policy tightening diminished, and investment growth bottomed out after a prolonged period of weakness. Nonetheless, the estimated pace of growth in commodity exporters in 2017, at 1.8 percent, was still subdued and not enough to improve average per capita incomes, which continued to stagnate after two consecutive years of contraction.

Earlier in 2017, oil prices had slumped on concerns that rising crude production from Nigeria, Libya and elsewhere would undermine output cuts led by the Organization of the Petroleum Exporting Countries and Russia. **Prices rallied nearly 50 percent since the middle of 2017 on robust demand and strong compliance with the production limits.**

Global growth is projected to edge up to 3.1 percent in 2018, as the cyclical momentum continues, and then slightly moderate to an average of 3 percent in 2019-20. (Source: Global Economic Prospects – A World Bank Group Report)

2. Indian Economy

After sustaining GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy registered somewhat slower Real GDP growth at 6.5 per cent in 2017- 18, as per first Advance Estimates released by Central Statistics Office (CSO). This is slightly lower than the range of 6.5 per cent to 6.75 per cent that were projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world.

This growth has been achieved amidst lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio making it all the more creditable. In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms. After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18. There was an augmentation in the spot levels of foreign exchange reserves to close to US\$ 414 billion, as on 12th January 2018.

Concerns have been expressed about growing protectionist tendencies in some countries and it remains to be seen as to how the situation unfolds. The average crude oil (Indian basket) prices rose by around 14 percent till mid - January 2018 vis- à-vis 2016-17. The average crude oil prices remained in the vicinity of US\$ 56-57 per barrel in FY 2017-18 and could rise further by another 10-15 per cent in 2018-19. Some of these factors can have dampening effect on GDP growth in FY 2018-19. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19. (Source: Economic Survey 2017-18, Volume 2).

3. Industry Structure & Developments

Flexible packaging enjoys several benefits as compared to its rigid counterpart. Some of these

being high product to packaging ratio; optimized structure for imparting appropriate barrier properties; light-weighting; reduction at source; superior aesthetics, improved functionalities among several others. According to a report by Flexible Packaging Association, 3506 Billion packaging units were sold globally, out of which flexible packaging accounted for 39% of the units.

The way consumerism has evolved over the years has had a direct bearing upon flexible packaging both qualitatively and quantitatively. Flexible packaging has been one of the fastest growing sectors in the packaging industry over the past 10 years. According to Smithers Pira, Globally the industry is expected to grow at an annual average rate of 3.4% during 2015-2020 to reach USD 248 Billion. Asia is expected to lead the demand with its market share progressing from 42% in 2015 to nearly 45% by 2020. Food sector within the FMCG is the biggest consumer of flexible packaging with a gargantuan share of over 70%.

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

Flexible packaging is the most economical method to package, preserve and distribute food, beverages, consumables, pharmaceuticals and other products that need extended shelf life. It can be designed with barrier properties tailored to fit the products being packaged keeping in mind the end-use, whereas other packaging formats generally provide a one-size-fits-all approach. Flexible packaging can now be made in a wide variety of innovative shapes, sizes and appearances, and can include components such as handles and opening and reclosing features such as zips and spouts to name a few. Changing consumer lifestyle, growth of DINK (Double Income No Kids) population, propensity to spend more on the back of increasing disposable income has enhanced dependence on processed, pre-cooked and packed foods, which has augured well for the overall growth of the flexible packaging industry. The industry has witnessed introduction of new and efficient films used in manufacturing flexible packaging materials.

Smaller unit packs/ sachets dispensing measured and controlled portions are a rage in FMCG and pharmaceutical sector. Modified Atmosphere Packaging (MAP), vacuum skin packaging are some of the current trend setting packaging solutions that have been developed to meet ever-evolving demands of the end-users. Spout valves are being provided in the flexible packs to enable nitrogen flushing of packed food items for enhancing shelf life. IoT (internet of things) is being integrated to enhance the overall functionality and intelligence quotient of flexible packaging.

Some other developments in the flexible packaging industry of late have been multilayer co-extruded polymeric structures that provide more flexibility in terms of desired functionality, thickness, and cost-effectiveness without over-engineering/over dressing as it is called. Growing adoption of track-and-trace technologies, such as RFID and barcodes in premium product segments including wines and spirits are gaining prominence by the days. Special Inks are being used in process of converting that can be deciphered and detected only in UV ambience. Flexible packaging technology has advanced dramatically over the past 10 years and is now a consumer household mainstay, steadily moving into new markets across applications. Flexible Packaging materials have progressed from simple monolayer bags and wrappings to coextruded or laminated engineered multilayer and coated constructions, comprising multiple materials such as polymers, paper, metal foils, coatings, sealant layers and other additives. These developments provide properties such as high barrier to atmospheric gases, extended shelf life and convenience all of which are increasingly demanded in packaging for food, consumables and pharmaceuticals. The properties of flexible packaging can be tailored and customized to provide specific combinations required by different products.

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

The already intensified Sustainability Narrative for Flexible Packaging world over is seeing both the advantages and disadvantages being highlighted based on ideological affinities. Currently, both Circular Economy (CE) and Sustainable Materials Management (SMM) frameworks are being used and recommended for policy by different groups, encompassing private/ public companies, non-governmental organizations (NGOs), as well as public policy makers. While detractors say that it is almost impossible for the multilayered flexible packaging to be segregated layer-wise and recycled, the proponents say that the biggest challenge lies with the collection and sortation of post-consumer waste for which Governments, Corporate Houses, Civil Society and most importantly Public at large should make collaborative efforts. It has been proven beyond reasonable doubt that Flexible Packaging is re-processable and for end-of-life use can be converted from Waste to Energy and in some cases even from Waste to Fuel through a variety of processes including combustion, gasification, pyrolysis, anaerobic digestion and land fill gas recovery.

Plastic Waste Management (Amendment) Rules, 2018 notified by Ministry of Environment, Forest and Climate Change, Government of India on 27 March 2018 acknowledges the agility of multilayered flexible packaging particularly for effective end of life use. This makes a great case for other countries to follow suit in acknowledgment of the brilliant and resource efficient technology that flexible packaging is.

Asia Pacific is the largest market for flexible packaging, accounting for 41% of industry sales. North America is the second largest market for flexible packaging at about 27% of industry sales. As can be seen, flexible packaging is a packaging format that is widely used across the globe. Asia Pacific is expanding at the fastest growth rate in the global flexible packaging market owing to the rising disposable income, increasing demand, and changing end-user trends which are expected to have a positive impact on the global flexible packaging industry. Currently, rising population and the significant demand for beverages, packaged foods, pharmaceuticals, and personal care products are driving flexible packaging growth in countries such as India and China, whereas the North American and European flexible packaging markets are expected to flatten out in the coming years, due to high saturation.

4. Business Review

(i) Films Business

The main products of this business are BOPP Films, CPP Films, Polyester (BOPET) Films, and Metalized and other Specialty films.

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

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

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

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

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

The Company also manufactures high barrier metallized films that are considered as ultimate solution for packaging a wide array of products requiring extended shelf life apart from a host of applications in the textile and capacitor industries. AlOx coated transparent ultra-high barrier films manufactured by the Company are finding extensive use in stand-up pouches that offer see through features to consumers at the point-of-sale (POS).

The Company has 14 state-of-the-art metallizers with plasma treatment facilities for ensuring better metal deposition. Metallized films are manufactured at all film manufacturing plants of the Company, i.e. India, Dubai, Poland, Egypt, Mexico and USA with cumulative production capacity of over 93,600 TPA.

(ii) **Flexible Packaging Business**

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

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

- Innovation to create value added differentiation;
- Proximity to Customers;

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

The Company offers packaging solutions for a variety of products such as snack foods, candy and confectionery, sugar, rice & other cereals, beverages, tea & coffee, desert mixes, noodles, wheat flour, soaps and detergents, shampoos & conditioners, vegetable oil, spices, marinades & pastes, cheese & dairy products, frozen food, sea food, meat, anti-fog, pet food, pharmaceuticals, contraceptives, garden fertilizers and plant nutrients, motor oil and lubricants, automotive and engineering components among several others. **Thus the company currently offers flexible packaging solutions for solids, semi-solids, powders, granular materials, viscous fluids, pastes and gels. With the aseptic packaging material manufacturing plant for offering packaging solutions for non-aerated liquid products now operational at Sanand, Gujarat, the Company has completed its entire bouquet of product offering. The designed manufacturing capacity for aseptic liquid packaging material is 7 billion packs per annum.**

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

- Solid Products/ Granular/ Powder (10 grams to 40 kg)
- Semi Liquid Products (10 ml to 200 ml)
- Non-aerated liquid products (65 ml to 1000 ml) {aseptic packaging}

Amid encouragingly high demand for brand protection solutions, Uflex Holography expanded its manufacturing capacity by adding a 72,000 sq ft plant in Jammu by the end of March 2018. This happens to be the seventh manufacturing setup dedicated to holography business in India. The plant is equipped with specialized machinery from Europe and USA to meet the requirements of labels and packaging industry. Further a 10-color Edale FL3 with a web width of 340mm was installed in December 2017. A 10-color Gallus EMS 430S with a web width of 430mm was installed in January 2018; and an Orthotec letterpress for holographic printing was commissioned in November 2017 at the company's plant in Noida.

Some of the updates from Films and Flexible Packaging Businesses

(a) Uflex unveils its first in-house manufactured Gearless C.I. Flexo Printing Machine

The shake hand between India's largest fully integrated multinational flexible packaging materials and solution company Uflex and Italian firm Comiflex SRL that was announced during DRUPA 2016 has borne its first fruit. The first ever Made in India Gearless Central Impression Flexo Printing Machine is now ready at Uflex's Engineering Plant at Noida, India. The printing press was unveiled on 08th March 2018 with several global clients of the company and trade media editors in attendance.

(b) Uflex launched ASEPTO™ Smart 78, the first ever Aseptic Liquid Filling Machine

ASEPTO™ Smart 78 is the first ever fully Indian advanced and sophisticated aseptic liquid filling line with a capacity of 7,800 packs per hour for pack sizes ranging from 100, 125, 160 and 200 ml slim packs. The fully **Made in India** machine (manufactured at the Engineering Plant of Uflex) comes equipped with special tools for superior and optimized operation. It has several significant features such as advanced integration with PLC, lesser electronic parts, better human interfacing making it operator friendly in addition to delivering highest production speed than any other comparable machines. The machine is low on maintenance which is a big advantage for our clients as it will bring down the Total Cost of Ownership (TCO). In this category, most of the machines generally process 7,500 packs per hour unlike ours that has the capacity of processing 7,800 packs per hour. Two machines have already been sold in 2017 and the overall demand is quite encouraging.

(c) Uflex value - engineered different variants of Extrusion Lamination Machine

In the absence of quality manufacturers of Extrusion Coating/ Lamination machines in India, responding to an ever increasing demand from the Convertors' fraternity, Uflex had launched Extrusion Lamination Machine EL-1300 in India, in July 2016. The machine received great feedback from Indian convertors and turned out to be a huge success. Innovation to create value added differentiation being the guiding vector at Uflex, the quest for re-engineering to come up with something more evolved and endearing for convertors to address their needs towards various types of applications continued. This re-engineering and value addition gave birth to extrusion coating / laminators as Mono Extruder,

Co-Extruder and Tandem Extruder variants with extremely encouraging demand in the market.

(d) Uflex achieved low ink GSM by modifying and optimizing rotogravure cell structures

We have been successful in modifying and optimizing shape and structures of the cells that through the process of laser engraving. This is not possible in electro-mechanical engraving which can only produce conventional cell shape/structure.

The volume of ink entrapped in the conventional cell structure achieved through electro-mechanical engraving is much more than that in the modified/optimized cell structure achieved by laser engraving. Further, the face opening of the laser engraved cell structure is much more than the conventional cell structure hence less volume of ink is transferred on larger area of substrate. So, effectively you get more print coverage with lesser amount of ink by laser engraved cylinder having modified/optimized cell shape/structure.

(e) Uflex invested in Laser Scoring Technology to offer Easy to Open flexible packaging solutions

Uflex has been the first company to introduce laser scored flexible packaging in India. By the sophisticated Laser Scoring Technology the outermost layer of a laminate is incised with laser beams. Virtually every type of incision can be made by this technology. Predefined tearing path is created which guides the end-user to conveniently open the packaging. Commendable is the fact that all of this is done without compromising the barrier properties required by the product packed inside.

(f) Uflex assumed yet bigger role in the global fight against counterfeiting

Having mastered the art of incorporating top of the line anti-counterfeiting features on to flexible packaging, Uflex now also possesses the capabilities of plugging the same anti-counterfeiting features on unprinted paperboard (i.e. condiment for secondary packaging) and thereafter supplying it to the associated convertors. Much like the primary flexible packaging the secondary packaging also has a well-defined supply chain. We are in the business of flexible packaging and are not treading into the territory of board converting. All that we are doing is to compliment both the elements i.e. primary and secondary packaging in the best interest of our clients offering a wholesome protection against counterfeiting. Primary

packaging cannot be protected by keeping the secondary packaging alienated.

What we effectively do is to pre-apply the anti-counterfeiting feature on to the unprinted board/raw material of the secondary packaging which in turn is processed by the board convertors. The anti-counterfeiting features on the board are exactly identical in size, shape and character as those on the primary packaging to complete the brand protection loop making it absolutely impregnable.

The image enhancement technology on the board ensures that the anti-counterfeiting feature perfectly matches with that on the primary flexible packaging. Thus both secondary and primary packaging, come under the protection of identical brand protection solution. The Reel to Sheet Conversion Technology that we deploy maintains perfect synchronization of the anti-counterfeiting feature with the artwork.

(g) Uflex developed Speciality Polymeric Film to replace Bi-axially Oriented Polyamide (Nylon) Film

Uflex Limited developed a speciality polymeric film to replace BOPA or Nylon Film from flexible packaging material. The new speciality film is a replacement for BOPA in its truest sense and can be used for manufacturing packaging material for all products that currently use the nylon substrate. It took us almost 9-10 months to develop the new speciality polymeric substrate. Subsequently we converted it into a laminate to create a packaging solution that is much more functionally enhanced than that comprising BOPA. The new specialty film is much easy to handle without requiring any extra care by the convertors.

(h) Uflex develops flexible packaging material with Anti - microbial properties

After a rigorous application-oriented R&D of almost two years Uflex developed flexible packaging material with anti-microbial properties. The special properties of the FDA approved packaging material keep the pouch active by scavenging microbial growth thereby enhancing the shelf life of the cooked food packed inside.

In this flexible packaging material the sealant layer is specially compounded with anti-microbial properties. In fact this is Active Antimicrobial Packaging and is used to actively modify the internal environment by continuous interaction with the food over the stipulated shelf-life. Active packaging can be defined as a system that modifies the environment inside the food package thereby altering the state of

the packaged food system and its headspace to enhance its quality by extension of shelf-life, enhancement of sensory qualities, and maintenance of microbial safety.

In a trial that we conducted at room temperature (without refrigeration or any temperature control), the sandwich packed in normal pouch was spoiled after 3-4 days as opposed to the one that was packed in the new flexible packaging material that could keep it protected from microbial growth for almost 8-9 days. Bread has active yeast therefore the real challenge for the packaging was to curb the yeast from outgrowing. In fact the most effective or let's say the litmus test of this anti-microbial pouch is for bread because of its active yeast which in ripe temperature goes foul in about 48 hours if kept un-protected.

(i) Chemicals Business of Uflex became India's first NABL accredited entity in the field of combined manufacturing of Packaging Inks and Lamination Adhesives

Chemicals Business of Uflex Limited became India's First NABL accredited entity in the field of combined manufacturing of Packaging Inks and Lamination Adhesives. National Accreditation Board for Testing and Calibration Laboratories (NABL) is a Constituent Board of Quality Council of India. NABL has been established with the objective of providing Government, Industry Associations and Industry in general with a scheme of Conformity Assessment Body's accreditation which involves third-party assessment of the technical competence of testing including medical and calibration laboratories, proficiency testing providers and reference material producers.

Chemicals Business of Uflex that recently made to the TOP 25 Club of International Companies on the basis of global ink sales (ref. Ink World; August 2017) enjoys an irreproachable reputation as a manufacturer of world class quality inks, adhesives, speciality coatings and polyols that are required in the converting process for packaging.

(j) Uflex manufactures first Glitter Printing Rotogravure Cylinder in India

Uflex is the first Indian company to manufacture Glitter Printing Rotogravure Cylinder on its state-of-the-art direct laser engraving line. Pigments of glitter inks are substantially bigger in size as compared to conventional gravure inks therefore rotogravure printing on substrates using glitter inks has always been a challenge for convertors.

It is extremely difficult for a cylinder with electro-mechanically engraved conventional gravure cells to pick up pigments of the glitter ink and transfer them on to the substrate therefore in case of this specialized cylinder we developed bigger sized customized pits (cells) that trap the high solid content of the glitter ink. The customization of cell geometry of the rotogravure cylinder on our direct laser engraving line is the real innovation here. Pigments of the glitter ink have a tendency to get stuck inside the pits/ cells of the cylinder (cell filling). When the printing surface is sandwiched between the impression roller and the gravure cylinder, the high solid contents of the glitter ink get transferred from recessed cells to the substrate with the help of capillary action and the tangential force of the roller.

(k) Flex Films launched all new High Barrier Metallized Polyester Film

Metallized Polyester Films are increasing in popularity for imparting high barrier properties to laminated flexible packaging structures. However, it has been often experienced that poor adhesion of metal with the base polyester film can result in laminate failure, thereby decreasing product performance.

There has been an increasing demand for cost-effective films with high metal adhesion for superior barrier applications in harsh environments. However, the solutions that are currently available in the market are limited and costly.

With this problem statement at hand, Flex Films (USA) Inc. engineered FLEXMETPROTECT™ F-HMB film which is a High Barrier Metallized Polyester Film. The film is either untreated or corona treated on the other surface, while metallization is carried out on the specially treated composite surface imparting metal adhesion or bond strength of > 1200 gram-force/inch.

(l) Flex Films develops unique polyester film proving that Soft is the New Strong

Flex Films - the global film manufacturing arm of Uflex has developed a special Bi-axially Oriented Polyethylene Terephthalate (BOPET) film with unique velvety and luxurious surface at its manufacturing plant at Elizabethtown Kentucky in the United States. The new soft touch film FLEXPET™ F-STF particularly exhibits exceptional scratch, heat and scuff resistance which has been a serious need-gap in the industry for comparable polyester

substrates. The surface is self-healing from most types of scratching and is optimally sturdy.

(m) Uflex focusing on Resource Optimized Packaging for Essential Indian Staples

Uflex in an endeavour to extend the very use of flexible packaging is particularly paying a lot of emphasis on developing resource optimized packaging for high-volume essential staples like Pulses, Wheat Flour, Sugar, Salt and Oil.

We developed a 2 ply laminated packaging for wheat flour comprising a specialised Polyester (PET)/ specialised Polyethylene (PE) structure. Two rather dichotomous situations had to be addressed in manufacturing this packaging solution for Wheat-Flour (in the 5 Kg Segment). In order to restrict the pricing within 2.5-3% of the total MRP of the 5 Kg Wheat Flour Pack we had to optimally down gauge the packaging. Down gauging cannot come at the cost of functionalities and strength of the pack. Therefore to ensure that the wheat-flour packaging is sturdy enough with good mechanical properties to withstand the weight of the product being packed as well as to sustain the rough supply chain conditions, we adopted a three pronged approach. We modified both the Polyester Film and the Sealant PE Layer to optimize the overall characteristics of the packaging. Both the layers were rendered special high dart impact resistant to pass 5 drops from 1.2 m height as per the ASTM standards. We were able to reduce the thickness of the PE by almost 38% which substantively down gauged the overall packaging. This reduction makes the packaging light-weight/resource optimized and far more sustainable than its erstwhile version.

(n) Uflex gives a Striking Functional Makeover to UK's Veetee Rice Packaging

Uflex offered Veetee (UK's Popular Rice Brand) a stunning three dimensional pack with front openability through a Slide to Close (STC) zipper. The front, back and bottom panels of the pack are a 3 ply structure comprising Stackable Polyester/ Metallized Polyester/ Polyethylene (Sealant layer). The side panels/gussets are made of Polyester / Polyester / Polyethylene that make it convenient to have a provision for transparent windows on either side so that the consumers could see through the rice packed inside and make an informed choice. The re-closable feature of the bag allows consumers to retrieve only the required amount of product at a time and using the rest later without hampering the quality or aroma. Thus the barrier properties of the bag remain intact through-out the prescribed shelf life of the product.

One of the major pain points that Veetee had been facing was the stiff punch handle that their erstwhile European converter was offering. These punched handles used to almost slit the fingers of the consumers buying 10-15 kg bulk packs. In the bespoke packaging solution that we engineered for Veetee Rice, we have offered a handle that's on the side gusset. It is baby soft and is made of a special proprietary polymeric composition. No other converter across the world has been able to offer such a soft side handle. When consumers hold the rice pack through side handle the centre of gravity of the load shifts downwards. This reduces the potential energy of the pack concomitantly lessening the strain in the hands of the consumers. This is pure Physics!

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

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

(p) Uflex engineered Easy-Scoop-Lock-Tight Pitcher Bag for Multinational Food Brands

Uflex Limited has engineered an Easy-Scoop-Lock-Tight Pitcher Bag that effortlessly dispenses controlled portions of the product packed inside. The 4 panel bag comes with a reinforced handle on the side gusset spelling tremendous ease of carrying. Additionally the block bottom allows the bag to stand up without taking any support thereby enhancing the brand visibility. The pitcher bag has become a rage in the industry with more and more multinational food brands opting for it both in India as well as overseas. This bag is much in demand for packaging granular products like Rice, Sugar, Pulses and Pet foods.

These are medium to large sized bags capable of accommodating 3, 5 and 10 kilograms of the product. We have provided a laser perforated

easy to tear opening on the side at the top of the bag which peels open to form a perfectly versatile pitcher mouth-opening that is re-closable by a special press to close (PTC) zipper. The end user can easily pour / scoop out desired quantity of the product by holding the bag with the reinforced side gusset handle without actually inserting hands inside the pack. This makes the handling more convenient and hygienic. Further owing to the dispensing mouth that forms in the pouch there is no apprehension of any spillage while pouring out unlike other pillow and conventional pouches. The side opening can be tightly closed by pressing the PTC zipper keeping the product safe for deferred use throughout the prescribed shelf life of the product.

(q) Uflex launched Low Opacity, Good Gloss White, Anti-Static Twist Wrap Polyester Film

Uflex engineered Low Opacity, Good Gloss White Anti-static Twist Wrap Polyester Film FLEXPET™ F-WTG-AS. This bi-axially oriented polyethylene terephthalate (BOPET) Film as the name suggests is low opaque/ translucent and has good gloss.

Convertors catering to candy /confectionery brands had been asking for a white glossy substrate with low opacity for imparting superior aesthetics to their packaging! The daunting challenge however was that, if you make a white opaque film the gloss quotient goes down. Owing to our special proprietary resin formulation we have been able to engineer a white background film which is translucent (less opaque) and offers high gloss too. It is for our special FDA approved food compliant antistatic coating recipe that the film exhibits excellent machinability on printing and twist wrap machines. The film can be surface printed or can be metalized for that matter as per the requirements of the buyer. The unprinted substrate by itself can also be readily used by the brands to twist wrap their candies/ confectioneries

(r) Indian Papayas shipped by Sea packed in Uflex's Flexfresh created ripples in Dubai Market

The first 40' Refrigerated Container containing papayas packed in Flexfresh (working on Active Modified Atmospheric Packaging Technology) from Deccan Field's Pack House was sent to Dubai via the Mangalore Sea Port. This container broke several records of its kind viz., The First Ever Container of Indian Papayas to be exported, The First Container sent from Mangalore port for Fresh Fruits and The First Container to be received in Dubai only containing Papayas.

5. Hall of Fame

- 1) **Economic Times Polymers Lifetime Achievement Award to Chairman & Managing Director of Uflex Limited, Mr. Ashok Chaturvedi (March 2018)**

Some of the other Awards and Accolades that were conferred upon Uflex and Leadership during FY 2017-18 are:

- 2) 2018 AIMCAL Product Excellence Award to Shudh Plus Ultra - Sparkling Tactile Sachet with 3D Embossing for Mouth Freshener
- 3) 2018 AIMCAL Technical Excellence Award to Shudh Plus Ultra - Sparkling Tactile Sachet with 3D Embossing for Mouth Freshener
- 4) Flexible Packaging Achievement Awards 2018 – Gold in Technical Innovation and Silver in Printing and Shelf Impact to Shudh Plus Ultra - Sparkling Tactile Sachet with 3D Embossing for Mouth Freshener
- 5) Flexible Packaging Achievement Award 2018 – Silver in Sustainability to Nescafe Sunrise Non Foil Instant Coffee Sachet
- 6) INNOV ENVIRONMENT & OHS AWARDS 2017 in 'Silver & Gold' Categories to Chemicals, Jammu (January 2018)
- 7) Greentech Safety Gold Award to Chemicals, Jammu (January 2018)
- 8) 5 World Star Packaging Excellence Awards (December 2017)
- 9) 5 IFCA Awards for Excellence in Packaging (October 2017)
- 10) 5 India Star Packaging Excellence Awards by Indian Institute of Packaging (September 2017)
- 11) 5 SIES School of Packaging Star Awards for Superior Functional Flexible Packaging (September 2017)
- 12) CII National Award for Excellence in Water Management 2017 to Chemicals Business (September 2017)
- 13) Bureaucracy Today CSR Excellence Award 2017 for Conservation of Natural Resources and Optimization of Ecosystem (August 2017)
- 14) Best L&D Team of the Year; TISS Leapvault CLO Award 2017 (August 2017)
- 15) Asia's Most Promising Brand in Packaging Sector by World Consulting & Research Corporation (August 2017)
- 16) Grow Care India Occupational Health & Safety Award 2017 (Gold) to Uflex Chemicals Business (August 2017)
- 17) Big Data & Analytics Award 2017 for "Best use of L&D for Employee Engagement" (July 2017)
- 18) Best Operational Management Programme under National Award for Excellence in Training & Development by World HRD Congress (July 2017)
- 19) Uflex Website (Blogsite) ranked 26th in the Top 100 Packaging Blog Sites in the World by Feed Spot (May 2017)
- 20) AIMCAL Marketing Excellence Award for 3D STC Zipper Bag with a Side Gusset Handle (manufactured for Samaa Basmati Rice) (April 2017)
- 21) Asia's Most Trusted Flexible Packaging Solution Company Award 2016 by International Brand Consulting Corporation, USA (April 2017)

6. Financial and Operational Performance – Overview

The summarized financial results are given hereunder:

Summary of results:

	(Rs. in Crores)			
	2017-18		2016-17	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Total Income	6811.74	3890.10	6529.36	3904.59
Profit before Finance Cost, Depreciation & Tax	902.58	476.15	898.87	510.41
Profit before Tax	353.90	110.65	394.51	203.95
Profit for the year	310.48	100.92	348.46	193.55

7. Aseptic Liquid Packaging Material Manufacturing Plant and Other Projects

The aseptic liquid packaging material manufacturing plant at Sanand, Gujarat was commissioned during the year. This plant has come up on 21 acres of the 72 acre land parcel that Uflex bought at Sanand, Gujarat. Remaining land may cater to any future expansion of Uflex's existing business as well as for aseptic packaging manufacturing as the need be. Upholding the Company's commitment towards environmental sustainability, the aseptic liquid packaging material manufacturing facility has been designed to be a zero discharge plant.

The total investment towards the Aseptic Packaging plant in the first phase has been INR 580 crore

(approx. USD 85 million) and will employ around 250 people in a phased manner. The manufacturing capacity of the plant has been designed to be 7 billion packs per annum.

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

ASEPTO has taken off to a good start in all the three categories i.e. Dairy; Juices and Distilled Beverages with some of the prominent players already on board or in advanced level of discussion for coming on board. The Sales and Marketing Team is tapping not only the Indian market but also the international aseptic liquid packaging market. The value added packs i.e. ASEPTO SPARK and ASEPTO PREMIUM are absolutely unique owing to never seen before holographic effects; metallic looks achieved through flexo-printing technology further accentuated by foil stamping, embossing, precision stamping, 3-D Fresnel Lens, multi-lens holographic effects. The value added range is particularly getting a tremendous response both in India and overseas. Brand ASEPTO is being extensively showcased at globally acclaimed exhibitions. Being a fully integrated flexible packaging materials and solution company, Uflex also manufactures ASEPTO SMART 78 Aseptic filling lines which are also getting an encouraging demand from the market.

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

8. Opportunities; Key Trends & Threats

Opportunities

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

Opportunities for the global flexible packaging market are riding on the back of rising disposable incomes. Stand –up and see through pouches with re-closable options are spelling out tremendous ease and convenience for deferred use. Stick packages and single serve packs/unit packs are much in demand ensuring controlled portion administration particularly in the pharmaceutical and concentrate segments. Optimized barrier properties, metallized laminates and co-extruded polymeric structures are further expected to add immense value to end users and therefore to the brand owners. There is a growing trend of multinational brands sourcing globally thereby driving M&A activities among converters. Converters in their individual capacities are also looking at rapid expansion to reap in the benefits of the ever swelling global demand for flexible packaging. Opportunities are expanding manifold for flexible packaging as it has been proved beyond reasonable doubt that this type of packaging requires much less energy during the entire life-cycle i.e. manufacturing, transportation and disposal than its rigid counterpart thereby leaving lesser carbon footprint.

One of the most important opportunities for flexible packaging is its integration with the *Internet of Things (IOT)* that throws open several avenues of mapping and tracking the entire value chain digitally right from the packaging supplier up till the end user/ consumer. Great strides are already being made in terms of NFC, QR and Scan Codes that add an altogether different dimension to the functionalities of packaging.

One of the main factors driving the growth of flexible packaging market is the rise in its demand and wide acceptance of this type of packaging across segments such as food and beverages, industrial goods and Fast Moving Consumer Goods (FMCG). Enhanced functionality and improved aesthetics have made flexible packaging perfect for branding and display of goods and products at the point of sale (POS), in turn driving sectoral growth. Backed by investments in technology and equipment, the flexible packaging industry in India has the potential to enjoy a high growth rate of around 15-20 percent per annum in the coming years.

Key Trends for the flexible packaging industry in FY 2018-19 are:

Light Weighted Packaging: Amid ever-growing concern for environmental sustainability, flexible packaging which both by default and design happens to be far more energy-efficient throughout the three stages of its life-cycle i.e. manufacturing, transportation and disposal than its rigid counterpart, light weighting will be the top R&D priority for packaging engineers globally. The race to develop

thinner laminate structures without compromising upon the overall barrier, functional properties and the strength of the packaging is going to get much tighter. This is attributable to the Pull by the Conscientious Consumers hence the Brands much as it is to the Push by Convertors catering to them. In 2018 one can hope for even higher product to package ratios.

Re-Configuring the Packaging for Zero Moment of Truth (ZMOT): Today's consumer is well travelled, well read, well connected and never too far from the smartphone. The First Moment of Truth (FMOT) which has been an important guiding factor for FMCG brands selling through the Brick and Mortar set-up till date is fast being replaced by the Zero Moment of Truth (ZMOT). During the ZMOT a consumer researches about the product online and tries to gather as much information as required for making an informed choice at the Point-of-Sale (POS). In fact ZMOT is now being acknowledged as the very enabler for FMOT.

While ZMOT is much about the quality of the products, the line between it and FMOT is getting blurred by the days with consumers expecting real time information about the product while shopping in the super market. Given the burgeoning demand, Flexible Packaging in 2018 will have to be re-configured for ZMOT and to be able to do so; Internet of Things (IoT) will come very handy. Intelligent features like NFC, QR and Scan Codes on the packaging should be able to cull out all the information about the products the moment a smart phone is held up to it. Packaging engineers and researchers will not leave any stone unturned for integrating intelligent features compatible with the latest hand held devices. IoT will in fact be very useful for smooth logistical interventions throughout the supply chain. This will trigger disruptive innovation in the field of flexible packaging optimizing the overall value proposition for all stakeholders across the value chain.

No-Occult Packaging: Since the inception of flexible packaging, Aluminium Foils have been used in laminate structures for providing full proof barrier to oxygen and water vapour saving the product packed inside from spoilage. The biggest disadvantage although is an opaque pack where consumers are unable to see the product packed inside. There is a growing demand for transparent barrier films that can replace aluminium foils thereby offering a sneak peek into the products at the POS for taking an informed purchase decision. Foil replacement polymeric films are likely to be a trend setter in 2018.

Packaging as a crusader against food waste: Amid growing realization that one third of the food produced for human consumption goes waste every

year, Active Modified Atmospheric Packaging for extending shelf life of perishable fresh produce (like fruits, vegetables and flowers) and anti-microbial packaging that modifies the environment inside the food package thereby altering the state of the packaged food system and its headspace to enhance its quality by extension of shelf-life, enhancement of sensory qualities, and maintenance of microbial safety will see an encouraging uptrend.

Packaging that Engages and Connects: The more the packaging engages consumers at the POS, the higher is the probability for the transaction to sail through! Tactile Effects on flexible packaging with the help of special printing technologies will be a real shot in the arm for high impulse buying FMCG items. Such packaging is likely to be abuzz and happening all through 2018. Personalization and customization knows no bounds. Flexible Packaging is bracing up to a whole new level where bespoke profile shapes which the consumers can relate with will be a rage and this is one trend that will get cracking in 2018. Picture this: Protein-shake formula packed in a sleeve splitting biceps shaped flexi-pouch makes a high-decibel pitch to fitness freak shoppers. Doesn't it? A detergent pack profiled as a T-Shirt is potent enough to create interest among the shoppers.

Threats

Flexible packaging markets remain highly competitive at both the national and regional levels, often with narrow margins. The global flexible packaging industry continues to be highly fragmented although a small yet growing number of multinational converters are adopting a global strategy to grow in sync with their clients who are expanding their footprint in emerging markets including Eastern Europe, Asia, Africa and Latin America.

There is an increasing concern among consumers for environmentally sustainable packaging solutions that has made R&D towards light weighting of substrates and packaging structures rather ubiquitous. There is a growing clamor for mono-layered packaging that contributes to the Circular Economy leaving lesser waste and thus lower carbon foot print. The contemporary sustainability narrative now puts a much larger onus on to the packaging manufacturers to innovate and ensure reduction at source.

Worldwide more and more bio-degradable products are being used. Packaging films are often considered environment unfriendly; face significant opposition from various strata of society and are subjected to severe regulatory and statutory scrutiny although it has been proved beyond reasonable doubt that this type of packaging requires much less energy

throughout all the critical stages of its life cycle i.e. during manufacturing, transportation and disposal when compared with its rigid counterpart.

9. Future Outlook

The global flexible packaging industry is growing at an annual average rate of 4-5% and is expected to reach approximately \$250 billion by 2022. The major growth engines shall be the Asia-Pacific (APAC) countries. Indian flexible packaging industry is expected to grow at over 10% a year over the next five years according to analysis from PCI Wood Mackenzie. The Indian flexible packaging industry will stand at around \$ 9 billion by 2022.

Substitutions of Traditional packaging and Retail Chains are the most important drivers for the market growth. The real opportunity lies in developing nations or emerging economies.

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

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

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

10. Internal Control System, their Adequacy and Operative Effectiveness

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

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

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

11. Risk Management

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

Risks Associated at Transactions Level

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

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

As Management is primarily responsible for the designing, implementation, maintenance, adequacy, monitoring & control mechanism and the operating effectiveness of the Internal Financial Control & Legal Compliance Systems, the Company has created appropriate structures with proper delegation of duties and responsibilities of employees at each level on enterprise basis for the compliances thereof. They also review periodically the adequacy of the

enterprise level Internal Financial Control and Legal Compliance System in view of changes in business environment, technological changes & regulatory & legal changes and also based on the suggestion by the Internal Auditor, Statutory Auditors & Audit Committee.

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

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

Risks Associated at Decision Making Level

All the Financial, Operational and Legal risks associated at transactions and operational levels are taken care through the above systems. In addition

to these, there are other risks which arise during the course of decision making on strategic and corporate financial matters of the Company.

The Company has identified following nature of risks which may be associated with the decisions on Strategic & Corporate Financial matters of the Company.

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

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

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

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

12. Company's Standalone and Consolidated Financial Performance & Analysis

Results of Operations

(Rs. in Crore)

Particulars	STANDALONE		CONSOLIDATED	
	Year ended 31-Mar-18 Amount	Year ended 31-Mar-17 Amount	Year ended 31-Mar-18 Amount	Year ended 31-Mar-17 Amount
INCOME				
Revenue from Operations	3873.75	3887.48	6788.55	6504.78
Other Income	16.35	17.11	19.98	20.51
Share in Profit of Associates for the Year	-	-	3.21	4.07
Total Income	3890.10	3904.59	6811.74	6529.36
EXPENDITURE				
Cost of Materials consumed	2370.69	2114.11	4033.05	3492.95
Purchase of Stock-in-Trade	18.10	19.47	48.05	75.41
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	(15.75)	(23.06)	(21.40)	(14.34)
Employee benefits expense	390.43	351.38	599.02	547.39
Other expenses	689.86	960.19	1291.86	1564.44
Expenses Allocated to Self Constructed Assets	(39.39)	(27.91)	(41.43)	(35.36)
Total Operating Expenses	3413.94	3394.18	5909.15	5630.49
EBIDT	476.15	510.41	902.59	898.87

Segment-wise performance has been disclosed at Note No. 44 of the financial Statement

13. Human Resource Development/Industrial Relations

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

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

The effort to rationalize and streamline the work force is a continuous process. The Company had 6248 permanent employees in Indian operations as on 31st March, 2018. The industrial relations scenario remained harmonious and conducive throughout FY 2017-18.

14. Corporate Social Responsibility

Uflex strongly believes in its co-extensive responsibility to reciprocate and contribute towards sustained economic development and growth of the society, which as a responsibility is generally entrusted upon the Government of the country to fulfill.

Uflex for the past several years has been supporting CSR interventions in the field of sports for the benefit of the children and youth from the vulnerable sections of society irrespective of caste, creed, religion, gender, socio-economic status, ethnicity, cognitive abilities geographic affiliation etc. By doing this Uflex has been contributing in its capacity towards the fulfillment of Sustainable Development Goals through Sports as a medium.

The company has also undertaken focused Natural Resource Conservation and Optimization initiatives at two villages in Gautam Buddha Nagar District of Uttar Pradesh and one village in Bhind District of Madhya Pradesh.

15. Environment, Occupational Health & Safety

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

ANNEXURE-E
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Flexible Packaging Material	22209 - Manufacture of other plastics products n.e.c.	90.31

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	FLEX MIDDLE EAST FZE P.O. BOX 17930, NEAR ROUND ABOUT 12, JEBEL ALI FREE ZONE, DUBAI, UNITED ARAB EMIRATES	Foreign Company	Subsidiary	100%	2(87)
2	UFLEX EUROPE LIMITED SUITE 3, LEVEL 5, BERKELEY SQUARE, HOUSE, BERKELEY SQUARE, LONDON W1Y6BY, UK	Foreign Company	Subsidiary	100%	2(87)
3	UFLEX PACKAGING INC. 2115 LINWOOD AVENUE SUITE # 410 FORT LEE, NJ 07024	Foreign Company	Subsidiary	100%	2(87)
4	UPET HOLDINGS LIMITED C/O INTERNATIONAL MANAGEMENT (MAURITIUS) LTD, LES CASCADES BUILDING, EDITH CAVELL STREET, PORT LOUIS, MAURITIUS	Foreign Company	Subsidiary	100%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
5	UTECH DEVELOPERS LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I NEW DELHI – 110 048	U45200DL2006PLC156675	Subsidiary	100%	2(87)
6	USC HOLOGRAMS PRIVATE LIMITED SURVEY NO. 50/2, BANDLAGUDA JAGIR, A.P. EXCISE ACADEMY, RAJENDRA NAGAR MANDAL, HYDERABAD, TELANGANA – 500 008	U74140TG2013PTC086996	Subsidiary	68%	2(87)
7	FLEX AMERICAS S.A. de C.V. BOULEVARD DE LOS RIOS 5680, ZONA PUERTO INDUSTRIAL ALTAMIRA, TAMAULIPAS MEXICO C.P. 89603	Foreign Company	Subsidiary	100%	2(87)
8	FLEX P. FILMS (EGYPT) S.A.E R2 PLOT NO. 3 IN ENGINEERING SQUARE (E2), IN NORTH EXTENSION OF INDUSTRIAL ZONE, 6 OCTOBER CITY, ARAB REPUBLIC OF EGYPT	Foreign Company	Subsidiary	100%	2(87)
9	FLEX FILMS (USA) INC. 1221, NORTH BLACK BRANCH ROAD, ELIZABETHTOWN, KY 42701	Foreign Company	Subsidiary	100%	2(87)
10	FLEX FILMS EUROPA SP. ZO.O. PO. BOX 62 300 WRZESNIA UL. GEN. WLADYSLAWA SIKORSKIEGO 48, POLAND	Foreign Company	Subsidiary	100%	2(87)
11	UPET (SINGAPORE) PTE. LIMITED 10, JALAN BESAR ,10-12 SIM LIM TOWER, SINGAPORE 208787	Foreign Company	Subsidiary	100%	2(87)
12	DIGICYL PTE LIMITED 10, JALAN BESAR, #10-03 SIM LIM TOWER, SINGAPORE 208787	Foreign Company	Subsidiary	100%	2(87)
13	SD BUILDWELL (P) LIMITED 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I, NEW DELHI – 110 048	U45400DL2008PTC174387	Subsidiary	100%	2(87)
13	FLEX FOODS LIMITED LAL TAPPAR INDUSTRIAL AREA, PO-RESHAM MAJRI, HARIDWAR ROAD, DEHRADUN, UTTARAKHAND	L15133UR1990PLC023970	Associate	47.15%	2(6)
14	REFEX ENERGY (RAJASTHAN) PRIVATE LIMITED* 305, 3RD FLOOR, BHANOT CORNER PAMPOSH ENCLAVE, GREATER KAILASH – I, NEW DELHI – 110 048	U40100DL2009PTC226628	Subsidiary	62.91%	2(87)
15	BUNDELKHAND PROJECTS PRIVATE LIMITED* A-108, SECTOR-4 NOIDA GAUTAM BUDDHA NAGAR, UP 201301	U74120UP2003PTC027714	Subsidiary	62.91%	2(87)

* Ceased to be Subsidiary w.e.f.. 31st May 2017.

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

i) Category-wise Share Holding

Category of Shareholder (II)	No. of Shares held at the beginning of the Year				No. of Shares held at end of the Year				% Change during the year
	Demat	Physi- cal	Total	% of the total shares	Demat	Physi- cal	Total	% of the total shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individuals / Hindu Undivided Family	2321729	--	2321729	3.22	2321729	--	2321729	3.22	--
b) Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	29462110	500	29462610	40.80	29462110	500	29462610	40.80	--
d) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(1)	31783839	500	31784339	44.02	31783839	500	31784339	44.02	--
(2) Foreign									
a) Individuals (Non- Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Bodies Corporate	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
e) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+(A)(2)	31783839	500	31784339	44.02	31783839	500	31784339	44.02	--
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	37288	22030	59318	0.08	238094	20330	258424	0.36	+0.28
b) Banks / Financial Institutions	129631	2788	132419	0.18	1153647	542	1154189	1.60	+1.41
c) Central Government	--	--	--	--	--	--	--	--	--
d) State Government(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors	7922027	24204	7946231	11.00	8422330	22904	8445234	11.70	+0.69
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Any Other (specify)	--	--	--	--	--	--	--	--	--
Sub - Total (B)(1)	8088946	49022	8137968	11.27	9814071	43776	9857847	13.65	+2.38
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	6919287	18548	6937835	9.61	7288277	9866	7298143	10.11	+0.50
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals-									
i. Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	8908329	730132	9638461	13.35	7855447	527708	8383155	11.61	-1.74

Category of Shareholder (II)	No. of Shares held at the beginning of the Year				No. of Shares held at end of the Year				% Change during the year
	Demat	Physi- cal	Total	% of the total shares	Demat	Physi- cal	Total	% of the total shares	
ii. Individual Shareholders holding nominal Share Capital in excess of Rs.1 lakh	5241550	14900	5256450	7.28	5498661	14900	5513561	7.64	+0.36
c. Any Other (specify)									
– NRIs	4886636	--	4886636	6.77	3842139	--	3842139	5.32	-1.45
– Foreign Bodies Corporate	5465840	--	5465840	7.57	5465840	--	5465840	7.57	--
– Clearing Members (in Transit Position)	103957	--	103957	0.14	66462	--	66462	0.09	-0.05
Sub - Total (B)(2)	31525599	763580	32289179	44.71	30016826	552474	30569300	42.33	-2.38
Total Public Shareholding (B) = (B)(1)+(B)(2)	39614545	812602	40427147	55.98	39830897	596250	40427147	55.98	--
C. Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A)+(B)+(C)	71398384	813102	72211486	100.00	71614736	596750	72211486	100.00	--

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	FLEX INTERNATIONAL PVT LTD	9197577	12.74	--	9197577	12.74	--	--
2	ANSHIKA INVESTMENTS PVT LTD	5771092	7.99	--	5771092	7.99	--	--
3	A.R.LEASING PVT LTD	4994891	6.92	--	4994891	6.92	--	--
4	APOORVA EXTRUSION PVT LTD	4323162	5.99	--	4323162	5.99	--	--
5	ANSHIKA CONSULTANTS PVT LTD	3778524	5.23	--	3778524	5.23	--	--
6	ASHOK KUMAR CHATURVEDI (KARTA)	1694051	2.35	--	1694051	2.35	--	--
7	ANANT OVERSEAS PVT LTD	1000000	1.38	--	1000000	1.38	--	--
8	ASHOK CHATURVEDI	502533	0.70	--	502533	0.70	--	--
9	RASHMI CHATURVEDI	125145	0.17	--	125145	0.17	--	--
10	A.L. CONSULTANTS PVT LTD	355486	0.49	--	355486	0.49	--	--
11	MAGIC CONSULTANTS PVT LTD	41878	0.06	--	41878	0.06	--	--
	Total	31784339	44.02	--	31784339	44.02	--	--

(iii) Change in Promoters' Shareholding

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

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

For Each of the Top 10 Shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
Sl. No.	Name	No of shares at the beginning the year (01/04/2017)	% of total Shares of the company	No of shares at the end of the year (31/03/2018)	% of total Shares of the company
1	KEBALE TRADING COMPANY LIMITED	5465840	7.57	5465840	7.57
2	MONTAGE ENTERPRISES PRIVATE LIMITED	2204695	3.05	2468288	3.42
3	DILIPKUMAR LAKHI	2410858	3.34	2022519	2.80
4	KESWANI HARESH	2618401	3.63	1926004	2.67
5	IL AND FS TRUST CO LTD	1113631	1.54	1268556	1.76
6	LIFE INSURANCE CORPORATION OF INDIA	--	--	1083805	1.50
7	OLD MUTUAL GLOBAL INVESTORS SERIES PUBLIC LIMITED COMPANY	584794	0.81	893447	1.24
8	RICKY ISHWARDAS KIRPALANI	897956	1.24	698544	0.97
9	RICKY ISHWARDAS KIRPALANI	500000	0.69	500000	0.69
10	KOTHARI PRODUCTS LIMITED	492056	0.68	492056	0.68
11	DIMENSIONAL EMERGING MARKETS VALUE FUND	500947	0.69	455786	0.63

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Mr. Ashok Chaturvedi					
1	At the beginning of the year	502533	0.70	502533	0.70
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.	--	--	--	--
3	At the End of the year	502533	0.70	502533	0.70
Mr. A. Karati					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Amitava Ray					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. T. S. Bhattacharya					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mrs. Indu Liberhan					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
3	At the End of the year	--	--	--	--
Mr. Arvind Mahajan					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Pradeep Narendranath Poddar (w.e.f. 30.05.2017)					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. V. Anish Babu (w.e.f. 16.05.2017)					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Madan Gopal Gupta @					
1	At the beginning of the year	8061	0.01		
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the End of the year				
Mr. R. K. Jain*					
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the End of the year				
Mr. Rajesh Bhatia**					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--
Mr. Ajay Krishna					
1	At the beginning of the year	--	--	--	--
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the End of the year	--	--	--	--

@Mr. Madan Gopal Gupta was ceased to be a Director w.e.f. 1st August, 2017

*Mr. R.K. Jain resigned from the position of CFO w.e.f 31/08/2017.

** Mr. Rajesh Bhatia has been appointed as CFO w.e.f. 01/09/2017.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	98264.35	25915.98	-	124180.33
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	469.83	71.06	-	540.89
Total (I + II + III)	98734.18	25987.04	-	124721.22
Change in Indebtedness during the financial year				
• Addition	32415.08	21667.92	-	54083.00
• Reduction	11270.64	24647.82	-	35918.46
Net Change	21144.44	(2979.90)	-	18164.54
Indebtedness at the end of the financial year				
i) Principal Amount	119408.79	22936.08	-	142344.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	393.22	65.60	-	458.82
Total (i + ii + iii)	119802.01	23001.68	-	142803.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Mr. Ashok Chaturvedi Chairman & Managing Director	Mr. Amitava Ray Whole-time Director	Total Amount
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	521.79	228.13	749.92
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	25.10	-	25.10
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission (Payable)	-	-	-
5.	Others			
	- Medical Reimbursement and Contribution to Provident Fund etc.	57.00	-	57.00
	Total (A)	603.89	228.13	832.02
	Ceiling as per the Act	603.92	603.92	1207.84

B. Remuneration to other Directors:

1. Independent Directors

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		Mr. A. Karati	Mrs. Indu Liberhan	Mr. T.S. Bhattacharya	Mr. Arvind Mahajan	Mr. Pradeep Narendranath Poddar \$		Mr. M.G. Gupta
1.	• Fee for attending board / committee meetings	8.50	7.00	3.50	3.00	3.50	2.50	28.00
	• Commission	--	--	--	--	--	--	--
	• Others, please specify	--	--	--	--	--	--	--
	Total B(1)	8.50	7.00	3.50	3.00	3.50	2.50	28.00

(\$) Mr. Pradeep Narendranath Poddar was appointed as Director w.e.f. 30th May, 2017.

2. Other Non-Executive Director

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Mr. V. Anish Babu, Nominee – IFCI	
1.	<ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	1.00	1.00
		--	--
Total B(2)		1.00	1.00
Total (B) = (1+2)			29.00
Total Managerial Remuneration			861.02
Overall Ceiling as per the Act			1328.63

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

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. R.K. Jain, Group President (F&A) [CFO]*	Mr. Rajesh Bhatia, Group President (F&A) [CFO]**	Mr. Ajay Krishna, Sr. Vice President (Legal) & Company Secretary	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	85.59	131.37	78.33	295.29
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.12	0.05	0.11	0.28
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
5.	Others				
	-Medical Reimbursement and Contribution to Provident Fund	4.31	-	0.15	4.46
Total		90.02	131.42	78.59	300.03

*Mr. R.K. Jain resigned from the position of CFO w.e.f 01/09/2017.

** Mr. Rajesh Bhatia has been appointed as CFO w.e.f. 01/09/2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

ANNEXURE-‘F’
DETAIL OF MEDIAN FOR THE DIRECTORS’ REPORT OF UFLEX LIMITED
PARTICULARS OF REMUNERATION

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

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

Non-Executive Directors	Ratio to Median Remuneration
Madan Gopal Gupta (resigned w.e.f 01.08.2017)	0.76
Arvind Mahajan	0.91
Achintya Karati	2.60
Tara Sankar Sudhir Bhattacharya	1.07
P. N. Poddar	1.07
Indu Liberhan	2.14
Anish Babu Venugopal	0.31
Executive Directors	
Ashok Kumar Chaturvedi	184.67
Amitava Ray	69.76

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

Name of Person	% Increase in remuneration
Non Executive Directors	
Madan Gopal Gupta	-75.00%
Arvind Mahajan	100%
Achintya Karati	6.25%
Tara Sankar Sudhir Bhattacharya	75.00%
P.N. Poddar	NA (*)
Anish Babu Venugopal	NA (*)
Indu Liberhan	16.67%
Executive Directors	
Ashok Kumar Chaturvedi (M.D.)	-43.85%
Amitava Ray (WTD)	7.94%
Key Managerial Personnel (KMP)	
Rajesh Bhatia (CFO) (Appointed as CFO w.e.f. 01.09.2017)	NA (*)
Ajay Krishna (CS)	7.9%
Ravinder Kumar Jain (CFO) (Resigned as CFO w.e.f. 01.09.2017)	-58.02%

(*) NA- Not Applicable, this can't be calculated being the first year of appointment.

- (c) The percentage increase in the median remuneration of employees in the financial year : 7.21%
- (d) The number of permanent employees on the rolls of company: as on 31.03.2018 employees are 6248, however the data taken for calculation of median remuneration of the employee was 7078.
- (e) The explanation on the relationship between average increase in remuneration and company performance: On an average, employees received an increase of 10.26%. The Increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.
- (f) Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company:

Particulars	Rs/Lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2017-18 (Aggregated)	1132.05
Revenue from operations	387374.54
Remuneration (as % of revenue)	0.29%

Particulars	Rs/Lac
Profit before tax (PBT)	11064.84
Remuneration (as % of PBT)	10.23%

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

Particulars	Unit	As at 31 st March 2018	As at 31 st March 2017	Variation
Closing rate of share at BSE	Rs.	339.80	277.90	22.27 %
EPS (Consolidated)	Rs.	43.00	48.25	-10.88 %
Market Capitalisation	Rs/lac	245374.63	200675.70	22.27 %
Price Earning Ratio	Ratio	7.90	5.76	37.20 %

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

The average increase in salaries of employees in 2017-18 was **7.21%**. Percentage increase in the managerial remuneration for the year was – **23.10%**

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

Particulars	Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary	Chief Financial Officer
	Ashok Kumar Chaturvedi	Amitava Ray	Rajesh Bhatia (appointed as CFO w.e.f. 01.09.2017)	Ajay Krishna	Ravindra Kumar Jain (resigned as CFO w.e.f. 01.09.2017)
	Rs/lac	Rs/lac	Rs/lac	Rs/lac	Rs/lac
Remuneration	603.89	228.13	131.42	78.59	90.02
Revenue	387374.54	387374.54	387374.54	387374.54	387374.54
Remuneration (as % of rev.)	0.15%	0.05%	0.03%	0.02%	0.02%
Profits before tax (PBT)	11064.84	11064.84	11064.84	11064.84	11064.84
Remuneration (as % of PBT)	5.45%	2.06%	1.18%	0.71%	0.81%

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

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

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

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

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

For & On behalf of the Board

Ashok Chaturvedi

Chairman & Managing Director

DIN 00023452

Place : NOIDA

Dated : 28th May, 2018

ANNEXURE 'G' TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

India has a vast population of more than 1.25 billion people out of which nearly 70 % are living in rural areas. Energy and development are inter-related in order to have sustainable growth in any developing nation. It is imperative to have sufficient energy for systematic development across sectors.

The gap between affordable supply and demand of energy is continuously increasing despite huge outlay for the energy sector since independence. Further the burning of fossil fuels is resulting into generation of greenhouse gases that are detrimental to the environment.

The gap between supply and demand of energy can be bridged with the help of energy conservation which could be termed as a new source of environment-friendly energy. Energy conservation is cost effective with modest investment and a short payback period. There is a good scope of energy conservation in various sectors viz. Industrial , Agriculture, Transport and Domestic.

Energy conservation refers to efforts made in order to reduce energy consumption. Energy conservation can also be achieved through increasingly efficient Equipment, in conjunction with decreased energy consumption and/or reduced consumption from conventional sources of energy.

Industrial and commercial users can reduce energy consumption by use of energy efficient equipment to maximize their profit. Standard economic theory suggests that technological improvements increase energy efficiency, rather than reduce energy use. It is said to occur in two ways. Firstly, increased energy efficiency makes the use of energy relatively cheaper, thus encouraging increased use. Secondly, increased energy efficiency leads to increased economic growth, which pulls up energy use in the whole economy.

Efficient energy use, sometimes simply called energy efficiency, is the goal of efforts to reduce the amount of energy required to provide products and services. For example, insulating a required area of a building allows a building to use less heating and cooling energy to achieve and maintain a comfortable temperature. Likewise, at Uflex we view energy efficiency and conservation as a new source of energy, having little investment with short payback period. We educate our employees to bring attitudinal changes in all energy usages, in respect of energy efficiency. We are in process of defining

Energy efficiency standards for all major machinery, equipment and appliances. Energy efficiency is given due importance at the planning stage itself for new Projects.

(a) Energy conservation measures taken

Mentioned hereunder are some of the steps which have been undertaken during FY 2017-2018:

1. Development of New Generation Ventilation System

We have developed a new generation Ventilation Unit which can be used as Air-Washer or Air Handling Unit. Single blower housed in one canopy can be put on air washer mode OR on air conditioning mode depending upon the ambient conditions. The idea was to use natural ventilation system over artificial one. This single Unit of 30,000 CFM, if used properly can economize power saving up to Rs.20 lacs annually.

2. Power Factor Improvement

We have installed a new 2200 KVAR capacitor bank / reactor for improving the power factor at 132 KV sub-station. This would save on grid power by 1.0 % on daily basis i.e. Rs.98 lacs annually.

3. Day Saving Lights

We have installed transparent day light panels on Roof Tops of the FGS Store, resulting into annual saving of Rs.1.00 lac.

4. Installation of STP

We have installed 50 KLD Sewage Treatment Plant, producing about 25 KLD water every day which is used for Gardening purpose in the factory premises, resulting in conservation of water.

5. AHU replaced with Vertical Low Head Fan Coil Units

Areas were identified for replacing 6 Nos. high head AHU blowers with vertical low head Fan Coil Units resulting into annual saving of Rs.10 lacs.

6. Replacement of heavy duty motors

Two nos. extruder motors and TDO blower motors replaced with energy efficient motors resulting into saving of Rs.5 lac per annum.

7. Replacement of conventional lights with LED Lights :

KW power lights replaced with LED lights resulting into saving of Rs.9 lac per annum.

8. VFD installed in 90 KW Crystallizer blower resulting into saving of Rs.5 lac per annum.
9. Plant and office buildings are designed in such a way that reduces the usage of artificial lights during day time fully capitalizing sun light. Only 10% of artificial light is required during day time.
10. Power factor is maintained at 0.99 throughout the year, to ensure that maximum power is used by application.
11. Chillers are controlled through Variable Frequency Drive. This optimizes the energy requirement and ensures that equipment runs on best efficiency. By enhancing the unloading capability of a centrifugal chiller and varying the speed prior to closing the guide vanes allows better tracking of low load conditions. 25% power consumption is reduced by using VFDs.
12. Entire admin building & plant building are illuminated by LED lights. Compared to conventional CFL lights, LEDs generate same luminance at 75% less energy.
13. Air Handling Units are driven by VFDs, hence optimizing the RPM as per requirement thereby saving 30% of energy.
14. Transformer losses are as per latest guideline IS1180 reducing no load and full load losses, operating at 99.35% efficiency.
15. Process optimization has resulted in energy consumption reduction up to 30% - 50% in few products. This was done through reduction in batch cycle time, optimizing the number of grinding passes, etc.
16. Replacement of all boundary and plant lighting with LED.
17. Elimination of steam usage, for heating purpose, in Ink manufacturing.
18. Installation of High efficiency electrical motors IE3 against the existing motors of IE1. Total 14 motors were replaced.
19. Automation of cooling tower fans based on performance and plant load.
20. Extensive external agency/ expert audits throughout the year for energy efficiency improvement and consumption reduction.
21. Organized more than 21 training programs on Energy management related to awareness as well as equipment specific.
22. Machining Process Optimization resulting in energy consumption reduction.
23. Replacement of all conventional high wattage boundary and plant lighting with LED.
24. Replacement of old high energy intensive AHU fans and motors with new high efficiency low power cooling system.
25. Level controller installed in water tanks to

avoid overflow and reduce unnecessary pump operation.

26. Compressed air line installed with polished aluminium pipes for easy flow, less pressure loss resulting in reduction in compressor running time.

(b) Future Proposals for Energy Conservation

The Company will take necessary measures as may be required from time to time for conservation of energy. Such measures are as follows:

1. We are planning to install 02 Nos VAM in order to tap waste heat energy and generate 1000 TR cooling effect.
2. We are in process of installing Pyrolysis Plant in order to recycle 06 Tons of Polyester/ BOPP waste and convert the same into oil, which in turn will be used in Boilers. This will help us in conserving 3500 liters of light diesel oil on daily basis.
3. We are in process of identifying the variable loads in Plant in order to install VFD for saving on power consumption.
4. We are planning for energy audits to identify areas for improvement.
5. We are planning to replace conventional motors with energy efficient motors.
6. We are planning to start special drive to review effectiveness in our existing Insulation of pipes/ducts for improvement.
7. We are working on rain water harvesting for improving the ground water level in our factory premises.
8. VFD installation in Air Handling Units.
9. Chilling and cooling water circuit optimization.
10. Driving consumption reduction action plan for Identified energy intensive equipment.
11. Measurement facility of all utility consumption.
12. Elimination of Steam usage in hot room application.
13. Adopting new technology for waste water treatment for reduction in energy consumption.
14. Identifying energy intensive equipment and exploring options for energy saving.
15. Controlling ground water pumping to reduce pump operation.
16. Making underground tank to utilize water supply from Noida authority.
17. Exploring possibilities of installing solar panels for power generation.

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

The measures taken have resulted in savings in cost of production, power consumption,

reduction in carbon dioxide emissions & processing time.

(d) The steps taken by the Company for utilizing alternate source of Energy

During the year Company has not taken any step for utilizing alternate source of Energy.

(e) The capital investment on Energy Conservation Equipment

We have made Capital Investment of about Rs. 113 lac during the Financial Year 2017-18.

B. TECHNOLOGY ABSORPTION

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

1. The Company has carried out R&D in multiple products, processes and technologies.
2. Benefits derived as a result of the above R&D are Product improvements in terms of quality and quantity, conversion cost reduction, import substitution, widening the product range etc. 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 as well as international markets, with concurrent commitment to improve quality and productivity.
3. Future plan of action: Steps are continuously being taken towards innovation and renovation of products including new product development and enhancement of product quality/profile, to offer better products to customers.

However, this year we are working on harnessing alternate energy from PLASTIC WASTE by converting it TO LIGHT DIESEL OIL with an investment of about Rs 5 Cr. and also working on about 80 MW of captive solar power plant.

4. Expenditure on R&D:
During the year, the Company spent Rs. 93.46 lac. This is equivalent to 0.024 % of the turnover.

Technology absorption, adaptation & innovation

1. Efforts 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 are the major benefits.

3. Imported Technology:

During FY 2017-18, the Company acquired the following new technology:

1. Technology imported from M/s Comiflex SRL, Via dell'artigianato, 30,20070, Cerro al Lambro (MI), Italy as detailed below:
 - Design and Engineering drawings of re-winder for machine models VALE-1308 and ELISA-1308 on Hard Disc/Compact.
2. Technology imported from **M/s Cimpol Limited, Unit 21B Perseverance Mills Lockwood Scar, Huddersfield HD4 6BW, United Kingdom** as detailed below :
 - Bespoke Coating and Laminating machine design and technical drawings.

The above Technologies have been fully absorbed.

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 our customers. This enables us to serve our customers with better & quick deliveries as well as with reduced shipping times. This also reduces the freight cost.

Currently we are exporting to our customers present in around 140 countries across the globe. Our endeavour is to add 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 products to different markets.

2. During the period under review:

(Rs. in Crores)

a)	Earnings in Foreign Exchange	
i)	F.O.B. value of export of manufactured/ Stock in Trade	489.40
ii)	Sales of Services	6.79
iii)	Technical Support Fees	4.21
vi)	Commission for extension of Corporate Guarantee for Subsidiaries	3.15
b)	Expenditure	
i)	CIF Value of Imports	688.86
ii)	Expenditure in Foreign Currency	30.15

For & On behalf of the Board

Ashok Chaturvedi

Place : NOIDA Chairman & Managing Director
Dated : 28th May, 2018 DIN 00023452

INDEPENDENT AUDITORS' REPORT

To the Members of Uflex Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Uflex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total other comprehensive income, its changes in equity and the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**” and
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note No. 34 A & 34 C to the Standalone Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses and;
 - iii. According to the information and explanations given to us, there was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KAAP & Associates,**
Chartered Accountants
Firm’s Regn. No.: 019416N

CA. Deepak Sehgal

Partner

Membership No. 085391

Place : NOIDA,
Date : May 28, 2018

ANNEXURE-A TO INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” Section of our report to the members of Uflex Ltd. (“the Company”), of even date)

1. In respect of Fixed Assets (Property, Plant and Equipment, Capital Work in Progress, Investment Property and Other Intangible Assets, including those under development) of the Company:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification;
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except in respect of two residential flats aggregating to Rs. 25.15 lacs (original acquisition cost) and one lease hold land of Rs. 208.46 Lacs (original acquisition cost), where title deeds are pending for execution.
2. The inventory has been physically verified during the year by the management, at reasonable intervals and the discrepancies noticed on such physical verification of inventory, as compared to book records were not significant and were properly dealt with in the books of account.

3. In respect of interest bearing unsecured loan granted, during the year, by the Company to one of the Indian Subsidiary, covered in the register maintained under Section 189 of the Companies Act, 2013:
 - a) In our opinion and according to the information given to us, the terms and conditions of the loan given by the Company are prima-facie, not prejudicial to the interest of the Company.
 - b) The terms for repayment of principal and payment of interest have been stipulated; however repayments of principal amount and interest has not started till the date of the Balance Sheet, as per the stipulated terms.
 - c) There is no overdue amount, in respect of both principal and interest.

Further, in respect of unsecured loan granted to another Indian Subsidiary, outstanding at the beginning of the year, re-payments have been made, as per stipulated terms and the same has been squared-off during the year.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made and guarantees given.
5. The Company has not accepted any deposits, under the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed there under during the year under report.
6. We have broadly reviewed the cost records maintained by the Company under Section 148(1) of the Act, and are of the opinion that prima- facie the prescribed records have been made and maintained.
7. In respect of Statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax (GST), 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 and GST which have not been deposited on account of any dispute. However, following amount are involved (Gross of amount deposited under protest, if any) with under-mentioned forums, in respect of the disputed statutory dues:
 - i. Aggregate Sale Tax/ Value Added Tax of Rs. 1110.68 lacs, pending before (a) Various High Courts (Rs. 775.20 lacs), (b) Tribunal (Rs. 199.59 lacs) & (c) Assessing Authorities (Rs. 135.89 lacs).
 - ii. Aggregate Income Tax of Rs. 525.26 lacs, pending before ITAT.
 - iii. Aggregate Excise duty of Rs. 7798.86 lacs, pending before (a) Supreme Court (Rs. 134.82 lacs), (b) Various High Courts (Rs. 72.56 lacs), (c) Tribunal (Rs. 4570.02 lacs), (d) Commissioner (Appeals) (Rs. 2529.16 lacs), & (e) Assessing Authorities (Rs. 492.30 lacs).
 - iv. Aggregate Service Tax of Rs. 151.91 lacs, pending before (a) Tribunal (Rs. 90.71 lacs), (b) Commissioner (Appeals) (Rs. 54.86 lacs) & (c) Assessing Authorities (Rs. 6.34 lacs).
8. Based on the audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks/ financial institutions. Further, the Company, does not have any loans or borrowings from government and has not issued any debentures.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been applied for the same purpose for which the loans were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where

applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Ind AS.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **KAAP & Associates,**
Chartered Accountants
Firm's Regn. No.: 019416N

CA. Deepak Sehgal

Partner

Membership No. 085391

Place : NOIDA,
Date : May 28, 2018

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" Section of our report to the members of Uflex Ltd. ("the Company") of even date)

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

We have audited the internal financial controls over financial reporting of Uflex Limited ('the Company') as of March 31, 2018, in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143 (10) of the Companies act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **KAAP & Associates**,
Chartered Accountants
Firm's Regn. No.: 019416N

Place : NOIDA
Date : May 28, 2018

CA. Deepak Sehgal
Partner
Membership No. 085391

BALANCE SHEET AS AT 31ST MARCH 2018

Particulars	Note No.	(Rs. in Lacs)	
		As At 31st March 2018	As At 31st March 2017
I ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	2A	189639.39	146237.95
b) Capital Work-in-Progress		16543.93	47919.09
c) Investment Property	2B	4371.91	3407.00
d) Other Intangible assets	2C	3071.05	2958.01
e) Intangible assets under development		866.00	108.18
f) Financial Assets			
i) Investments	3A	37296.49	37434.94
ii) Pledged Equity Instruments	3B	4191.44	3285.37
iii) Loans	4	2048.01	1809.51
iv) Other Non-Current Financial Assets	5	4.83	42.70
g) Other Non-Current Assets	6	5796.92	6354.90
Total Non-Current Assets		263829.97	249557.65
Current assets			
a) Inventories	7	40645.76	32515.22
b) Financial Assets			
i) Trade receivables	8	112865.95	99901.62
ii) Cash and cash equivalents	9A	6169.91	10415.11
iii) Bank Balances other than (ii) above	9B	2483.16	1754.74
iv) Loans	10	1125.00	2135.69
v) Other Financial Assets	11	300.26	163.77
c) Other Current Assets	12	15347.16	11589.20
Total Current Assets		178937.20	158475.35
TOTAL ASSETS		442767.17	408033.00
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	7221.15	7221.15
b) Other Equity	14	204581.97	196958.38
Total Equity		211803.12	204179.53
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	79635.07	71851.91
ii) Other Financial Liabilities	16	438.93	332.72
b) Provisions	17	1136.21	1152.85
c) Deferred tax Liabilities (Net)	18	5138.76	6486.35
d) Other Non-Current Liabilities	19	566.94	485.36
Total Non-Current Liabilities		86915.91	80309.19
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	20	43918.21	39783.63
ii) Trade payables	21	68309.86	54945.10
iii) Other Financial Liabilities	22	25638.01	20076.52
b) Other current Liabilities	23	5246.95	5284.55
c) Provisions	24	935.11	952.39
d) Current Tax Liabilities (Net)	25	-	2502.09
Total Current Liabilities		144048.14	123544.28
TOTAL EQUITY AND LIABILITIES		442767.17	408033.00

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

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida

Dated : 28th May, 2018

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Note No.	(Rs in Lacs)	
		For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Income:			
Revenue from Operations			
Gross Sales & Job Work / Services Rendered	26 (A)	424619.31	438561.70
Less : Inter unit Sales & Job Work		48431.29	60480.32
Net Sales & Job Work / Services Rendered		376188.02	378081.38
Other Operating Income	26 (B)	11186.52	10666.92
Revenue from Operations		387374.54	388748.30
Other Income	27	1635.17	1710.50
Total Income		389009.71	390458.80
Expenses:			
Cost of materials consumed	28	237069.35	211411.26
Purchase of Stock-in-Trade		1810.31	1946.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	(1574.80)	(2306.33)
Employee benefits expense	30	39043.01	35138.02
Finance costs	31	14421.54	11877.70
Depreciation and amortization expense		22128.27	18767.97
Other expenses	32	68986.30	96018.67
Expenses Allocated to Self Constructed Assets	33	(3939.11)	(2790.55)
Total Expenses		377944.87	370063.56
Profit before tax		11064.84	20395.24
Less / (Add) : Tax expense:			
- Current tax		2366.00	4569.00
- Deferred tax		(1347.59)	(3528.37)
- (Excess) Provision of Income Tax for earlier years		(45.68)	(0.36)
Profit for the year		10092.11	19354.97
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of the net defined benefit liability / asset		(194.22)	174.43
Fair Value Changes of Equity Instruments		767.62	740.89
Income tax relating to items that will not be reclassified to Profit & Loss		-	(60.37)
Total (Net of Tax)		573.40	854.95
Total Comprehensive Income for the Year		10665.51	20209.92
Earning Per Equity Share			
a) Basic (Rs.)		13.98	26.80
b) Diluted (Rs.)		13.98	26.80

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

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida
Dated : 28th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lacs)

Particulars	Equity Share Capital	Other Equity						Total
		Reserve & Surplus				Other Comprehensive Income		
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 1st April 2016	7221.15	10377.76	57110.63	20164.05	94241.70	(2215.21)	(149.28)	186750.80
Total Other Comprehensive Income for the Year (Net of Tax)						740.89	114.06	854.95
Dividend Paid (Including Dividend Distribution Tax)					(2781.19)			(2781.19)
Profit for the Year					19354.97			19354.97
Balance as at 31st March 2017	7221.15	10377.76	57110.63	20164.05	110815.48	(1474.32)	(35.22)	204179.53
Total Other Comprehensive Income for the Year (Net of Tax)						767.62	(194.22)	573.40
Dividend Paid (Including Dividend Distribution Tax)					(3041.92)			(3041.92)
Profit for the Year					10092.11			10092.11
Balance as at 31st March 2018	7221.15	10377.76	57110.63	20164.05	117865.67	(706.70)	(229.44)	211803.12

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

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida
Dated : 28th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	(Rs. in Lacs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	11064.84	20395.24
Adjustment for :		
Depreciation & amortisation expense	22128.27	18767.97
Exchange rate fluctuations (Net)	(2159.81)	(1178.78)
(Gain) /Loss on Property, Plant & Equipment (Net)	7.74	(12.68)
Property, Plant & Equipment written Off	27.45	91.54
Finance Cost	14421.54	11877.70
Interest received from Banks / others	(365.59)	(880.59)
Rent Received	(702.50)	(210.15)
Dividend received on Investments carried at amortised cost	(146.75)	(146.75)
Dividend received on Investments carried at Fair value through other comprehensive income	(40.21)	(5.68)
Gain on sale of Investments (Net)	(7.52)	-
Sundry Balances written Back (Net)	(472.16)	-
Allowance for Doubtful Debt Written Back	(342.05)	(1215.85)
Loss on Liquidation of Foreign Subsidiary	-	50.08
Remeasurement of the net defined benefit liability / asset	(194.22)	174.43
Allowance for doubtful debts	558.08	1626.25
Sundry Debit Balance / Bad Debts written off (Net)	-	924.97
	32712.27	29862.46
Operating Profit before Working Capital changes	43777.11	50257.70
Adjustment for :		
Trade Receivables	(12708.20)	(22936.79)
Loans and Other financial assets and other assets	(3543.52)	1767.78
Inventories	(8130.54)	(5344.61)
Trade payables	13364.76	4409.44
Other financial liabilities, other liabilities and provisions	3175.67	311.15
	(7841.83)	(21793.03)
Cash generated from operations	35935.28	28464.67
Income Tax	(2320.32)	(4568.64)
Exchange rate fluctuations	2159.81	1178.78
	(160.51)	(3389.86)
Net Cash generated from operating activities (A)	35774.77	25074.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(39785.69)	(61291.56)
Sale proceeds of Property, Plant & Equipment	3760.18	67.28
Inflow on transfer of Shares of Subsidiaries	-	165.64
Inflow on Investments (Net)	7.52	-
Loans to Employees & Others	7.11	6700.23
Loans to subsidiaries (Net)	1010.00	2300.00
Interest received from Banks / others	365.59	880.59
Rent Received	702.50	210.15
Dividend received on Investments carried at amortised cost	146.75	146.75
Dividend received on Investments carried at Fair value through other comprehensive income	40.21	5.68
	(33745.83)	(50815.24)
Net Cash used in Investing Activities (B)		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 Contd.

	(Rs. in Lacs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(2527.40)	(2310.77)
Dividend Distribution Tax	(514.52)	(470.42)
Finance Cost	(14421.54)	(11877.70)
Borrowings (Net) \$	<u>11917.74</u>	<u>33640.25</u>
Net Cash used in Financing Activities (C)	(5545.72)	18981.36
Net (Decrease) /Increase in Cash and Cash equivalents (A+B+C)	(3516.78)	(6759.07)
Cash and Cash equivalents (As per Note No 9A)		
Opening Cash and Cash equivalents	12169.85	18928.92
Closing Cash and Cash equivalents #	8653.07	12169.85

Includes Rs.2483.16 lacs(Previous Year Rs.1754.74 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with as margin for letter of credits, guarantees & bills discounted.

\$ Includes Rs. 299.23 lacs in respect of Exchange Rate Fluctuations, being a Non- Cash Item.

Ind AS 7 Disclosures

Effective 1st April 2017, the Company adopted the amendments to Ind AS 7 on " Cash Flow Statements", which requires the entity to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both from cash flows and non-cash changes, suggesting inclusion of a reconciliation statement between opening and closing balances in the Balance Sheet for liabilities arising from financing activities. The adoption of amendment did not have any material impact on the financial statements.

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

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida
Dated : 28th May, 2018

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1 COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

I. COMPANY OVERVIEW

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

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

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

II. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial statements of the company are prepared under the historical cost convention except for the certain financial assets and liabilities measured at fair value as mentioned in applicable accounting policies.

B. USE OF ESTIMATES AND JUDGEMENTS

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

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

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

C. CLASSIFICATION OF EXPENDITURE / INCOME

Except otherwise indicated:

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

D. REVENUES

Revenues from sale of goods and processing

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

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Revenue from Services

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

Interest Income & Expense

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

Dividend Income

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

Rental Income

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

E. PROPERTY, PLANT AND EQUIPMENT (PPE)

Recognition and measurement:

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

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

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

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

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

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

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

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

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Reclassification to investment property:

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

F. INTANGIBLE ASSETS

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

Intangible assets in respect of Product development is created when the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the product / technology and the cost is reliably measurable. Revenue expenditures pertaining to Research is charged to the statement of profit & loss. Development costs of products are charged to the statement of profit & loss unless a products technological and commercial feasibility has been established in which case such expenditure is capitalized. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment loss, if any.

Intangibles assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use, as per period prescribed in respective license/ agreement or five years.

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

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

G. INVESTMENT PROPERTIES

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

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

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

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

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

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

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

H. INVENTORIES

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

Raw Materials and other materials including packaging, stores and fuels are valued at lower of cost, based on first-in-first-out method arrived at after including freight inward and other expenditure directly attributable to acquisition or net realizable value.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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

I. FINANCIAL INSTRUMENTS

Initial Recognition:

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

Subsequent Recognition:

Non-derivative financial instruments

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

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

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

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

J. TRADE RECEIVABLES

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

K. LOANS AND ADVANCES

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

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

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

L. FINANCIAL LIABILITIES

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

Subsequent to initial measurement, financial liabilities viz borrowings are measured at amortized cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit & loss over the contractual term using the effective interest rate method.

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

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

M. EARNING PER SHARE

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

N. TAXATION

Current Tax

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

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

Deferred Tax Assets and Liabilities

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

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

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

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

Current and Deferred Tax for the Year

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**O. EMPLOYEE BENEFITS**

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

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

P. IMPAIRMENT**Financial assets**

The company recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not fair value through profit and loss account. Loss allowance on trade receivables, with no significant financing component is measured at an amount equal to lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss for the period.

Intangible assets, investment property and property, plant and equipment

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

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

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

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

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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

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

R. FOREIGN CURRENCY TRANSACTIONS

Functional Currency

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

Transaction and Translations

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

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the statement of profit & loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

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

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

S. LEASES

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

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

T. BORROWING COST

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

U. STANDARDS ISSUED BUT NOT YET EFFECTIVE

During the year, the company has adopted all the Indian Accounting Standards (Ind AS) that are notified by the Ministry of Corporate Affairs and are relevant to its operations and effective for the financial year beginning on or after 1st April 2017.

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying new Indian Accounting Standard "Ind AS 115" on "Revenue from Contract with Customers" effective 1st April 2018. New Revenue recognition standard differs in some aspects as compared to existing accounting principles for revenue recognition. The differences could result in changes in the identification of performance obligations, timing of revenue recognition, measurement and disclosures.

Apart from this the MCA has also made amendments in the various Indian Accounting Standards which are effective for the financial periods beginning on or after 1st April 2018. The standards which might have

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

impact on the financials of the Company are listed as under:

- Ind AS 103- Business Combinations
- Ind AS 107- Financial Instruments Disclosures
- Ind AS 109- Financial Instruments
- Ind AS 112- Disclosures of Interest in Other Entities
- Ind AS 1 - Presentation of Financial Statements
- Ind AS 2 - Inventories
- Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 - Income Taxes
- Ind AS 16 - Property, Plant and Equipment
- Ind AS 17 - Leases
- Ind AS 18 - Revenues (Omitted)
- Ind AS 21 - The Effects of Changes on Foreign Exchange Rates
- Ind AS 23 - Borrowing Costs
- Ind AS 28 - Investments in Associates and Joint Ventures
- Ind AS 32 - Financial Instruments Presentations
- Ind AS 34 - Interim Financial Reporting
- Ind AS 36 - Impairment of Assets
- Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38 - Intangible Assets
- Ind AS 40 - Investment Property

The Company is in the process of assessing the changes required/ possible impact of these Ind AS's on the financial statements in the period of initial application and accordingly will adopt these changes by suitably amending its accounting policies as well the presentations and disclosures in the financial Statements.

2A. PROPERTY, PLANT & EQUIPMENT

(Rs. in Lacs)

	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installations	Office Equip-ment	Furniture & Fixtures	Vehicles	Total
Gross Carrying Value									
As at 1st April 2016	10.87	14789.80	28185.42	204012.86	5312.18	4555.09	5109.24	2580.90	264556.36
Additions During the Year	-	-	2183.79	29093.45	464.73	638.61	377.88	203.85	32962.31
Deductions During the Year	-	-	(6.21)	(3953.27)	(7.99)	(154.44)	(10.44)	(254.69)	(4387.04)
As at 31st March 2017	10.87	14789.80	30363.00	229153.04	5768.92	5039.26	5476.68	2530.06	293131.63
Additions During the Year	-	208.46	13447.89	49330.53	2721.67	1004.91	1036.70	1779.84	69530.00
Transfer to Investment Property	-	(194.57)	(2,416.53)	-	-	-	-	-	(2611.10)
Deductions During the Year	-	-	(34.10)	(16102.46)	(112.63)	(98.18)	(3.54)	(131.73)	(16482.64)
As at 31st March 2018	10.87	14803.69	41360.26	262381.11	8377.96	5945.99	6509.84	4178.17	343567.89
DEPRECIATION / AMORTISATION									
As at 1st April 2016	-	-	9574.97	111903.35	3642.05	3556.80	3027.45	1330.63	133035.25
Provided for the Year	-	167.57	886.62	15423.64	250.33	404.55	687.74	278.88	18099.33
Deductions During the Year	-	-	(5.59)	(3848.14)	(7.59)	(146.52)	(9.05)	(224.01)	(4240.90)
As at 31st March 2017	-	167.57	10456.00	123478.85	3884.79	3814.83	3706.14	1385.50	146893.68
Provided for the Year	-	165.76	1081.49	17940.02	393.83	461.11	745.36	402.79	21190.36
Transfer to Investment Property	-	(3.00)	(1,465.27)	-	-	-	-	-	(1468.27)
Deductions During the Year	-	-	(32.39)	(12415.36)	(69.60)	(70.32)	(0.50)	(99.10)	(12687.27)
As at 31st March 2018	-	330.33	10039.83	129003.51	4209.02	4205.62	4451.00	1689.19	153928.50
NET CARRYING VALUE									
As at 31st March 2017	10.87	14622.23	19907.00	105674.19	1884.13	1224.43	1770.54	1144.56	146237.95
As at 31st March 2018	10.87	14473.36	31320.43	133377.60	4168.94	1740.37	2058.84	2488.98	189639.39

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

2B INVESTMENT PROPERTY

(Rs. in Lacs)

	Freehold Land	Leasehold Land	Building	Total
Gross Carrying Value				
As at 1st April 2016	8.57	81.26	4691.16	4780.99
As at 31st March 2017	8.57	81.26	4691.16	4780.99
Additions During the Year	-	-	22.43	22.43
Transfer from Property, Plant & Equipment	-	194.57	2416.53	2611.10
As at 31st March 2018	8.57	275.83	7130.12	7414.52
DEPRECIATION / AMORTISATION				
As at 1st April 2016	-	-	1229.95	1229.95
Provided for the Year	-	1.16	142.88	144.04
As at 31st March 2017	-	1.16	1372.83	1373.99
Provided for the Year	-	2.97	197.38	200.35
Transfer from Property, Plant & Equipment	-	3.00	1465.27	1468.27
Deductions During the Year	-	-	-	-
As at 31st March 2018	-	7.13	3035.48	3042.61
NET CARRYING VALUE				
As at 31st March 2017	8.57	80.10	3318.33	3407.00
As at 31st March 2018	8.57	268.70	4094.64	4371.91

Notes :

- 1 Building includes Original Acquisition Cost of Rs. 5.30 lacs (Previous Year Same) acquired on ownership basis & Original Acquisition Cost of Rs.19.85 lacs (Previous Year Same), pending execution of title deed.
- 2 Fair value of the Investment Properties is Rs 13234.69 Lacs (Previous Year Rs.7859.71 Lacs), as valued by Independent architect and approved valuer.

2C OTHER INTANGIBLE ASSETS

(Rs. in Lacs)

	Software	Patent	Technical Know How		Total
			Internally Generated	Other Than Internal Generated	
Gross Carrying Value					
As at 1st April 2016	1645.52	639.56	-	895.63	3180.71
Additions During the Year	477.15	-	1261.62	434.54	2173.31
Deductions During the Year	(0.27)	-	-	-	(0.27)
As at 31st March 2017	2122.40	639.56	1261.62	1330.17	5353.75
Additions During the Year	137.63	-	563.87	149.10	850.60
Deductions During the Year	-	-	-	-	-
As at 31st March 2018	2260.03	639.56	1825.49	1479.27	6204.35
DEPRECIATION / AMORTISATION					
As at 1st April 2016	1076.56	432.15	-	362.70	1871.41
Provided for the Year	228.07	104.84	2.47	189.22	524.60
Deductions During the Year	(0.27)	-	-	-	(0.27)
As at 31st March 2017	1304.36	536.99	2.47	551.92	2395.74
Provided for the Year	239.34	28.24	254.49	215.49	737.56
Deductions During the Year	-	-	-	-	-
As at 31st March 2018	1543.70	565.23	256.96	767.41	3133.30
NET CARRYING VALUE					
As at 31st March 2017	818.04	102.57	1259.15	778.25	2958.01
As at 31st March 2018	716.33	74.33	1568.53	711.86	3071.05

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Breakup of Depreciation and Amortisation charge for the Year:

	For the Year Ended 31st March, 2018	(Rs. in Lacs) For the Year Ended 31st March, 2017
Depreciation on:		
Property, Plant & Equipment	21190.36	18099.33
Investment Property	200.35	144.04
Other Intangible Assets	737.56	524.60
	<u>22128.27</u>	<u>18767.97</u>

3A. INVESTMENTS

Particulars	Description	Face Value	As At 31.03.2018		As At 31.03.2017	
			Number	Amount (Rs.in lacs)	Number	Amount (Rs.in lacs)
I Measured at Cost (Less Impairment, if any)						
A. Equity Instruments in Subsidiaries						
Unquoted						
Fully Paid Up						
i) IN WHOLLY OWNED SUBSIDIARIES						
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	367500	1690.92
Utech Developers Ltd.	Equity	Rs. 10/-	100000000	10000.00	100000000	10000.00
ii) IN OTHER SUBSIDIARIES						
Upet Holding Ltd.	Equity	US\$ 1	24220001	10993.45	24220001	10993.45
USC Holograms Pvt. Ltd.	Equity	Rs. 10/-	40800#	4.08	40800#	4.08
B. Equity Instruments in Associates						
Quoted						
Fully Paid Up						
Flex Foods Ltd. (Associate)	Equity	Rs. 10/-	5870000	587.00	5870000	587.00
Total -I				<u>36674.45</u>		<u>36674.45</u>
II Designated & Carried at Fair value through Other Comprehensive Income						
Equity Instruments						
i) Quoted						
Fully Paid Up						
Ansal Properties & Infrastructure Ltd.	Equity	Rs. 5/-	589910	115.62	589910	89.37
Kothari Products Ltd.	Equity	Rs. 10/-	342900	504.23	342900	668.83
B.A.G. Films Ltd.	Equity	Rs. 2/-	49300	2.19	49300	2.29
ii) Unquoted						
Fully Paid Up						
Malanpur Captive Power Ltd.	Equity	Rs. 10/-	635650	-	635650	-
Fair Growth Financial Services Ltd.	Equity	Rs. 10/-	100000	-	100000	-
Vijaya Home Loans Ltd.	Equity	Rs. 10/-	50000	-	50000	-
Total -II				<u>622.04</u>		<u>760.49</u>
TOTAL (3A) (I+II)				<u>37296.49</u>		<u>37434.94</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

3B: PLEDGED EQUITY INSTRUMENTS \$

Particulars	Description	Face Value	As At 31.03.2018		As At 31.03.2017	
			Number	Amount (Rs. in Lacs)	Number	Amount (Rs. in Lacs)
Designated & Carried at Fair value through Other Comprehensive Income						
Equity Instruments						
Quoted						
Fully Paid Up						
Reliance Industries Ltd.@	Equity	Rs.10/-	445784	3934.94	222892	2944.18
Reliance Infrastructure Ltd.	Equity	Rs.10/-	60000	256.50	60000	341.19
TOTAL (3B)				4191.44		3285.37
Aggregate amount of Quoted Investment (Including Pledged)				5795.02		5795.02
Aggregate Market Value of Quoted Investments (Including Pledged)				10988.72		9405.17
Aggregate amount of unquoted Investments				36399.62		36399.62
Investment Carried at Cost				36674.45		36674.45
Investment Carried at Fair Value through Other Comprehensive Income				4813.48		4045.86

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

\$ Pledge against the borrowing from a Body Corporate. (Refer Note No 20)

@ Increase in number of Equity Shares of 222892 is on account of Bonus Shares allotted on 21st September 2017.

During the year, the Company has incorporated its Wholly Owned Subsidiary Company viz. Digicyl Pte. Ltd. (Singapore). However no investment was made by the Company upto the date of the Financial Statements in the Subsidiary.

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
4. LOANS		
(Unsecured, Considered Good)		
Security Deposits	1922.25	1673.94
Loans to :		
- Employees	196.36	212.78
- Others	4.00	4.50
	200.36	217.28
Less: Current Portion	74.60	81.71
TOTAL :	2048.01	1809.51
5. OTHER NON-CURRENT FINANCIAL ASSETS		
Fixed Deposits Accounts for a period more than 12 Months*	4.83	42.70
TOTAL :	4.83	42.70
*Pledged with Banks as margin for Letters of Credits, Guarantees and Bills Discounted.		
6. OTHER NON-CURRENT ASSETS		
Capital Advances	3717.12	3750.55
Deposit with Excise/ GST / Sales Tax Authority	614.24	794.73
Deposits / Advances with Income Tax Authorities	1465.56	1478.11
Advances recoverable	-	331.51
TOTAL :	5796.92	6354.90

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
7. INVENTORIES		
Raw Materials	22338.42	17593.60
Work-in-Progress	11331.21	9201.93
Finished Goods	2011.96	2509.51
Traded Goods	4.68	61.61
Material-in-Transit :		
- Raw Materials	3411.60	1491.82
- Raw Materials (Intra Group)	498.41	627.61
Stores, Packing Material & Fuel	1049.48	1029.14
TOTAL :	<u>40645.76</u>	<u>32515.22</u>
8. TRADE RECEIVABLES		
Current- Unsecured		
Considered Good	112865.95	99901.62
Considered Doubtful	2898.18	2682.15
Trade Receivables #	115764.13	102583.77
Less : Allowance for bad and doubtful Trade receivables	2898.18	2682.15
TOTAL :	<u>112865.95</u>	<u>99901.62</u>
#Includes due from :		
- Subsidiaries	10365.15	10428.05
- Related Parties	3094.35	3349.09
Movements in allowance for bad and doubtful Trade receivable:		
Opening Balance	2682.15	2271.75
(+) Provision made during the year	558.08	1626.25
(-) Amount utilised from provision	(342.05)	(1215.85)
Closing Balance	2898.18	2682.15
9. CASH & BANK BALANCES		
A) Cash & Cash Equivalents		
Balances with Banks:		
- In Current Accounts	3262.50	3985.70
- In Cash Credits Accounts	999.65	267.73
- In Fixed Deposits Accounts	1525.00	5959.17
Remittance in transit	59.06	-
Cash on hand	22.34	40.10
Cheques on hand	301.36	162.41
Sub-Total (A)	<u>6169.91</u>	<u>10415.11</u>
B) Other Bank Balances		
- In Fixed Deposits Accounts*	1669.69	1143.09
- In Unclaimed Dividend Account	147.16	144.03
- In Margin Money Accounts	666.31	467.62
Sub-Total (B)	<u>2483.16</u>	<u>1754.74</u>
TOTAL (A+B) :	<u>8653.07</u>	<u>12169.85</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 2018

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
10. LOANS		
(Unsecured, Considered Good)		
Loans to Employees and others	-	0.69
Subsidiary #	<u>1125.00</u>	<u>2135.00</u>
TOTAL :	<u>1125.00</u>	<u>2135.69</u>
#Additional Information on Loan to Subsidiary:		
Name of the Company	Rate of Interest	
a) Utech Developers Ltd. (Interest Free)	0%	-
b) USC Holograms Pvt. Ltd.	10%	<u>1125.00</u>
TOTAL :	<u>1125.00</u>	<u>2135.00</u>
11. OTHER FINANCIAL ASSETS		
Current Portion of Long Terms Loans given	74.60	81.71
Interest accrued on :		
- Loan to Subsidiary	0.28	-
- Deposits with Banks	86.82	70.28
- Others	12.20	11.78
Other Receivable	<u>126.36</u>	-
TOTAL :	<u>300.26</u>	<u>163.77</u>
12: OTHER CURRENT ASSETS		
Advances recoverable	6024.39	6469.58
Advances to Subsidiaries	11.47	8.15
Balances with Excise /GST Authorities	<u>9311.30</u>	<u>5111.47</u>
TOTAL :	<u>15347.16</u>	<u>11589.20</u>
13. EQUITY SHARE CAPITAL		
A Authorised		
The Company's authorised Capital is of Rs.34000.00 Lacs (Previous Year Same) distributed into 1,90,00,000 (Previous Year Same) Preference Shares of Rs.100/- each and 15,00,00,000 (Previous Year Same) Equity Shares of Rs. 10/- Each.		
B Issued, Subscribed & Paid-Up		
The Issued and Subscribed Capital of the Company as at 31st March 2018 is of Rs. 7228.42 Lacs, represented by 72284187 Equity Shares (Including 72701 Equity Shares forfeited) of Rs. 10/- each and the paid-up Capital as at 31st March 2018 is of Rs.7221.15 Lacs, represented by 7,22,11,486 Equity Shares of Rs. 10/- each as at 31st March 2018. The reconciliation of the Equity Share Capital of the Company is given as under:		

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 1st April 2016	72284187	7228.42	72211486	7221.15	-	-
Balance as at 31st March 2017	72284187	7228.42	72211486	7221.15	-	-
Balance as at 31st March 2018	72284187	7228.42	72211486	7221.15	-	-

Amount Originally paid up on the forfeited shares was of Rs. 3.89 Lacs (Previous Year Same).

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The Company's Paid-up Capital of 72211486 (Previous Year Same) Equity Shares of Rs. 10/- each, is distributed as under:

	As At 31st March 2018		As At 31st March 2017	
	Number	%	Number	%
a) Promoter & Promoter Group	31784339	44.02	31784339	44.02
Of which Shareholders holding More than 5 % of the Paid-up Capital				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anshika Investments Pvt. Ltd.	5771092	7.99	5771092	7.99
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshika Consultants Pvt. Ltd.	3778524	5.23	3778524	5.23
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	4323162	5.99
b) Public Shareholding *	40427147	55.98	40427147	55.98
i) Institution	9857847	13.65	8137968	11.27
ii) Non- Institution	30569300	42.33	32289179	44.71
*Of which Shareholder holding More than 5 % of the Paid-up Capital				
Kebale Trading Ltd.	5465840	7.57	5465840	7.57

c) RESTRICTION ON VOTING RIGHTS

The company has only one class of issued equity share capital as on the date of the balance sheet and each holder of equity share is entitled for one vote per share and right to receive the dividend, if any, declared on the equity shares.

d) DIVIDEND

The Board of Directors of the company has recommended a final dividend of Rs. 2.00 (Previous Year Rs.3.50) per share aggregating to Rs.1741.10 lacs (Previous Year Rs. 3041.92 Lacs) (Including the dividend distribution tax of Rs.296.87 lacs (Previous Year Rs. 514.52 Lacs)) for the financial year ended 31st March 2018 subject to the approval of the shareholder in their ensuing annual general meeting.

14. OTHER EQUITY

	Reserve & Surplus				Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 1st April 2016	10377.76	57110.63	20164.05	94241.70	(2215.21)	(149.28)	179529.65
Total Other Comprehensive Income for the year (Net of Tax)					740.89	114.06	854.95
Dividend Paid (Including Dividend Distribution Tax)				(2781.19)			(2781.19)
Profit for the Year				19354.97			19354.97
Balance as at 31st March 2017	10377.76	57110.63	20164.05	110815.48	(1474.32)	(35.22)	196958.38
Total Other Comprehensive Income for the Year (Net of Tax)					767.62	(194.22)	573.40
Dividend Paid Including Dividend Distribution Tax				(3041.92)			(3041.92)
Profit for the Year				10092.11			10092.11
Balance as at 31st March 2018	10377.76	57110.63	20164.05	117865.67	(706.70)	(229.44)	204581.97

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

15 BORROWINGS

	As At 31.03.2018	As At 31.03.2017
A. Secured		
Term Loans :		
From Banks	73578.12	59355.44
From IFCI Limited	<u>14833.55</u>	<u>16074.98</u>
	88411.67	75430.42
B. Vehicle Loans :		
From Banks	395.93	306.02
From Others	<u>1061.58</u>	<u>89.37</u>
	1457.51	395.39
C. Unsecured		
From TFCI ~	5229.21	6097.64
From Bodies Corporate	<u>2821.93</u>	<u>2104.78</u>
	8051.14	8202.42
Sub- Total (A+B+C)	97920.32	84028.23
Less: Current portion	<u>18285.25</u>	<u>12176.32</u>
TOTAL :	<u>79635.07</u>	<u>71851.91</u>

The Company is availing the Secured Term Loan Facilities from banks & others. Their repayment terms and other details are given as under:

					(Rs. in Lacs)
Name of the Institution / Banks / Others	Sanctioned Amount	O/s As At 31/03/2018	Current Portion	Long Term	Repayment Terms
PART A: TERM LOANS					
IFCI Limited	* 5000.00	-	-	-	- Repayable in 16 Equal Quarterly Installments of Rs. 312.50 Lacs each commencing from Jun 2014.
		(1250.00)	(1250.00)		
IFCI Limited	* 15000.00	14873.00	1,000.00	13873.00	Repayable in 32 Quarterly Installments commencing from June 2018, first four installments of Rs. 250.00 Lacs each and balance 28 installments of Rs. 500.00 Lacs each.
		(14873.00)	(-)	(14873.00)	
UCO Bank	* 20000.00	1,865.29	833.33	1,031.96	Repayable in 24 Equal Quarterly Installments of Rs. 833.33 Lacs each commencing from February 2019.
		(-)	(-)	(-)	
Jammu & Kashmir Bank Ltd.	* 5000.00	1000.00	1000.00	(1000.00)	- Repayable in 20 Equal Quarterly Installments of Rs. 250.00 Lacs each commencing from Jun 2014.
		(2000.00)	(1000.00)		
Jammu & Kashmir Bank Ltd.	* 14930.00	14,930.00	-	14,930.00	Repayable in 32 Equal Quarterly Installments of Rs. 466.56 lacs each commencing from December 2019.
		(-)	(-)	(-)	
State Bank of India	* 25000.00	19044.27	5,000.00	14044.27	Repayable in 60 Equal Monthly Installments of Rs. 416.67 Lacs each commencing from Oct 2017. However instalments are restricted to the extent of loan availed.
		(21535.50)	(2500.00)	(19035.50)	
State Bank of India	* 15000.00	8,751.28	535.71	8,215.57	Repayable in 82 installments, First Installment is of Rs. 535.71 lacs in Mar19 and rest in 81 Equal Monthly Installments of Rs. 178.57 Lacs each from Apr 2019. However instalments are restricted to the extent of loan availed.
		(6942.20)	(-)	(6942.20)	
South Indian Bank	* 5000.00	5,000.00	714.40	4,285.60	Repayable in 28 Quarterly Installments commencing from June 2018. First 27 Equal Quarterly Installments of Rs 178.60 Lacs and last installment of Rs. 177.80 Lacs.
	\$	(5000.00)	(-)	(5000.00)	
Woori Bank	* 3200.00	3200.00	1,066.68	2133.32	Repayable in 12 Equal Quarterly Installments of Rs. 266.67 Lacs each commencing from May 2018.
		(-)	(-)	(-)	
Oriental Bank of Commerce	* 5000.00	4,999.54	-	4,999.54	Repayable in 28 Equal Quarterly Installments of Rs. 178.57 Lacs each commencing from Apr 2019.
		(4424.77)	(-)	(4424.77)	
Canara Bank	* 12500.00	2307.14	2307.14	(2314.05)	- Repayable in 20 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jun 2014.
	\$	(4814.05)	(2500.00)		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lacs)

Name of the Institution / Banks / Others	Sanctioned Amount	O/s As At 31/03/2018	Current Portion	Long Term	Repayment Terms
Canara Bank-London (ECB Facility)	*US \$ 23.175 Million	12926.70 (15026.34)	3,707.28 (2139.67)	9219.42 (12886.67)	Repayable in 12 Quarterly Installments Commencing from May 2017. First four installments are of US\$ 0.83 Million each, next four installments are of US\$ 1.42 Million each and next four installments are of US\$ 3.55 Million each
Less: Adjustment for Transaction Cost (Pending Amortisation)		485.55 (435.44)	138.02 (142.41)	347.53 (293.03)	
Sub Total: A		88411.67	16026.52	72385.15	
Previous Year		(75430.42)	(9247.26)	(66183.16)	
PART B: VEHICLE LOANS					
Jammu & Kashmir Bank Ltd.	# 93.00	9.96 (32.05)	9.96 (22.07)	- (9.98)	Repayable in 60 Equal Monthly Installments of Rs. 2.06 Lacs each commencing from September 2013 including interest amount.
Jammu & Kashmir Bank Ltd.	# 138.00	43.97 (73.43)	32.57 (29.12)	11.40 (44.31)	Repayable in 60 Equal Monthly Installments of Rs. 3.02 Lacs each commencing from September 2014 including interest amount.
Jammu & Kashmir Bank Ltd.	# 239.00	147.76 (191.15)	48.54 (43.40)	99.22 (147.75)	Repayable in 60 Equal Monthly Installments of Rs. 5.23 Lacs each commencing from January 2016 including interest amount.
HDFC Bank Limited	# 12.90	6.27 (9.39)	3.45 (3.13)	2.82 (6.26)	Repayable in 48 Equal Monthly Installments of Rs. 0.33 Lacs each commencing from January 2016 including interest amount.
HDFC Bank Limited	# 66.00	58.83 (-)	15.21 (-)	43.62 (-)	Repayable in 48 Equal Monthly Installments of Rs. 1.61 Lacs each commencing from October 2017 including interest amount.
YES BANK LIMITED	# 130.00	129.14 (-)	28.55 (-)	100.59 (-)	Repayable in 48 Equal Monthly Installments of Rs. 3.17 Lacs each commencing from April 2018 including interest amount.
Toyota Financial Services India Limited	# 100.95	66.57 (89.37)	24.94 (22.80)	41.63 (66.57)	Repayable in 47 Equal Monthly Installments of Rs. 2.49 Lacs each commencing from November 2016 including interest amount.
Toyota Financial Services India Limited	# 58.55	52.24 (-)	18.54 (-)	33.70 (-)	Repayable in 36 Equal Monthly Installments of Rs. 1.83 Lacs each commencing from October 2017 including interest amount.
Daimler Financial Services India Pvt. Ltd	# 69.00	62.81 (-)	15.74 (-)	47.07 (-)	Repayable in 48 Equal Monthly Installments of Rs. 1.69 Lacs each commencing from November 2017 including interest amount.
Orix Leasing & Financial Services India Ltd	# 1383.49	879.96 (-)	505.17 (-)	374.79 (-)	Repayable in Equal Monthly Installments commencing from July 2017 over the period of respective Vehicles Loan.
Sub Total: B		1457.51	702.67	754.84	
Previous Year		(395.39)	(120.52)	(274.87)	
Total (A+B)		89869.18	16729.19	73139.99	
Previous Year		(75825.81)	(9367.78)	(66458.03)	

Previous Year figures have been given in brackets.

* These are secured a) on *pari passu* basis by way of hypothecation of specific movable properties of the Company (save and except book debts), both present & future, subject to prior charges created and / or to be created in favour of Company's bankers for working capital facilities, b) by first *pari passu* equitable mortgage of specific immovable properties of the Company situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat) and c) by guarantee of Chairman & Managing Director of the Company. Further, in respect of loan from South Indian Bank, Jammu & Kashmir Bank (Rs. 14930 Lacs), Woori Bank and UCO Bank first *pari-passu* equitable mortgage is yet to be created.

\$ These are further secured by way of second *pari passu* charge on the current assets of the Company.

Vehicle Loans are secured by way of hypothecation of Specific Vehicles of the Company. Further charges in respect of some of the vehicles, on the outstanding loan amounting to Rs.879.96 Lacs, from one Company is yet to be created.

~ This is secured by a) exclusive first charge by way of hypothecation of Specific aircrafts owned by M/s A.R. Airways Pvt. Ltd. (related party), b) corporate guarantee of A.R. Airways Pvt. Ltd. and c) guarantee of Chairman & Managing Director of the Company.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
16. OTHER FINANCIAL LIABILITIES		
Securities Received	438.93	332.72
TOTAL :	438.93	332.72
17. PROVISIONS		
Leave Encashment	1136.21	1152.85
TOTAL :	1136.21	1152.85
18. DEFERRED TAX LIABILITIES (NET)		
Opening Balance	6486.35	9954.35
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	(1347.59)	(3468.00)
TOTAL :	5138.76	6486.35

The Cumulative Tax effects of significant temporary differences, that resulted in Deferred Tax Asset & Liabilities and description of item thereof that creates these differences are as follows :

	Deferred Tax Assets / (Liabilities) As At 01.04.2017	Current Year (Charge) / Credit	(Rs. in Lacs) Deferred Tax Assets / (Liabilities) As At 31.03.2018
Deferred Tax Assets			
Other than unabsorbed depreciation & carry forward of losses.	1617.62	235.60	1853.22
Unutilised Tax Credit	-	7624.81	7624.81
Total (A)	1617.62	7860.41	9478.03
Deferred Tax Liabilities			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(8103.97)	(6512.82)	(14616.79)
Total (B)	(8103.97)	(6512.82)	(14616.79)
Net Deferred Tax (Liability) (A-B)	(6486.35)	1347.59	(5138.76)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised as below:

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Particulars		
Profit before income taxes (Rs in Lacs)	11064.84	20395.24
Enacted Tax Rate in India	34.6%	34.6%
Computed Tax Rate	9.2%	5.1%
Effect of unused tax credit allowed	25.6%	15.0%
Others	0.6%	0.0%
Effects of non-deductible expenses	-1.3%	0.9%
Additional deduction	0.5%	13.6%
	34.6%	34.6%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Income Tax Expense in the Total Comprehensive Income represents:

	For the Year Ended 31.03.2018	(Rs. in Lacs) For the Year Ended 31.03.2017
In Statement of Profit & Loss		
- Current tax	2366.00	4569.00
- Deferred tax	(1347.59)	(3528.37)
- (Excess) Provision of Income Tax for earlier years	(45.68)	(0.36)
Total	972.73	1040.27
In Statement of Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Remeasurement of the net defined benefit liability / asset	-	(60.37)
Total	-	(60.37)
	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
19. OTHER NON CURRENT LIABILITIES		
Retention Money	566.94	485.36
TOTAL :	566.94	485.36
20. BORROWINGS		
Secured		
Working Capital Facilities From Banks	27184.06	20897.43
From Body Corporate	1870.00	1200.00
Unsecured		
From Banks #	5559.15	2568.20
From Others	9305.00	12488.00
From Related Parties	-	2630.00
TOTAL :	43918.21	39783.63
1	Working capital facilities from banks are secured a) on <i>first pari passu</i> basis, by way of hypothecation of stock of raw materials, semi-finished goods, finished goods and book debts of the Company, both present and future, b) by way of second <i>pari passu</i> charge on specific fixed assets of the Company, situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat), and c) by guarantee of Chairman & Managing Director of the Company. However, second <i>pari passu</i> equitable mortgage on enhanced working capital facilities is yet to be created.	
2	Loan from Body Corporate is secured by way of pledge of listed Equity Shares held as an Investment by the Company. (Refer Note No 3B)	
#	Includes Rs.4531.66 Lacs (Previous Year 2568.20 Lacs) in respect of deferred letters of credits for capital goods secured by way of hypothecation of specific machines under the letters of credits and pledge of fixed deposits of Rs. 590.65 Lacs (Previous Year Rs.312.88 Lacs).	
	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
21. TRADE PAYABLES		
Suppliers	54804.97	43841.96
Due to Suppliers under MSMEDA*	683.03	483.72
Due to Related Parties	12821.86	10619.42
TOTAL :	68309.86	54945.10

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

* The details of amounts outstanding to Micro, Small and Medium Enterprises, as identified by the management, under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under :

(Rs. in Lacs)			
S. No.	Particulars	As at 31.03.2018	As At 31.03.2017
1	Principal amount due and remaining unpaid	0.54	Nil
2	Interest due on (1) above and the unpaid interest	0.05	Nil
3	Interest paid on all delayed payment under the MSMED Act	1.01	1.03
4	Payment made beyond the appointed day during the year	20.39	168.94
5	Interest due and payable for the period of delay other than (3) above	Nil	3.44
6	Interest accrued and remaining unpaid	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil

(Rs. in Lacs)			
S. No.	Particulars	As At 31.03.2018	As At 31.03.2017
22.	OTHER FINANCIAL LIABILITIES		
	Current Maturities of Long Term Borrowings	18285.25	12176.32
	Capital Creditors	3013.87	3594.38
	Interest Accrued but not due on Loans		
	- From Others	458.82	540.89
	Unclaimed Dividend*	147.16	144.03
	Due to Employees	1510.32	2266.27
	Others Payable	2038.61	1210.10
	Book Overdraft	183.98	144.53
	TOTAL :	<u>25638.01</u>	<u>20076.52</u>

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

23.	OTHER CURRENT LIABILITIES		
	Advances from Customers	2847.73	3710.06
	Advances from Subsidiaries	1.95	97.65
	Advances from a Related Party	21.90	25.48
	Statutory Dues	2375.37	1451.36
	TOTAL :	<u>5246.95</u>	<u>5284.55</u>

24.	PROVISIONS		
	Leave Encashment	382.31	412.54
	Staff Benefits	534.59	526.38
	Warranty	18.21	13.47
	TOTAL :	<u>935.11</u>	<u>952.39</u>

25.	CURRENT TAX LIABILITIES (NET)		
	Current Income Tax (Net)	-	2502.09
	TOTAL :	-	<u>2502.09</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31st March 2018	(Rs. in Lacs) For the Year Ended 31st March 2017
26. REVENUE FROM OPERATIONS		
A. i) REVENUE FROM SALE OF PRODUCTS		
Gross Sales	416418.52	426782.98
Less : Inter Unit Sales	<u>46202.98</u>	<u>57757.20</u>
	370215.54	369025.78
ii) REVENUE FROM SALE OF SERVICES		
Gross Job work / Services Rendered	5800.79	9438.72
Less : Inter Unit Job Work	<u>2228.31</u>	<u>2723.12</u>
	3572.48	6715.60
Technical Fees	2400.00	2340.00
TOTAL (A) :	<u>376188.02</u>	<u>378081.38</u>
B. OTHER OPERATING INCOME		
Scrap Sales	3239.04	2965.51
Packing, Forwarding and Insurance Recoveries	182.61	219.47
Exchange Rate Fluctuation (Net)	2159.81	1178.78
Export Incentive	2382.06	2495.67
GST / Excise Duty Refund	2231.65	3035.84
Miscellaneous Operating Income	81.42	273.36
Vat Refund	6.89	95.57
Sundry Balances Written Back (Net)	472.16	-
Support Fees	<u>430.88</u>	<u>402.72</u>
TOTAL (B) :	<u>11186.52</u>	10666.92
TOTAL (A+B):	<u>387374.54</u>	<u>388748.30</u>
27. OTHER INCOME		
Rent Received	702.50	210.15
Gain on Sale of Units of Mutual Funds	7.52	-
Gain on sale of Property, Plant & Equipment (Net)	-	12.68
Miscellaneous Income	372.60	454.65
Interest :		
- from Banks	337.57	649.03
- from Others	28.02	231.56
Investment Income:		
- Dividend received on Investments carried at cost	146.75	146.75
- Dividend received on Investments carried at Fair value through other comprehensive income	40.21	5.68
TOTAL :	<u>1635.17</u>	<u>1710.50</u>
28. COST OF MATERIALS CONSUMED		
Opening Stock	18221.21	15192.78
Add : Purchases	<u>286097.10</u>	<u>267073.98</u>
	304318.31	282266.76
Less : Inter Unit Purchases	<u>44412.13</u>	<u>52634.29</u>
	259906.18	229632.47
Less : Closing Stock	<u>22836.83</u>	<u>18221.21</u>
TOTAL :	<u>237069.35</u>	<u>211411.26</u>
	237069.35	<u>211411.26</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31st March 2018	(Rs. in Lacs) For the Year Ended 31st March 2017
29. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Stock-in-Trade	61.61	223.60
Finished Goods	2509.51	1939.38
Work-in-Progress	9201.93	7303.74
	<u>11773.05</u>	<u>9466.72</u>
Less: Closing Stock :		
Stock-in-Trade	4.68	61.61
Finished Goods	2011.96	2509.51
Work-in-Progress	11331.21	9201.93
	<u>13347.85</u>	<u>11773.05</u>
TOTAL:	<u>(1574.80)</u>	<u>(2306.33)</u>
30. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, Benefits and Amenities	35951.60	32625.05
Contribution to Provident Fund and Other Funds	2026.42	1483.70
Employee Welfare Expenses	1064.99	1029.27
TOTAL:	<u>39043.01</u>	<u>35138.02</u>
31. FINANCE COSTS		
Interest		
- On Loans for Fixed Period	10093.44	7391.38
- On Other Loans / Liabilities	2599.27	2593.27
- On Shortfall in payment of Advance Tax	133.60	367.20
Discounting & Financial Charges	1595.23	1525.85
TOTAL :	<u>14421.54</u>	<u>11877.70</u>
32. OTHER EXPENSES		
A. OTHER MANUFACTURING EXPENSES		
Power & Fuel Consumed	16642.31	15779.17
Repair & Maintenance-Machinery	5606.23	6217.89
Stores Consumed	2821.00	2395.84
Tools, Jigs & Dies	329.95	210.12
Packing Material Consumed	7580.50	6958.91
Processing Charges for Cylinders	3368.35	2860.32
Less: Inter Unit Charges	2496.07	2501.05
	<u>872.28</u>	<u>359.27</u>
Design & Development Charges	77.48	118.39
Excise Duty on Others	(205.43)	49.89
Duties paid on Revenues	9051.97	34545.77
Job Work Charges	1269.17	1678.79
Royalty Expenses	446.50	743.77
R & D Charges	93.46	58.66
TOTAL (A) :	<u>44585.42</u>	<u>69116.47</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31st March 2018	(Rs. in Lacs) For the Year Ended 31st March 2017
B. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	896.42	776.98
Rates & Taxes	216.33	36.61
Insurance charges	629.34	626.62
Electricity & Water charges	406.26	375.31
Printing & Stationery	236.72	262.61
Postage & Telephone Expenses	439.40	472.40
Vehicle Running & Maintenance Expenses	471.84	438.31
Lease Rent -Vehicles	597.01	909.39
Conveyance & Travelling Expenses	4225.64	3928.56
Repair & Maintenance :		
- Building	919.28	1073.65
- Others	1906.64	1707.13
Legal & Professional Charges	2008.98	2035.62
Directors' sitting fees	29.07	29.75
General Expenses	2551.06	2462.69
Advertisement & Publicity	637.81	784.15
Entertainment Expenses	428.35	450.28
Charity & Donation	23.31	35.51
Corporate Social Responsibility Expenditure	317.34	488.92
Freight & Forwarding charges	6509.94	6689.24
Property, Plant & Equipment written Off	27.45	91.54
Loss on Property, Plant and Equipment sold (Net)	7.74	-
Allowance for bad and doubtful Trade Receivables	558.08	1626.25
Amount utilized from allowance for bad and doubtful Trade Receivables	(342.05)	(1215.85)
Sundry Debit Balance / Bad Debts written off (Net)	-	924.97
Loss on Liquidation of Foreign Subsidiary	-	50.08
Quality Claims	698.92	1841.48
TOTAL (B) :	24400.88	26902.20
TOTAL :	68986.30	96018.67
Above includes following expenses on Investment Properties, that generated rental income;		
Rent (Lease Rent)	1.66	0.76
Insurance	1.51	1.41
Repair & Maintenance :		
- Building	13.61	7.33
	16.78	9.50

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31st March 2018	(Rs. in Lacs) For the Year Ended 31st March 2017
33. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS		
Cost of Material Consumed	2236.50	1387.14
Employee Benefits Expense	980.25	752.23
Depreciation and amortisation expense	210.60	176.63
Other Expenses	511.76	474.55
TOTAL :	3939.11	2790.55
		(Rs.in lacs)
	As At 31.03.2018	As At 31.03.2017
34. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:		
A i) Show cause notice / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Company and are contested / appealed / replied.	7950.77	6481.99
ii) Additional demands raised by the Income Tax Department, which are under rectification & appeal	525.26	4065.13
iii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	1110.68	1535.19
iv) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	27.73	27.73
v) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	13.82	12.82
vi) Claims against the Company/disputed liabilities not acknowledged as debt	135.94	127.00
vii) Demand raised by the Concerned Development corporation on surrender of unutilised Industrial Leasehold Land	62.69	62.69
B i) Guarantees issued by Banks	3291.75	3861.67
ii) Corporate Guarantees issued for facilities taken by foreign subsidiaries / step down subsidiaries from Banks	144511.00	172732.60
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	31866.41	11796.17
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	9156.37	7157.62
C Liability in respect of Bonus for the FY 2014-15 arising due to retrospective amendment in the Payment of Bonus (Amendment) Act, 2015; which is contested by the Company.	429.85	429.85
35. CAPITAL COMMITMENTS		
The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	10275.04	14187.14

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

36. DISCLOSURES FOR ASSETS UNDER OPERATING LEASES

The Company has taken certain vehicles on operating Lease. The required disclosures are as under:

Minimum future Lease Rentals on assets under Operating Leases taken:

	(Rs. in Lacs)			
	of which not later than one year	of which later than one year and not later than 5 years	of which later than 5 years	Total
Payables	287.84	359.30	-	647.14
	<i>913.80</i>	<i>994.76</i>	<i>-</i>	<i>1908.56</i>

Previous Year figures have been given in Italic.

37. INFORMATION IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE REQUIRED TO BE SPENT BY THE COMPANY:

	(Rs. in Lacs)	
	Current Year	Previous Year
a) Gross Amount required to be spent by the Company during the Year	378.44	308.88
b) Amount spent during the year on:		
(i) construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	317.34	488.92

38. AUDITORS REMUNERATION, AS INCLUDED IN "LEGAL & PROFESSIONAL CHARGES" UNDER NOTE NO."32(B)", IS AS UNDER:-

	(Rs. in Lacs)	
	Current Year	Previous Year
a) Audit Fees	165.00	145.00
b) Taxation Matters	43.00	38.00
c) Other Services	69.40	65.53
d) Out of Pocket Expenses	4.21	4.77

39. DEFINED BENEFIT PLAN

a) Gratuity

The employees' Group Gratuity Scheme is managed by ICICI Prudential Life Insurance Company Limited. The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The additional disclosure in terms of Ind AS 19 on "Employee Benefits", is as under:

	(Rs. In Lacs)	
	Current Year	Previous Year
a. Reconciliation of opening and closing balances of obligation		
Obligations at period beginning	2949.81	2729.38
Current Service cost	377.84	322.22
Past Service Cost	379.83	-
Interest cost	209.95	195.16
Actuarial (gain) / loss due to unexpected experience	13.38	(42.33)
Benefits paid	(300.79)	(254.62)
Obligations at period end	3630.02	2949.81

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	<u>Current Year</u>	<u>(Rs. In Lacs)</u> Previous Year
b. Reconciliation of opening and closing balances of fair value assets		
Plan assets at period beginning, at fair value	3249.13	2664.48
Interest Income	243.68	199.84
Return on Plan Assets excluding Interest Income	(180.84)	132.10
Contributions	690.29	507.33
Benefits paid	(300.79)	(254.62)
Plan assets at period end, at fair value	3701.47	3249.13
c. Amount Recognized in Balance Sheet		
Present value of the defined benefit obligations at the end of the period	3630.02	2949.81
Fair value of plan assets at the end of the period	(3701.47)	(3249.13)
Liability/ (Asset) recognized in the balance sheet	(71.45)	(299.32)
d. Gratuity cost for the period		
Current Service cost	377.84	322.22
Past Service cost	379.83	-
Interest cost	209.95	195.16
Expected return on plan assets	(243.68)	(199.84)
Net Gratuity Cost recognised in Statement of Profit & Loss	723.94	317.54
e. Remeasurement (gains) and losses		
Actuarial (gain) / loss due to unexpected experience	13.38	(42.33)
Return on Plan assets, excluding interest income	180.84	(132.10)
Net Gratuity Cost recognised on Statement of Other Comprehensive Income	194.22	(174.43)
Assumptions		
Interest rate	7.5% P.A.	7.5% P.A.
Estimated rate of return on plan assets	7.5% P.A.	7.5% P.A.

The expected benefits increases are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at 31st March 2018. The company is expected to contribute Rs. 279.48 lacs to defined benefits plan obligations fund for the year ending 31st March 2019.

The significant accounting assumptions are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period while other assumptions constant.

If the discount rate increases /(decreases by 0.5%), the defined benefit plan obligations would decrease by Rs.139.25 Lacs (increase by Rs.150.25 Lacs) as at 31st March 2018.

If the expected salary growth increases /(decreases by 0.5%), the defined benefit plan obligations would increase by Rs.149.85 Lacs (decrease by Rs.139.75 Lacs) as at 31st March 2018.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Further in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

b) Leave Encashment

The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation, disclosure whereof in terms of Indian Accounting Standard (Ind AS)- 19, "Employee Benefits" is as under:

	(Rs. in Lacs)	
	Current Year	Previous Year
a. Reconciliation of opening and closing balances of obligation		
Obligations at period beginning	1565.38	1295.06
Service cost	685.44	698.82
Interest cost	99.70	84.99
Actuarial (gain) / loss	(359.95)	(189.93)
Benefits paid	(472.05)	(323.56)
Obligations at period end	1518.52	1565.38
b. Amount Recognized in Balance Sheet		
Present value of the defined benefit obligations at the end of the period	1518.52	1565.38
Liability recognized in the balance sheet	1518.52	1565.38
c. Leave Encashment cost for the period		
Service cost	685.44	698.82
Interest cost	99.70	84.99
Actuarial (gain) / loss	(359.95)	(189.93)
Net Leave Encashment cost for the period	425.19	593.88
Assumptions		
Interest rate	7.5% P.A.	7.5% P.A.

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

41. Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.

42. Impact of Implementation of Goods and Services Tax (GST) on the financial statements

In accordance with Ind AS 18 on "Revenue" and Schedule III of the Companies Act, 2013, Revenue from Sales of Goods and Services for the previous year ended 31st March 2017 and for the period from 1st April 2017 to 30th June 2017 were reported gross of Excise Duty and Net of Value Added Tax (VAT) / Sales Tax. Excise Duty was reported as separate expense item in Note No "32(A)" as Duties paid on Revenues. Consequent to introduction of Goods and Service Tax (GST) with effect from 1st July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST. GST has not been recognized as part of Revenue from Sales of Goods and Services as per the requirement of Ind AS 18. This has resulted into lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in the structure expenses are also reported net of taxes (where credit is available). Accordingly, financial statements for the year ended 31st March 2018 and in particular, sales, absolute expenses, Inventory and ratios in percentage to Revenues are not comparable with the figures of previous year.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

43. EARNING PER SHARE

The following disclosure is made, as required by Indian Accounting Standard (Ind AS-33) on "Earning Per Share" :

	(Rs. in Lacs)	
	Current Year	Previous Year
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs in Lacs);	10092.11	19354.97
(B) (i) Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	72211486	72211486
(ii) Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	72211486	72211486
(C) Nominal Value Per Share	Rs. 10/-	Rs. 10/-
(D) Earning Per Share		
(a) Basic (A/B(i)) (Rs.)	13.98	26.80
(b) Diluted (A/B(ii)) (Rs.)	13.98	26.80

44. SEGMENT DISCLOSURE :

Segment disclosure in accordance with the Ind AS 108 on " Operating Segments" are as under:

Accounting Principles and policies, as reported in Significant Accounting policies, used in the preparation of financial statements are consistently applied to record revenue, expenditure, assets and liabilities, in each segment.

For the Year Ended 31st March 2018

Particulars	(Rs. in Lacs)			
	Flexible Packaging Activities	Engineering Activities	Other (Un-allocable)	Total
Revenue from				
- External Customers	356670.98	30950.85	(247.29)	387374.54
- Transaction with other operating segments	-	7567.92	-	7567.92
Total Revenue	356670.98	38518.77	(247.29)	394942.46
Identifiable operating expenses	(300132.81)	(29944.88)	(11317.37)	(341395.06)
Less: Cost of Intersegment Revenue	(2503.75)	-	(5064.17)	(7567.92)
Operating Profit	54034.42	8573.89	(16628.83)	45979.48
Other Income				1635.17
EBIDTA				47614.65
Depreciation & Amortization Expenses				(22128.27)
EBITA				25486.38
Finance Cost				(14421.54)
Profit before Tax				11064.84
Tax expenses				(972.73)
Net Profit				10092.11
Segment Assets	341731.63	46332.51	54703.03	442767.17
Segment Liabilities	68945.21	39306.67	122712.17	230964.05

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018
For the Year Ended 31st March 2017

Particulars	(Rs. in Lacs)			
	Flexible Packaging Activities	Engineering Activities	Other (Un-allocable)	Total
Revenue from				
- External Customers	355233.23	33275.84	239.23	388748.30
- Transaction with other operating segments	-	6534.93	-	6534.93
Total Revenue	355233.23	39810.77	239.23	395283.23
Identifiable operating expenses	(295961.62)	(30823.16)	(12633.11)	(339417.89)
Less: Cost of Intersegment Revenue	(2524.17)	-	(4010.76)	(6534.93)
Operating Profit	56747.44	8987.61	(16404.64)	49330.41
Other Income				1710.50
EBIDTA				51040.91
Depreciation & Amortization Expenses				(18767.97)
EBITA				32272.94
Finance Cost				(11877.70)
Profit before Tax				20395.24
Tax expenses				(1040.27)
Net Profit				19354.97
Segment Assets	308193.71	42902.32	56936.97	408033.00
Segment Liabilities	53741.17	36115.89	113996.41	203853.47

45. RELATED PARTY DISCLOSURES

(a) List of Related Parties (as per IND AS-24):

- i) **Subsidiaries** : Flex Middle East FZE , Uflex Europe Ltd., Uflex Packaging Inc., Upet Holdings Ltd., U Tech Developers Ltd., Digicyl Pte. Ltd. and USC Hologram (P) Ltd.
- ii) **Fellow Subsidiaries** : Flex Films Europa Sp. z.o.o, Flex P Films (Egypt) S.A.E., UPET (Singapore) PTE. Ltd., Flex Americas S.A. de C.V., SD Buildwell Pvt. Ltd., Flex Films (USA) Inc., Reflex Energy (Rajasthan) (P) Ltd. (upto 30/05/2017) and Bundelkhand Projects Pvt. Ltd. (upto 30/05/2017)
- iii) **Associates** : Flex Foods Limited
- iv) **Key Management Personnel & their relatives/ HUF (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relatives, Mrs. Rashmi Chaturvedi, Mr. Anant Shree Chaturvedi, Mr. Apoorva Shree Chaturvedi & Ms. Anshika Chaturvedi), Ashok Chaturvedi (HUF) and Mr. Amitava Ray, Wholetime Director
- v) **Enterprises in which the persons referred in (iv) along with their relatives exercise significant influence** : AKC Retailers Pvt. Ltd., Anshika Investments Pvt. Ltd., Anant Overseas Pvt. Ltd., Apoorva Extrusion Pvt. Ltd., Anshika Consultants Pvt. Ltd., A.R. Leasing Pvt. Ltd., A.R. Infrastructures & Projects Pvt. Ltd., AC Infrastructures Pvt. Ltd., Cinflex Infotech Pvt. Ltd., Flex International Pvt. Ltd., Ultimate Infratech Pvt. Ltd., Ultimate Flexipack Ltd., Ultimate Prepress LLP, Naveli Collections Pvt. Ltd., Modern Info Technology Pvt. Ltd., Flex Industries Pvt. Ltd., Club One Airways Pvt. Ltd., Niksar Finvest Pvt. Ltd., Ganadhipati Infraproject Pvt. Ltd., Nirman Overseas Pvt. Ltd., Kaya Kalpa Medical Services Pvt. Ltd., Sungrace Products (India) Pvt. Ltd., Virgin Infrastructures Pvt. Ltd., Liberal Advisory Services Pvt. Ltd. (up to 15/02/2018), Minor Hotel Pvt. Ltd. (upto 15/02/2018), East Coast Star Hotel Pvt. Ltd. (upto 15/02/2018), Saga Realtors Pvt. Ltd., Ganadhipati Infrastructure & Projects Pvt. Ltd., Gangotri Management Pvt. Ltd., Manpasand Marketing Pvt. Ltd., Magic Consultants Pvt. Ltd., A.L. Consultants Pvt. Ltd., First Flexipack

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Corporation, Ultra America Inc., AR Airways Pvt. Ltd., A-one Catering LLP, Reflex Energy (Rajasthan) Pvt. Ltd.(w.e.f. 31/05/2017), Bundelkhand Projects Pvt. Ltd.(w.e.f. 31/05/2017), Affatus Gravures Pvt. Ltd.(w.e.f. 30/06/2017), Affatus Graphics Pvt. Ltd.(w.e.f. 30/06/2017), RCMT Clothings Pvt. Ltd.(w.e.f. 05/09/2017) and Manushree Creations Pvt. Ltd.(w.e.f. 24/02/2018)

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

(Rs. in Lacs)

Transactions	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (v)' above	Total
i) Trade Transactions						
Sale of Goods/Services (Net)	14735.28 19875.83	869.53 8175.28	45.65 47.00	- -	5252.06 7435.86	20902.52 35533.97
Purchase of Goods/Services (Net)	0.24 1242.84	6.09 509.47	- -	- -	25883.15 25955.04	25889.48 27707.35
Royalty	- -	- -	- -	200.00 440.00	- -	200.00 440.00
Purchase of Fixed Assets	- -	- -	- -	- -	229.30 -	229.30 -
Sale of Fixed Assets	- 0.31	- -	- -	- -	19.69 -	19.69 0.31
Dividend Income	- -	- -	146.75 146.75	- -	- -	146.75 146.75
Purchase of DEPB Licence	- -	- -	173.40 -	- -	- -	173.40 -
Technical Fees received	- 180.00	- 960.00	- -	- -	- -	- 1140.00
Licence & Support fees Received	71.79 69.11	349.09 333.61	- -	- -	- -	420.88 402.72
Rent Received	- -	- -	6.75 -	48.00 48.00	16.46 10.56	71.21 58.56
Rent Paid	- -	- -	- -	238.05 238.05	395.86 290.60	633.91 528.65
Interest Paid on Loans	39.25 3.73	35.99 -	- -	- -	150.87 180.72	226.11 184.45
Interest Received on Loans	0.31 -	- -	- -	- -	- 191.80	0.31 191.80
Commission Received on extension of Corporate Guarantee	- -	315.45 393.79	- -	- -	- -	315.45 393.79
Remuneration *	- -	- -	- -	832.02 1286.99	- -	832.02 1286.99

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lacs)

Transactions	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (v)' above	Total
ii) Non Trade Transactions						
Sale of Investments	-	-	-	-	-	-
	215.72	-	-	-	-	215.72
Dividend Paid	-	-	-	81.26	1031.18	1112.44
	-	-	-	74.30	942.79	1017.09
Loan Taken	400.00	550.00	-	-	100.00	1050.00
	300.00	-	-	-	5480.00	5780.00
Repayment of Loan Taken	400.00	550.00	-	-	1640.00	2590.00
	300.00	-	-	-	2850.00	3150.00
Loan Given	1125.00	-	-	-	-	1125.00
	-	-	-	-	-	-
Recovery of Loan Given	2135.00	-	-	-	-	2135.00
	2300.00	-	-	-	6000.00	8300.00
Total	18906.87	2676.15	372.55	1399.33	34718.57	58073.47
	24487.54	10372.15	193.75	2087.34	49337.37	86478.15
Balance as on 31.03.2018						
Debit	10949.01	552.89	10.64	-	3083.71	14596.25
	10990.65	1580.54	12.23	-	3336.85	15920.27
Credit	69.83	26.44	32.66	61.20	12655.57	12845.70
	27.43	165.88	-	620.25	12858.98	13672.54

Previous Year figures have been given in Italic.

* Includes

	(Rs. in Lacs)	
	Current Year	Previous Year
Salary	797.64	957.00
Perquisites	25.25	24.43
Short Term Employees Benefits	9.13	5.56
Commission	0.00	300.00
Total	832.02	1286.99

The company has extended corporate guarantees to the lenders of its subsidiary(ies) / Fellow Subsidiary(ies). The outstanding amount of corporate guarantees extended by the company as on the balance sheet date has been disclosed in Note No 34(B).

46. INFORMATION U/S 186(4) OF THE COMPANIES ACT, 2013 IN RESPECT OF LOANS GIVEN, INVESTMENTS MADE OR GUARANTEES GIVEN OR SECURITY PROVIDED :

S. No.	Name of the Company	Amount (Rs. in Lacs)	Purpose of the Loan
A	Loans Given		
	USC Holograms Pvt Ltd	1125.00	General Corporate Purpose
B	Investments Made	-	
C	Guarantees Given	-	
D	Securities Provided	-	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

47. FINANCIAL INSTRUMENTS

The carrying value of instruments by categories are as follows:

Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	(Rs. in Lacs)
					Total Carrying Value
Assets					
Cash and cash equivalents (Including Other Bank Balances)	CY	8653.07	-	-	8653.07
	PY	12169.85	-	-	12169.85
Investments					
Equity and other securities	CY	36674.45	-	4813.48	41487.93
	PY	36674.45	-	4045.86	40720.31
Trade Receivables	CY	112865.95	-	-	112865.95
	PY	99901.62	-	-	99901.62
Loans	CY	3173.01	-	-	3173.01
	PY	3945.20	-	-	3945.20
Other financial assets	CY	305.09	-	-	305.09
	PY	206.47	-	-	206.47
Total	CY	161671.57	-	4813.48	166485.05
	PY	152897.59	-	4045.86	156943.45
Liabilities					
Trade payables	CY	68309.86	-	-	68309.86
	PY	54945.10	-	-	54945.10
Other financial liabilities	CY	26076.94	-	-	26076.94
	PY	20409.24	-	-	20409.24
Borrowings (less cumulative amortisation using effective interest method)	CY	123553.28	-	-	123553.28
	PY	111635.54	-	-	111635.54
Total	CY	217940.08	-	-	217940.08
	PY	186989.88	-	-	186989.88

Fair Value hierarchy disclosures:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Input other than quoted price included within Level 1 that are observable for the assets or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Particulars		Total	Level 1	Level 2	Level 3
Investment in equity instruments	CY	4813.48	4813.48	-	-
	PY	4045.86	4045.86	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

48. FINANCIAL RISKS MANAGEMENT

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk and Commodity Price Risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process.

- identify the major financial risks which may cause financial losses to the company
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Company enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Audit Committee and the Board of Directors from time to time.

Credit Risk

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets.

In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained wherever required.

Company's exposure to Credit Risk is also influenced by the concentration of risk from top five customers. The details in respect of the% of sales generated from the top customer and top five customers are given hereunder.

Particulars	Current Year	Previous Year
Revenue from Top Customer	24%	22%
Revenue from Top Five Customers	35%	34%

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks or mutual funds with high credit ratings assigned by the rating agencies of international repute.

Liquidity Risk

Liquidity Risk arises when the company is unable to meet its short term financial obligations as and when they fall due.

The company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

Particulars	As at 31st March 2018	(Rs. in Lacs)	
		Due within 12 months from Balance sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	141838.53	62203.46	79635.07
Trade payables	68309.86	68309.86	-
Other Financial Liabilities	7791.69	7352.76	438.93

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Interest Rate Risk

Generally market linked financial instruments are subject to interest rate risk. The company does not have any market linked financial instruments both on the asset side as well liability side. Hence there no interest rate risk linked to market rates.

However the interest rate in respect of major portion of borrowings by the Company from the banks and others are linked with the Benchmark / Base Prime lending rate of the respective lender and in case of foreign currency borrowings by way of ECB, the same is linked with the LIBOR. Any fluctuation in the same either on higher side or lower side will result into financial loss or gain to the company.

The amount with is subjected to the change in the interest rate is of Rs. 126384.09 lacs out of the total debt of Rs. 141838.53 Lacs.

Based on the Structure of the debt as at year end, a one percentage point increase in the interest rate would cause an additional expense in the net financing cost of Rs. 1263.84 Lacs.

Foreign Currency Risk

The company is exposed to the foreign currency risk from transactions & translation. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

Based on five percentage point variations in the exchange rate, the profit before tax for the year based on the foreign currency transaction entered during the period will be effected by Rs. 815.58 Lacs

Commodity Price Risk

The main raw materials which company procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly.

The pricing policy of the Company's final product is structured in such a way that any change in price of raw materials is passed on to the customers in the final product however, with a time lag which mitigates the raw material price risk.

With regard to the finished products, the Company has been operating in a global competitive environment which continues to keep downward pressure on the prices and the volumes of the products.

In order to combat this situation, the Company formulated manifold plans and strategies to develop new customers & focus on new innovative products. In addition, it has also been focusing on improvement in product quality and productivity. With these measures, Company counters the competition and consequently commodity price risk.

Signatories to Notes 1 to 48

For and on behalf of the Board of Directors

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida

Dated : 28th May, 2018

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the Members of Uflex Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Uflex Limited ("hereinafter referred to as "the Holding Company") and its Subsidiary Companies, viz., Flex Middle East FZE, Uflex Europe Limited, Uflex Packaging Inc., UPET Holdings Limited, UTech Developers Limited, USC Holograms (P) Limited, Flex Films Europa Sp. Z.o.o., Flex P. Films (Egypt) S.A.E., UPET (Singapore) PTE. Limited, Flex Americas S.A. De C.V., SD Buildwell (P) Limited, Flex Films (USA) Inc., Digicyl Pte. Ltd (Singapore) (incorporated during the year, but has not yet commenced any activity), Reflex Energy (Rajasthan) (P) Limited (upto 30/05/2017) and Bundelkhand Projects (P) Limited (upto 30/05/2017) [the Holding Company and its Subsidiaries together referred to as "the Group"] and its Associate, Flex Foods Limited, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group including its Associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the Companies included in the Group and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their report referred in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on respective Financial Statements of the Subsidiary Companies and Associate Company referred above, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its Associate as at March 31, 2018 and their Consolidated profit (including Other comprehensive Income), their Consolidated changes in equity and their Consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the Financial Statements/ Financial information of all above referred subsidiaries forming part of the Group, whose Financial Statements/ financial information reflect total assets of Rs. 5,19,233.47 Lacs as at March 31, 2018, total revenue of Rs. 3,53,034.60 Lacs and net cash inflows amounting to Rs. 5437.04 Lacs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's Share of net profit (including other comprehensive income) of Rs. 310.54 Lacs for the year ended March 31, 2018, as considered in the Consolidated Ind AS Financial Statements in respect of above referred Associate, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and Associate, and our report in terms of sub Section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries and Associate, is based solely on the reports of the other Auditors.

In our opinion on the Consolidated Ind AS Financial Statements, and our "Report on Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and Ind AS financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on respective financial statements and the other financial information of the Subsidiary Companies and its Associate Company referred above, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies and Associate Company incorporated in India, none of the directors of the Subsidiary Companies and its Associate Company, which are incorporated in India, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Subsidiary Companies & Associate, which are Companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associate- Refer Note 34-IA, 34-IC & 34-II(i) to the Consolidated Ind AS Financial Statements;
- ii. The Group and its Associate did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses and
- iii. a) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Flex Foods Limited, an Associate company incorporated in India;
- b) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Companies mentioned above, which are companies incorporated in India.

For **KAAP & Associates**,
Chartered Accountants
Firm's Regn. No.: 019416N

CA. Deepak Sehgal
Partner

Membership No. 085391

Place : NOIDA
Date : May 28, 2018

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" Section of our report of members of Uflex Ltd. ("the Holding Company"), of even date)

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

In conjunction with our audit of the Consolidated Ind AS financial Statements of the Uflex Limited (herein referred to as "the Holding Company"), its Subsidiaries and Associate, which are companies incorporated in India, as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Holding Company, its Indian Subsidiaries, viz. UTech Developers Limited, USC Holograms (P) Limited, SD Buildwell (P) Limited, Refex Energy (Rajasthan) (P) Limited (upto 30/05/2017) and Bundelkhand Projects (P) Limited (upto 30/05/2017) and its Indian Associate, Flex Foods Limited (the Holding Company, its Indian Subsidiaries and its Indian Associate are together referred to as "Indian Enterprises") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Indian Enterprises' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143 (10) of the Companies act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Indian Enterprises' internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the "Other Matters" paragraph, the Indian Enterprises have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Indian Enterprises, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far, as it relates to aforesaid Subsidiary Companies and Associate Company, which are the Companies incorporated in India, is based on the corresponding reports of the auditors of the respective Companies.

For **KAAP & Associates**,
Chartered Accountants
Firm's Regn. No.: 019416N

Place : NOIDA
Date : May 28, 2018

CA. Deepak Sehgal
Partner
Membership No. 085391

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

Particulars	Note No.	(Rs in Lacs)	
		As At 31st March 2018	As At 31st March 2017
I ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	2A	367668.42	331181.41
b) Capital Work-in-Progress		18715.86	49699.94
c) Investment Property	2B	4371.91	3407.00
d) Goodwill	2C	0.20	20.30
e) Other Intangible assets	2C	4533.83	4828.08
f) Intangible assets under development		866.00	108.18
g) Financial Assets			
i) Investments	3A	4343.86	4318.52
ii) Pledged Equity Instruments	3B	4191.44	3285.37
iii) Loans	4	8650.60	8341.63
iv) Other Non-Current Financial Assets	5	4.83	1918.50
h) Other Non-Current Assets	6	6794.17	7468.81
Total Non-Current Assets		420141.12	414577.74
Current assets			
a) Inventories	7	79684.27	67861.68
b) Financial Assets			
i) Trade receivables	8	193898.91	165904.77
ii) Cash and cash equivalents	9A	22324.71	23092.98
iii) Bank Balances other than (ii) above	9B	9226.04	6537.51
iv) Loans	10	6.76	27.61
v) Other Financial Assets	11	13661.45	13753.73
c) Other Current Assets	12	29877.05	23087.30
Total Current Assets		348679.19	300265.58
TOTAL ASSETS		<u>768820.31</u>	<u>714843.32</u>
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	7221.15	7221.15
b) Other Equity	14	390740.40	357185.86
Total Equity		397961.55	364407.01
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	105494.89	102977.40
ii) Other Financial Liabilities	16	438.93	332.72
b) Provisions	17	1969.28	1914.08
c) Deferred tax liabilities (Net)	18	12820.63	12646.18
d) Other Non-Current Liabilities	19	566.94	485.36
Total Non-Current Liabilities		121290.67	118355.74
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	20	69868.37	75165.29
ii) Trade payables	21	119641.50	95729.88
iii) Other Financial Liabilities	22	47066.26	45682.48
b) Other current liabilities	23	9893.14	10823.32
c) Provisions	24	1253.77	1164.57
d) Current Tax Liabilities (Net)	25	1845.05	3515.03
Total Current Liabilities		249568.09	232080.57
TOTAL EQUITY AND LIABILITIES		<u>768820.31</u>	<u>714843.32</u>

The accompanying Notes from S.No. 1 to 47 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida
Dated : 28th May, 2018

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Note No.	(Rs in Lacs)	
		For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Income:			
Revenue from Operations			
Gross Sales & Job Work / Services Rendered	26 (A)	713319.36	696765.95
Less : Inter unit Sales & Job Work		48431.29	60480.32
Net Sales & Job Work / Services Rendered		664888.07	636285.63
Other Operating Income	26 (B)	13966.61	14192.78
Revenue from Operations		678854.68	650478.41
Other Income	27	1998.38	2050.49
Share in Profit of Associates for the Year		320.99	406.81
Total Income		681174.05	652935.71
Expenses:			
Cost of materials consumed	28	403305.29	349294.71
Purchase of Stock-in-Trade		4804.53	7541.31
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	(2139.79)	(1433.99)
Employee benefits expense	30	59902.34	54739.33
Finance costs	31	19709.06	18681.64
Depreciation and amortization expense		35159.04	31753.91
Other expenses	32	129186.15	156444.11
Expenses Allocated to Self Constructed Assets	33	(4143.27)	(3536.41)
Total Expenses		645783.35	613484.61
Profit before tax		35390.70	39451.10
Less / (Add) : Tax expense:			
- Current tax		4357.88	5738.15
- Deferred tax		(141.96)	(992.39)
- (Excess) / Short Provision of Income Tax for earlier years		(45.68)	(369.69)
Profit for the year before Minority Interest		31220.46	35075.03
Non Controlling Interest		(172.34)	(229.47)
Profit for the year		31048.12	34845.56
Other Comprehensive Income			
a. Items that will be reclassified to Profit or Loss			
Exchange Difference on translating foreign operations		6335.93	(5491.16)
b. Items that will not be reclassified to Profit or Loss			
Remeasurement of the net defined benefit liability / asset		(194.22)	174.43
Fair Value Changes of Equity Instruments		767.62	740.89
Exchange differences on devaluation of Currency		-	(10878.65)
Income tax relating to items that will not be reclassified to Profit & Loss		-	1292.96
Share in aggregate comprehensive income of the associates (Net of Tax)		(10.45)	(6.29)
Total (b)		562.95	(8676.66)
Total Other Comprehensive Income for the year (a+b)		6898.88	(14167.82)
Total Comprehensive Income for the Year		37947.00	20677.74
Earning Per Equity Share			
a) Basic (Rs.)		43.00	48.25
b) Diluted (Rs.)		43.00	48.25

The accompanying Notes from S.No. 1 to 47 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida
Dated : 28th May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Equity Share Capital	Reserve & Surplus				Other Equity					Total	Total Attributable to Owners of the Company	Attributable to Non Controlling Interest
		Capital Reserve	Securities Premium Reserve	General Reserve	Legal Reserve	Retained Earnings	Items of Other Comprehensive Income						
							Equity Instrument through other comprehensive Income	Exchange differences on translating financial statements of foreign operations	Exchange differences on devaluation of Currency	Remeasurement of Defined Benefit Plans			
Balance as at 1st April 2016	7221.15	10400.42	57110.63	20926.06	1477.46	217399.92	(2215.21)	32994.57	-	(149.28)	(0.41)	344782.69	382.62
Total Other Comprehensive Income for the Year (Net of Tax)						740.89	(5491.16)	(9525.32)	114.06	(6.29)		(14167.82)	-
Dividend Paid (Including Dividend Distribution Tax)					(2781.19)							(2781.19)	-
Profit for the Year					35075.03							35075.03	229.47
Amount transferred to General Reserve & Legal Reserve					(312.10)							(312.10)	-
Amount Transferred from Retained Earnings				156.05								312.10	-
Arising due to Acquisition of Non Controlling Interest		180.13										180.13	(180.13)
Arising in acquisition made during the year		23.09			29.97							53.06	29.97
Balance as at 31st March 2017	7221.15	10603.64	57110.63	21082.11	1633.51	249231.50	(1474.32)	27503.41	(9525.32)	(35.22)	(6.70)	363344.39	461.93
Balance as at 1st April 2017	7221.15	10603.64	57110.63	21082.11	1633.51	249231.50	(1474.32)	27503.41	(9525.32)	(35.22)	(6.70)	363344.39	461.93
Total Other Comprehensive Income for the Year (Net of Tax)						767.62		6335.93	-	(194.22)	(10.45)	6898.88	-
Amount reclassified (Refer Note no. 18)								(316.41)				(316.41)	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018 (Contd.)

(Rs. in Lacs)

Particulars	Other Equity										Total	Total Attributable to Owners of the Company	Attributable to Non Controlling Interest	
	Reserve & Surplus			Items of Other Comprehensive Income				Equity						
	Capital Reserve	Securities Premium Reserve	General Reserve	Legal Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Exchange differences on translating financial statements of foreign operations	Exchange differences on devaluation of Currency	Remeasurement of Defined Benefit Plans	Share in aggregate Other Comprehensive Income of associate(s)				
Dividend Paid (Including Dividend Distribution Tax)					(3041.92)							(3041.92)		-
Profit for the Year					31220.46							31220.46		172.34
Amount transferred to General Reserve & Legal Reserve					(611.96)							(611.96)		-
Amount Transferred from Retained Earnings			110.21				501.75					611.96		-
Arising due to disposal of Subsidiary (Refer Note No 42(b))												(145.77)		(145.77)
Balance as at 31st March 2018	7221.15	10557.89	57110.63	21192.32	2135.26	276698.06	(706.70)	33522.93	(9525.32)	(229.44)	(17.15)	397959.63	397471.13	488.50

The accompanying Notes from S.No. 1 to 47 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida
Dated : 28th May, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	(Rs. in Lacs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	35390.70	39451.10
Adjustment for :		
Exchange differences on devaluation of Currency	-	(10,878.65)
Remeasurement of the net defined benefit liability / asset	(194.22)	174.43
Share in aggregate OCI of associates	(10.45)	(6.29)
Exchange differences on translation of foreign operations (net of adjustment to cost of PPE, Intangibles)	752.90	1427.75
Depreciation & amortisation expense	35159.04	31753.91
Exchange rate fluctuations (Net)	(686.90)	2775.63
(Gain) /Loss on Property, Plant & Equipment (Net)	120.73	(1.68)
Property, Plant & Equipments written Off	27.45	91.54
Finance Cost	19709.06	18681.64
Interest received from Banks / others	(954.36)	(1486.77)
Rent Received	(705.80)	(210.15)
Dividend received on Investments carried at Fair value through other comprehensive income	(40.21)	(5.68)
Gain on sale of Investments (Net)	(117.61)	(19.05)
Sundry Credit Balances written Back (Net)	(547.08)	-
Allowance for Doubtful Debt Written Back	(342.05)	(1239.72)
Goowill Written Off	20.10	-
Bad & Doubtful Debts (Allowance)	609.24	1665.15
Sundry Balances / Bad Debts written off (Net)	-	839.63
Operating Profit before Working Capital changes	88190.54	83012.79
Adjustment for :		
Trade Receivables	(27714.25)	(19150.42)
Loans and Other financial assets and other assets	(2417.09)	11791.06
Inventories	(11822.59)	(5779.01)
Trade payables	23911.62	17489.65
Other financial liabilities, other liabilities and provisions	(884.19)	(1298.87)
Cash generated from operations	69264.04	86065.20
Income Tax	(4312.20)	(5368.46)
Exchange rate fluctuations	686.90	(2775.63)
Cash from operating activities before exceptional items	65638.74	77921.11
Net Cash generated from operating activities (A)	65638.74	77921.11
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment (PPE) & Intangible assets	(47745.02)	(76179.00)
Sale proceeds of PPE & Intangibles	11089.42	101.15
(Decrease) / Increase in Non-Controlling Interest	(1206.47)	1090.41

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

	(Rs. in Lacs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Inflow on Investments (Net)	(46.18)	689.92
Loans to Employees & Others	(1980.19)	5682.39
Capital Reserve / (Goodwill) arising on consolidation	-	2.99
Interest received from Banks / others	954.36	1486.77
Rent Received	705.80	210.15
Dividend received on Investments carried at Fair value through other comprehensive income	40.21	5.68
Net Cash used in Investing Activities (B)	(38188.07)	(66909.54)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(2527.40)	(2310.77)
Dividend Distribution Tax	(514.52)	(470.42)
Finance Cost	(19709.06)	(18681.64)
Borrowings (Net) \$	(2779.43)	1289.58
Net Cash used in Financing Activities (C)	(25530.41)	(20173.25)
Net (Decrease) / Increase in Cash and Cash equivalents (A+B+C)	1920.26	(9161.68)
Cash and Cash equivalents		
Opening Cash and Cash equivalents	29630.49	38792.17
Closing Cash and Cash equivalents #	31550.75	29630.49

Includes Rs. 9226.04 lacs (Previous Year Rs. 6537.51 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.

\$ Includes Rs. 2710.07 lacs in respect of Exchange Rate Fluctuations, being a Non- Cash Item.

Ind AS 7 Disclosures

Effective 1st April 2017, the Group adopted the amendments to Ind AS 7 on " Cash Flow Statements", which requires the entity to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both from cash flows and non-cash changes, suggesting inclusion of a reconciliation statement between opening and closing balances in the Balance Sheet for liabilities arising from financing activities. The adoption of amendment did not have any material impact on the financial statements.

The accompanying Notes from S.No. 1 to 47 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

Rajesh Bhatia
Group President
(Finance & Accounts)

Amitava Ray
Whole-time Director
DIN 00184143

Ashok Chaturvedi
Chairman & Managing Director
DIN 00023452

For **KAAP & Associates**
Chartered Accountants
Firm's Registration No.: 019416N

Rakesh Malhotra
Asst. Vice President
(Corp. Accounts)

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

Deepak Sehgal
Partner
M.No.: 085391

Place : Noida
Dated : 28th May, 2018

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the group have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial statements of the group are prepared under the historical cost convention except for the certain financial assets and liabilities measured at fair value as mentioned in applicable accounting policies.

The financial statements are presented in Indian Rupees (INR). Amount has been rounded off to nearest lacs.

B. BASIS AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise those of UFLEX Limited and its affiliated companies (the Group).

Companies which the group controls are fully consolidated from the date at which the Group obtains the control over the entity, using the equity method. The Group controls the entity when it is exposed to, or has right to, variable returns from its involvement with the company and has ability to affect those returns through its power over the company. The Group holds either full or majority of voting rights in the companies which are controlled.

The financial statements of the Group Companies are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, subject to regrouping & netting of certain items, which present the consolidation in a fair manner without affecting the materiality, after eliminating the intra-group transactions and also unrealized profit or losses resulting from intra-group transactions included in the carrying amount of assets. The group financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as that of holding company's financial statements. Non-controlling interest which represent part of the net profit or loss and net assets of the subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded. The excess / short amount of investment of the Group over its share in the net assets of the respective affiliates is recognized as Goodwill or Capital Reserve in the financial statement.

Associates are entities over which the Group has significant influence, but not control. Investments in the associate companies have been accounted under the Equity Method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or reduced by the amount of share in profit & loss of the investee after the date of acquisition. The Groups investment in associates includes goodwill identified on acquisition.

The list of companies of the UFLEX Group and associates are given as under:

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
1	Uflex Europe Limited	London-UK	Subsidiary	100%
2	Uflex Packaging Inc.	USA	Subsidiary	100%
3	Flex Middle East FZE	Dubai-UAE	Subsidiary	100%
4	Flex P. Films (Egypt) S.A.E.	Egypt	Subsidiary	100%
5	Flex Films Europa Sp. Z.o.o.	Poland	Subsidiary	100%
6	UPET Holdings Limited	Mauritius	Subsidiary	100%
7	UPET (Singapore) PTE Ltd.	Singapore	Subsidiary	100%
8	Flex Americas S.A.de C.V.	Mexico	Subsidiary	100%
9	Flex Films (USA) Inc.	USA	Subsidiary	100%
10	U Tech Developers Limited	India	Subsidiary	100%
11	SD Buildwell Private Limited	India	Subsidiary	100%
12	USC Hologram (P) Ltd.	India	Subsidiary	68%
13	Digicyl Pte. Ltd. (w.e.f 15.02.2018)	Singapore	Subsidiary	100%

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
14	Reflex Energy (Rajasthan) Private Limited (Till 30-05-2017)	India	Subsidiary	62.91%
15	Bundelkhand Projects Private Limited (Till 30-05-2017)	India	Subsidiary	62.91%
16	Flex Foods Limited	India	Associate	47.15%

Business Combinations

Business combinations are accounted for using the acquisition method. Where not all of the equity of a subsidiary is acquired the non-controlling interests are recognized at the non-controlling interest share of the acquires net identifiable assets. Upon obtaining control in a business combination achieved in stages, the Group remeasures its previously held equity interest at fair value and recognizes a gain or a loss to the other comprehensive income.

All the figures of assets, liabilities, revenue & expenses of subsidiaries, which are stated in foreign currency in its separate financial statements, are converted into Indian Rupees in accordance with the Ind AS 21 on "The Effects of Changes in Foreign Exchange Rates".

C. USE OF ESTIMATES AND JUDGEMENTS

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

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

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

D. CLASSIFICATION OF EXPENDITURE / INCOME

Except otherwise indicated:

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

E. REVENUES

Revenues from sale of goods and processing

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

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

Revenue from Services

Revenue from the service contract is recognized when the related services are performed and revenue from the services at the end of the reporting period is recognized based on stage of completion method. When there is

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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

Interest Income & Expense

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

Dividend Income

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

Rental Income

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

F. PROPERTY, PLANT AND EQUIPMENT (PPE)

Recognition and measurement:

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

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

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

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

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

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

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

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

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

statement of profit & loss.

Reclassification to investment property:

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

G. INTANGIBLE ASSETS

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

Intangible assets in respect of Product development is created when the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the product / technology and the cost is reliably measurable. Revenue expenditures pertaining to Research is charged to the statement of profit & loss. Development costs of products are charged to the statement of profit & loss unless a products technological and commercial feasibility has been established in which case such expenditure is capitalized. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment loss, if any.

Intangibles assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date they are available for use, as per period prescribed in respective license/ agreement or five years.

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

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

H. INVESTMENT PROPERTIES

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

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

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

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

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

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

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

I. INVENTORIES

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Raw Materials and other materials including packaging, stores and fuels are valued at lower of cost, based on first-in-first-out method arrived at after including freight inward and other expenditure directly attributable to acquisition or net realizable value.

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

J. FINANCIAL INSTRUMENTS**Initial Recognition:**

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

Subsequent Recognition:**Non-derivative financial instruments**

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

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

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

- (iii) **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of the above categories (including investment in units of mutual funds) are subsequently measure at fair valued through profit or loss.
- (iv) **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

K. TRADE RECEIVABLES

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

L. LOANS AND ADVANCES

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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

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

M. FINANCIAL LIABILITIES

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

Subsequent to initial measurement, financial liabilities viz borrowings are measured at amortised cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit & loss over the contractual term using the effective interest rate method.

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

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

N. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit attributable to the owners of the Group to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the owners of the Group after adjusting the effect of all dilutive potential equity shares that were outstanding during the period. The weighted average number of shares outstanding during the period includes the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

O. TAXATION

Current Tax

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

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

Deferred Tax Assets and Liabilities

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

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

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

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

Deferred tax is not recognized for temporary differences relating to:

- initial recognition of goodwill;
- initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- Investments in subsidiaries, associates and jointly controlled entities where the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**Current and Deferred Tax for the Year**

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

P. EMPLOYEE BENEFITS

The Group provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the Group towards the liability for employees benefits plans notified / enacted by the competent authority and defined benefits plans includes the retirement benefits, such as gratuity and paid absences (leave benefits) both accumulated and non-accumulated.

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

Q. IMPAIRMENT**Financial assets**

The Group recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not fair value through profit and loss account. Loss allowance on trade receivables, with no significant financing component is measured at an amount equal to lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss for the period.

Intangible assets, investment property and property, plant and equipment

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

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

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

If such asset is considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit & loss if there have been changes in the

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

R. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the Group has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

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

S. FOREIGN CURRENCY TRANSACTIONS

Functional Currency

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

Transaction and Translations

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

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the statement of profit & loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

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

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

T. LEASES

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

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

U. BORROWING COST

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**V. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

During the year, the Group has adopted all the Indian Accounting Standards (Ind AS) that are notified by the Ministry of Corporate Affairs and are relevant to its operations and effective for the financial year beginning on or after 1st April 2017.

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying new Indian Accounting Standard “Ind AS 115” on “Revenue from Contract with Customers” effective 1st April 2018. New Revenue recognition standard differs in some aspects as compared to existing accounting principles for revenue recognition. The differences could result in changes in the identification of performance obligations, timing of revenue recognition, measurement and disclosures.

Apart from this the MCA has also made amendments in the various Indian Accounting Standards which are effective for the financial periods beginning on or after 1st April 2018. The standards which might have impact on the financials of the Group are listed as under:

- Ind AS 103 - Business Combinations
- Ind AS 107 - Financial Instruments Disclosures
- Ind AS 109 - Financial Instruments
- Ind AS 112 - Disclosures of Interest in Other Entities
- Ind AS 1 - Presentation of Financial Statements
- Ind AS 2 - Inventories
- Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 - Income Taxes
- Ind AS 16 - Property, Plant and Equipment
- Ind AS 17 - Leases
- Ind AS 18 - Revenues (Omitted)
- Ind AS 21 - The Effects of Changes on Foreign Exchange Rates
- Ind AS 23 - Borrowing Costs
- Ind AS 28 - Investments in Associates and Joint Ventures
- Ind AS 32 - Financial Instruments Presentations
- Ind AS 34 - Interim Financial Reporting
- Ind AS 36 - Impairment of Assets
- Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38 - Intangible Assets
- Ind AS 40 - Investment Property

The Company is in the process of assessing the changes required/ possible impact of these Ind AS's on the financial statements in the period of initial application and accordingly will adopt these changes by suitably amending its accounting policies as well the presentations and disclosures in the financial Statements.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

2A PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installations	Office Equipments	Furniture & Fixtures	Vehicles	Aircraft	Total
(Rs. in Lacs)										
Gross Carrying Value										
As at 1st April 2016	4305.65	21203.61	71540.80	392391.23	13488.94	6153.63	6002.85	3696.62	-	518783.33
During the Year	-	259.21	2776.35	40133.69	621.18	713.20	563.34	495.80	-	45,562.77
Adjustments During the Year	(178.28)	(95.63)	(1680.50)	(6867.14)	(454.49)	(59.19)	(19.26)	(29.56)	-	(9384.05)
Deductions During the Year	-	-	(6.21)	(4027.83)	(7.99)	(162.63)	(10.81)	(409.81)	-	(4625.28)
As at 31st March 2017	4127.37	21367.19	72630.44	421629.95	13647.64	6645.01	6536.12	3753.05	-	550336.77
Additions During the Year	2587.91	208.46	16626.72	50168.42	2724.77	1128.38	1106.06	1845.81	691.44	77087.97
Transfer to Investment Property	-	(194.57)	(2416.53)	-	-	-	-	-	-	(2611.10)
Adjustments During the Year	136.86	19.63	1,464.90	5,404.25	344.14	36.75	38.17	53.55	-	7498.25
Deductions During the Year	-	(259.21)	(270.94)	(23,737.37)	(475.44)	(114.36)	(24.66)	(185.52)	-	(25067.50)
As at 31st March 2018	6852.14	21141.50	88034.59	453465.25	16241.11	7695.78	7655.69	5466.89	691.44	607244.39
DEPRECIATION / AMORTISATION										
As at 1st April 2016	-	-	16347.18	163067.64	5379.48	4398.16	3594.87	1860.57	-	194647.90
Provided for the Year	-	324.28	2297.22	26316.56	579.21	644.55	840.92	399.31	-	31,402.05
Adjustments During the Year	-	(4.13)	(293.75)	(1,971.84)	(118.94)	(32.76)	(16.21)	(22.69)	-	(2,460.32)
Deductions During the Year	-	-	(11.76)	(3878.93)	(7.59)	(152.42)	(9.09)	(374.48)	-	(4434.27)
As at 31st March 2017	-	320.15	18338.89	183533.43	5832.16	4857.53	4410.49	1862.71	-	219155.36
Provided for the Year	-	313.87	2,510.20	28,155.13	715.42	637.06	863.12	571.21	34.28	33,800.29
Transfer to Investment Property	-	(3.00)	(1465.27)	-	-	-	-	-	-	(1468.27)
Adjustments During the Year	-	1.72	247.79	1,521.14	82.81	23.75	22.43	18.56	0.29	1918.49
Deductions During the Year	-	(4.33)	(47.04)	(13,391.48)	(149.11)	(73.60)	(20.87)	(143.47)	-	(13829.90)
As at 31st March 2018	-	628.41	19594.57	199818.22	6481.28	5444.74	5275.17	2309.01	34.57	239575.97
NET CARRYING VALUE										
As at 31st March 2017	4127.37	21047.04	54291.55	238096.52	7815.48	1787.48	2125.63	1890.34	-	331181.41
As at 31st March 2018	6852.14	20513.09	68450.02	253647.03	9759.83	2251.04	2380.52	3157.88	656.87	367668.42

Notes:

- 1 Gross Block & Capital Work- in- Progress includes Pre-operative expenses, basis of which is certified by the Management.
- 2 Leasehold Land Includes Original Acquisition Cost of Rs. 208.46 Lacs (Previous Year NIL) acquired on ownership basis, pending execution of title deed.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018
2B INVESTMENT PROPERTY

(Rs. in Lacs)

	Freehold Land	Leasehold Land	Building	Total
Gross Carrying Value				
As at 1st April 2016	8.57	81.26	4691.16	4780.99
As at 31st March 2017	8.57	81.26	4691.16	4780.99
Additions During the Year	-	-	22.43	22.43
Transfer from Property, Plant & Equipment	-	194.57	2,416.53	2,611.10
Deductions During the Year	-	-	-	-
As at 31st March 2018	8.57	275.83	7130.12	7414.52
DEPRECIATION / AMORTISATION				
As at 1st April 2016	-	-	1229.95	1229.95
Provided for the Year	-	1.16	142.88	144.04
As at 31st March 2017	-	1.16	1372.83	1373.99
Provided for the Year	-	2.97	197.38	200.35
Transfer from Property, Plant & Equipment	-	3.00	1465.27	1468.27
Deductions During the Year	-	-	-	-
As at 31st March 2018	-	7.13	3035.48	3042.61
NET CARRYING VALUE				
As at 31st March 2017	8.57	80.10	3318.33	3407.00
As at 31st March 2018	8.57	268.70	4094.64	4371.91

Notes:

- Building includes Original Acquisition Cost of Rs. 5.30 lacs (Previous Year Same) acquired on ownership basis & Original Acquisition Cost of Rs.19.85 lacs (Previous Year Same), pending execution of title deed.
- Fair value of the Investment Properties is of Rs 13234.69 Lacs (Previous Year Rs.7859.71 Lacs), as valued by Independent architect and approved valuer.

2C INTANGIBLE ASSETS

(Rs. in Lacs)

	Goodwill	Software	Patent	Technical Know How		Total
				Internally Generated	Other Than Internal Generated	
Gross Carrying Value						
As at 1st April 2016	0.20	1748.30	639.56	-	871.63	3259.69
Additions During the Year	20.10	456.08	-	3308.57	458.54	4243.29
Adjustments During the Year	-	(2.67)	-	-	-	(2.67)
Deductions During the Year	-	(0.27)	-	-	-	(0.27)
As at 31st March 2017	20.30	2201.44	639.56	3308.57	1330.17	7500.04
Additions During the Year	-	141.03	-	557.51	162.34	860.88
Adjustments During the Year	-	5.40	-	6.36	-	11.76
Deductions During the Year	(20.10)	-	-	-	-	(20.10)
As at 31st March 2018	0.20	2347.87	639.56	3872.44	1492.51	8352.58
DEPRECIATION / AMORTISATION						
As at 1st April 2016	-	1114.49	432.15	-	362.68	1909.32
Provided for the Year	-	242.61	104.84	207.73	194.92	750.10
Adjustments During the Year	-	(1.79)	-	(5.70)	-	(7.49)
Deductions During the Year	-	(0.27)	-	-	-	(0.27)
As at 31st March 2017	-	1355.04	536.99	202.03	557.60	2651.66
Provided for the Year	-	252.77	28.24	661.68	215.71	1158.40
Adjustments During the Year	-	4.38	-	4.11	-	8.49
Deductions During the Year	-	-	-	-	-	-
As at 31st March 2018	-	1612.19	565.23	867.82	773.31	3818.55
NET CARRYING VALUE						
As at 31st March 2017	20.30	846.40	102.57	3106.54	772.57	4848.38
As at 31st March 2018	0.20	735.68	74.33	3004.62	719.20	4534.03

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Breakup of Depreciation and Amortisation charge for the Year:

	For the Year Ended 31.03.2018	(Rs. in Lacs) For the Year Ended 31.03.2017
Depreciation on:		
Property, Plant & Equipment	33800.29	31402.05
Investment Property	200.35	144.04
Other Intangible Assets	1158.40	750.10
Less: In respect of assets of Refex Energy (Rajasthan) Private Limited acquired during the year.	-	(542.28)
	<u>35159.04</u>	<u>31753.91</u>

3A. INVESTMENTS

Particulars	Descrip- tion	Face Value	As At 31.03.2018		As At 31.03.2017	
			Number	Amount (Rs. in Lacs)	Number	Amount (Rs.in Lacs)
I Measured at Cost / Carrying Value (Less Impairment, if any)						
Equity Instruments in Associates						
Quoted						
Fully Paid Up						
IN SHARES						
Carrying Value of Investment				443.73		1343.03
Addition / deduction during the year				-		(903.87)
Pre Acquisition Profit on Investment				-		4.57
Add: Share in Post acquisition Profits / OCI				4540.15		4229.61
				4983.88		4673.34
Less: Dividend received upto the year end				(1262.06)		(1115.31)
Carrying Amount of Investment	Equity	Rs.10/-		<u>3721.82</u>		<u>3558.03</u>
Total -I				<u>3721.82</u>		<u>3558.03</u>
II Designated and carried at Fair value through Other Comprehensive Income						
Equity Instruments						
i) Quoted						
Fully Paid Up						
IN SHARES						
Ansal Properties & Infrastructure Ltd.	Equity	Rs.5/-	589910	115.62	589910	89.37
Kothari Products Ltd.	Equity	Rs.10/-	342900	504.23	342900	668.83
B.A.G.Films Ltd.	Equity	Rs.2/-	49300	2.19	49300	2.29
ii) Unquoted						
Fully Paid Up						
IN SHARES						
Malanpur Captive Power Ltd.	Equity	Rs.10/-	635650	-	635650	-
Fair Growth Financial Services Ltd.	Equity	Rs.10/-	100000	-	100000	-
Vijaya Home Loans Ltd.	Equity	Rs.10/-	50000	-	50000	-
Total -II				<u>622.04</u>		<u>760.49</u>
TOTAL (3A) (I+II)				<u>4343.86</u>		<u>4318.52</u>

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

3B: PLEDGED EQUITY INSTRUMENTS

Particulars	Description	Face Value	As At 31.03.2018		As At 31.03.2017	
			Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)
Designated and carried at Fair value through Other Comprehensive Income						
Equity Instruments						
Quoted						
Fully Paid Up						
IN SHARES						
Reliance Industries Ltd. \$ @	Equity	Rs.10/-	445784	3934.94	222892	2944.18
Reliance Infrastructure Ltd.\$	Equity	Rs.10/-	60000	256.50	60000	341.19
TOTAL (3B)				4191.44		3285.37
Aggregate amount of Quoted Investment (Including Pledged)				8929.84		8766.05
Aggregate Market Value of Quoted Investments (Including Pledged)				10988.72		9405.17
Aggregate amount of unquoted Investments				312.17		312.17
Investment Carried at Amortised Cost				3721.82		3558.03
Investment Carried at Fair Value through Other Comprehensive Income				4813.48		4045.86

@ Increase in number of Equity Shares of 222892 is on account of Bonus Shares allotted on 21st September 2017.

\$ Pledge against the borrowing from a Body Corporate. (Refer Note No 20)

	As At		(Rs. in Lacs)	
	31.03.2018		As At	31.03.2017
4. LOANS				
(Unsecured, Considered Good)				
Security Deposits		2748.72		2394.68
Security Deposits with lender banks		3611.12		5636.38
Loans to :				
- Employees		196.36		212.78
- Related Party		1990.00		-
- Others		179.00		179.50
		2365.36		392.28
Less: Current Portion		74.60	2290.76	310.57
TOTAL :			8650.60	8341.63
5. OTHER NON-CURRENT FINANCIAL ASSETS				
Other Receivable		-		1875.80
Fixed deposit Accounts for a period more than 12 months *		4.83		42.70
TOTAL :			4.83	1918.50

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
6. OTHER NON-CURRENT ASSETS		
Capital Advances	4641.76	4444.49
Deposit with Excise/ GST / Sales Tax Authority	614.24	794.73
Deposits / Advances with Income Tax Authorities	1538.17	1898.08
Advances recoverable	-	331.51
TOTAL :	6794.17	7468.81
7. INVENTORIES		
Raw Materials	32975.84	25312.72
Work-in-Progress	14423.87	13831.47
Finished Goods	12760.59	13009.81
Traded Goods	5904.73	5961.26
Material-in-Transit :		
- Raw Materials	6067.86	3047.92
- Raw Materials (Intra Group)	1006.29	2724.21
- Finished Goods (Intra Group)	3622.37	1768.83
Stores, Packing Material & Fuel	2922.72	2205.46
TOTAL :	79684.27	67861.68
8. TRADE RECEIVABLES		
Current- Unsecured		
Considered Good	193899.00	165904.77
Considered Doubtful	3339.70	3071.39
Trade Receivables #	197238.70	168976.16
Less : Allowance for bad and doubtful debts	3339.79	3071.39
TOTAL :	193898.91	165904.77
#Includes due from :		
- Related Parties	3094.35	3349.09
Movements in allowance for bad and doubtful debts:		
Opening Balance	3071.39	2659.37
(+) Provision made during the year	609.24	1665.15
(+)/(-)Adjustment for Translation of foreign subsidiaries	1.21	(13.41)
(-) Amount utilised from provision	(342.05)	(1239.72)
Closing Balance	3339.79	3071.39

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

13: SHARE CAPITAL

A. AUTHORISED

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

B. ISSUED, SUBSCRIBED & PAID-UP

The Issued and Subscribed Capital of the Holding Company as at 31st March 2018 is of Rs. 7228.42 Lacs, represented by 72284187 Equity Shares (Including 72701 Equity Shares forfeited) of Rs. 10/- each and the paid-up Capital as at 31st March 2018 is of Rs.7221.15 Lacs, represented by 7,22,11,486 Equity Shares of Rs. 10/- each as at 31st March 2018. The reconciliation of the Equity Share Capital of the Holding Company is given as under:

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 1st April 2016	72284187	7228.42	72211486	7221.15	-	-
Balance as at 31st March 2017	72284187	7228.42	72211486	7221.15	-	-
Balance as at 31st March 2018	72284187	7228.42	72211486	7221.15	-	-

Amount Originally paid up on the forfeited shares was of Rs. 3.89 Lacs (Previous Year Same).

The Holding Company's Paid-up Capital of 72211486 (previous Year Same) Equity Shares of Rs. 10/- each, is distributed as under:

	As At 31st March 2018		As At 31st March 2017	
	Number	%	Number	%
a) Promoter & Promoter Group	31784339	44.02	31784339	44.02
Of which Shareholders holding More than 5 % of the Paid-up Capital				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anshika Investments Pvt. Ltd.	5771092	7.99	5771092	7.99
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshika Consultants Pvt. Ltd.	3778524	5.23	3778524	5.23
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	4323162	5.99
b) Public Shareholding *	40427147	55.98	40427147	55.98
i) Institution	9857847	13.65	8137968	11.27
ii) Non- Institution	30569300	42.33	32289179	44.71
*Of which Shareholder holding More than 5% of the Paid-up Capital				
Kebale Trading Ltd.	5465840	7.57	5465840	7.57

c) RESTRICTION ON VOTING RIGHTS

The Holding Company has only one class of issued equity share capital as on the date of the balance sheet and each holder of equity share is entitled for one vote per share and right to receive the dividend, if any, declared on the equity shares.

d) Dividend

The Board of Directors of the Holding Company has recommended a final dividend of Rs.2.00 (Previous Year Rs.3.50) per share aggregating to Rs.1741.10 lacs (Previous Year Rs. 3041.92 Lacs) (Including the dividend distribution tax of Rs. 296.87 (Previous Year Rs. 514.52 Lacs)) for the financial year ended 31st March 2018 subject to the approval of the shareholder in their ensuing annual general meeting.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Reserve and Surplus						Other Comprehensive Income					Total	
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Legal Reserve	Retained Earnings	Equity Instrument through other comprehensive Income	Exchange differences on translating financial statements of foreign operations	Exchange differences on devaluation of Currency	Remeasurement of Defined Benefit Plans	Share in aggregate Other Comprehensive Income of associate(s)		Non Controlling Interest
Balance as at 01st April 2016	10400.42	57110.63	-	20926.06	1477.46	217017.30	(2215.21)	32994.57	-	(149.28)	(0.41)	384.80	337946.34
Profit for the Year						34845.56						229.47	35075.03
Total Other Comprehensive Income for the Year (Net of Tax)							740.89	(5491.16)	114.06		(6.29)		(14167.82)
Dividend Paid Including Dividend Distribution Tax						(2781.19)							(2781.19)
Amount transferred to General Reserve & Legal Reserve				156.05		(312.10)							(312.10)
Amount Transferred from Statement of Profit & Loss					156.05								312.10
Arising due to Acquisition of Non-Controlling Interest	180.13											(180.39)	(0.26)
Arising due to Acquisition of Non-Controlling Interest	23.09											1090.67	1113.76
Balance as at 31st March 2017	10603.64	57110.63	-	21082.11	1633.51	248769.57	(1474.32)	27503.41	(9525.32)	(35.22)	(6.70)	1524.55	357185.86
Total Other Comprehensive Income for the Year (Net of Tax)							767.62	6335.93	(194.22)	(10.45)			6898.88
Amount reclassified (Refer Note no.18)								(316.41)					(316.41)
Dividend Paid Including Dividend Distribution Tax						(3041.92)							(3041.92)
Profit for the Year						31048.12						172.34	31220.46
Amount transferred to General Reserve & Legal Reserve						(611.96)							(611.96)
Amount Transferred from Statement of Profit & Loss				110.21									611.96
Arising due to disposal of Subsidiary	(45.75)					45.75						(1206.47)	(1206.47)
(Refer Note No-42(b))													
Balance as at 31st March 2018	10557.89	57110.63	-	21192.32	2135.26	276209.56	(706.70)	33522.93	(9525.32)	(229.44)	(17.15)	490.42	390740.40

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	As At 31.03.2018	As At 31.03.2017
(Rs. in Lacs)		
15. BORROWINGS		
A. Secured		
Term Loans :		
From Banks	113720.35	106115.61
From IFCI Limited	14833.55	20199.98
	128553.90	126315.59
B. Vehicle Loans :		
From Banks	395.93	306.02
From Others	1061.58	89.37
	1457.51	395.39
C. Unsecured		
From TFCI ~	5229.21	6097.64
From Bodies Corporate	2831.03	2238.88
	8060.24	8336.52
Sub-Total (A+B+C)	138071.65	135047.50
Less: Current portion	32576.76	32070.10
TOTAL :	105494.89	102977.40

The Group is availing the Secured Term Loan Facilities from banks & others. Their repayment terms and other details are given as under:

(Rs. in Lacs, except where otherwise stated)						
Name of the Institution / Banks / Others	Note No	Sanctioned Amount	O/s As At 31/03/2018	Current Portion	Long Term	Repayment Terms
PART A: TERM LOANS						
IFCI Limited	a	5000.00	-	-	-	Repayable in 16 Equal Quarterly Installments of Rs. 312.50 Lacs each commencing from Jun 2014.
			(1250.00)	(1250.00)	(-)	
IFCI Limited	a	15000.00	14873.00	1,000.00	13873.00	Repayable in 32 Quarterly Installments commencing from June 2018, first four installments of Rs. 250.00 Lacs each and balance 28 installments of Rs. 500.00 Lacs each.
			(14873.00)	(-)	(14873.00)	
UCO Bank	a	20000.00	1865.29	833.33	1,031.96	Repayable in 24 Equal Quarterly Installments of Rs. 833.33 Lacs each commencing from Feb 2019.
			(-)	(-)	(-)	
Jammu & Kashmir Bank Ltd.	a	5000.00	1000.00	1000.00	1000.00	- Repayable in 20 Equal Quarterly Installments of Rs. 250.00 Lacs each commencing from Jun 2014.
			(2000.00)	(1000.00)	(1000.00)	
Jammu & Kashmir Bank Ltd.	a	14930.00	14930.00	-	14,930.00	Repayable in 32 Equal Quarterly Installments of Rs. 466.56 Lacs each commencing from Dec 2019.
			(-)	(-)	(-)	
State Bank of India	a	25000.00	19044.27	5,000.00	14044.27	Repayable in 60 Equal Monthly Installments of Rs. 416.67 Lacs each commencing from Oct 2017. However installments are restricted to the extent of loan availed
			(21535.50)	(2500.00)	(19035.50)	

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lacs, except where otherwise stated)

Name of the Institution / Banks / Others	Note No	Sanctioned Amount	O/s As At 31/03/2018	Current Portion	Long Term	Repayment Terms
State Bank of India	a	15000.00	8,751.28 (6942.20)	535.71 (-)	8,215.57 (6942.20)	Repayable in 82 installments, First installment is of Rs 535.71 lacs in Mar19 and rest in 81 Equal Monthly Installments of Rs 178.57 lacs each from Apr 2019. However installments are restricted to the extent of loan availed.
South Indian Bank	a & b	5000.00	5,000.00 (5000.00)	714.40 (-)	4,285.60 (5000.00)	Repayable in 28 Quarterly Installments commencing from June 2018. First 27 installments is of Rs 178.60 Lacs each and last installment is of Rs. 177.80 Lacs.
Woori Bank	a	3200.00	3200.00 (-)	1066.68 (-)	2,133.32 (-)	Repayable in 12 Equal Quarterly Installments of Rs 266.67 commencing from May 2018.
Oriental Bank of Commerce	a	5000.00	4,999.54 (4424.77)	- (-)	4,999.54 (4424.77)	Repayable in 28 Equal Quarterly Installments of Rs. 178.57 Lacs each commencing from Apr 2019.
Canara Bank	a & b	12500.00	2307.14 (4814.05)	2307.14 (2500.00)	- (2314.05)	Repayable in 20 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jun 2014.
Canara Bank-London (ECB Facility)	a	US \$ 23.175 Million	12926.70 (15026.34)	3,707.28 (2139.67)	9219.42 (12886.67)	Repayable in 12 Quarterly Installments Commencing from May 2017. First four installments are of US\$ 0.83 Million each, next four installments are of US\$ 1.42 Million each and next four installments are of US\$ 3.55 Million each
KFW IPEX Bank GMBH-Phase I Egypt Location	d	Euro 15.45 Million	1421.86 (2516.46)	1421.86 (1177.89)	- (1338.57)	Repayable in 17 equal consecutive semi-annual installments of Euro 0.91 Million each commencing from December 2010
KFW IPEX Bank GMBH-Phase II Egypt Location	d	Euro 19.79 Million	3453.08 (4837.88)	1700.57 (1516.98)	1752.51 (3320.90)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.16 Million each commencing from December 2011
QNB Alahi Bank	e	US \$ 21.90 Million	7318.20 (8961.15)	2090.92 (2097.41)	5227.28 (6863.74)	Repayable in 27 equal quarterly installments of US\$0.81 Million each commencing from January 2015.
QNB Alahi Bank	e	US \$ 3.90 Million	1834.99 (-)	253.66 (-)	1581.33 (-)	Repayable in 10 equal quarterly installments of US\$0.39 Million each commencing from January 2019.
KFW IPEX Bank GMBH-Phase I Mexico Location	f	Euro 15.82 Million	- (1318.50)	- (1318.50)	- (-)	Repayable in 17 equal consecutive semi-annual installments of euro 0.93 Million each commencing from Dec 2009.
KFW IPEX Bank GMBH-Phase II Mexico Location	f	Euro 20.96 Million	- (3103.03)	- (2061.01)	- (1042.02)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.49 Million each commencing from Jan 2012.
State Bank of India, New York, Mexico Location	g	US \$ 20 Million	- (1080.64)	- (1080.64)	- (-)	Repayable in 24 equal quarterly installments of US\$0.83 Million each commencing from Dec 2011.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lacs, except where otherwise stated)

Name of the Institution / Banks / Others	Note No	Sanctioned Amount	O/s As At 31/03/2018	Current Portion	Long Term	Repayment Terms
BBVA Bancomer SA, Mexico Location	g	US \$ 15 Million	9,756.00 (-)	650.40 (-)	9,105.60 (-)	Repayable in 30 equal quarterly installments of US\$0.50 Million each commencing from Nov 2018.
Chase Bank - Kentucky (USA) Location	h	US \$ 14.00 Million	607.04 (2423.24)	607.04 (1815.48)	- (607.76)	Repayable in 60 equal monthly installments of US\$ 233,333 each commencing from August 2013.
BKB Bank - Kentucky (USA) Location (Formerly KBC Bank)	i	Euro 18.17 Million	5995.08 (6682.44)	1708.34 (1443.98)	4286.74 (5238.46)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.07 Million each commencing from July 2013
KFW IPEX Bank GMBH- Poland Location	j	Euro 20.69 Million	5853.58 (6759.43)	1951.19 (1689.86)	3902.39 (5069.57)	Repayable in 17 equal consecutive semi-annual installments of Euro 1.22 Million each commencing from Jan 2013
United Arab Bank- Dubai Location	k	AED 146.80 Million	3902.40 (9077.40)	3902.40 (5187.09)	- (3890.31)	Repayable in 20 equal quarterly installments of AED 7.34 Million each commencing from March 2014
IFCI Limited	l	5000.00	- (4125.00)	- (500.00)	- (3625.00)	Repayable in 40 equal monthly installments of Rs. 125 Lacs each commencing from Jul 2015.
Less: Adjustment for Transaction Cost (Pending Amortisation)			485.55 (435.44)	138.02 (142.41)	347.53 (293.03)	
Sub Total (A)			128553.90	30312.90	98241.00	
Previous Year			<u>(126315.59)</u>	<u>(29136.10)</u>	<u>(97179.49)</u>	
PART B: VEHICLE LOANS						
Jammu & Kashmir Bank Ltd.	c	93.00	9.96 (32.05)	9.96 (22.07)	- (9.98)	Repayable in 60 Equal Monthly Installments of Rs. 2.06 Lacs each commencing from September 2013 including interest amount.
Jammu & Kashmir Bank Ltd.	c	138.00	43.97 (73.43)	32.57 (29.12)	11.40 (44.31)	Repayable in 60 Equal Monthly Installments of Rs. 3.02 Lacs each commencing from September 2014 including interest amount.
Jammu & Kashmir Bank Ltd.	c	239.00	147.76 (191.15)	48.54 (43.40)	99.22 (147.75)	Repayable in 60 Equal Monthly Installments of Rs. 5.23 Lacs each commencing from January 2016 including interest amount.
HDFC Bank Limited	c	12.90	6.27 (9.39)	3.45 (3.13)	2.82 (6.26)	Repayable in 48 Equal Monthly Installments of Rs. 0.33 Lacs each commencing from January 2016 including interest amount.
HDFC Bank Limited	c	66.00	58.83 (-)	15.21 (-)	43.62 (-)	Repayable in 48 Equal Monthly Installments of Rs. 1.61 Lacs each commencing from October 2017 including interest amount.
YES BANK LIMITED	c	130.00	129.14 (-)	28.55 (-)	100.59 (-)	Repayable in 48 Equal Monthly Installments of Rs. 3.17 Lacs each commencing from April 2018 including interest amount.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lacs, except where otherwise stated)

Name of the Institution / Banks / Others	Note No	Sanctioned Amount	O/s As At 31/03/2018	Current Portion	Long Term	Repayment Terms
Toyota Financial Services India Limited	c	100.95	66.57 (89.37)	24.94 (22.80)	41.63 (66.57)	Repayable in 47 Equal Monthly Installments of Rs. 2.49 Lacs each commencing from November 2016 including interest amount.
Toyota Financial Services India Limited	c	58.55	52.24 (-)	18.54 (-)	33.70 (-)	Repayable in 36 Equal Monthly Installments of Rs. 1.83 Lacs each commencing from October 2017 including interest amount.
Daimler Financial Services India Pvt. Ltd	c	69.00	62.81 (-)	15.74 (-)	47.07 (-)	Repayable in 48 Equal Monthly Installments of Rs. 1.69 Lacs each commencing from November 2017 including interest amount.
Orix Leasing & Financial Services India Ltd	c	1383.49	879.96 (-)	505.17 (-)	374.79 (-)	Repayable in Equal Monthly Installments commencing from July 2017 over the period of respective Vehicles Loan.
Sub Total (B)			1457.51	702.67	754.84	
Previous Year			(395.39)	(120.52)	(274.87)	
Total (A+B)			130011.41	31015.57	98995.84	
Previous Year			(126710.98)	(29256.62)	(97454.36)	

Previous Year figures have been given in brackets.

- a. These are secured a) on *pari passu* basis by way of hypothecation of specific movable properties of the Company (save and except book debts), both present & future, subject to prior charges created and / or to be created in favour of Company's bankers for working capital facilities, b) by first *pari passu* equitable mortgage of specific immovable properties of the Company situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat) and c) by guarantee of Chairman & Managing Director of the Company. Further, in respect of loan from South Indian Bank, Jammu & Kashmir Bank (Rs. 14930 Lacs), Woori Bank and UCO Bank first *pari-passu* equitable mortgage is yet to be created.
- b. These are further secured by way of second *pari passu* charge on the current assets of the Holding Company.
- c. Vehicle Loans are secured by way of hypothecation of Specific Vehicles of the Holding Company. Further charges in respect of some of the vehicles, on the outstanding loan amounting to Rs.879.96 Lacs, from one Company is yet to be created.
- d. These are secured by way of first charge on specific tangible and intangible assets of the Flex P. Films (Egypt) S.A.E.. Further these are secured by the pledge of 14,999,900 shares of Flex P. Films (Egypt) S.A.E. held by Flex Middle East FZE.
- e. These are secured by way of first charge on tangible and intangible assets of the Flex P. Films (Egypt) S.A.E. other than those pledged with KFW IPEX Bank GMBH.
- f. These are secured by way of hypothecation of Specific Plant & Equipments and *pari passu* mortgage of Land & Building of the Flex Americas SA de CV.
- g. This is secured by way of hypothecation of Specific Plant & Equipments and *pari passu* mortgage of Land & Building of the Company.
- h. This is secured on specific Plant & Machinery of the Flex Films (USA) Inc. other than those pledged with BKB Bank. This is further secured by mortgage of real estate of Flex Films (USA) Inc.
- i. This is secured by way of hypothecation of specific Plant & Equipments of the Flex Films (USA) Inc.
- j. This is secured by way of hypothecation of Specific Plant & Equipments and mortgage of Land & Building of the Company.
- k. This is secured by way first charge on Building and Plant & Equipments of the Company.
- l. This is secured by first charge on all movable assets of the Company Refex Energy Rajasthan (Private) Limited. This is further secured by equitable mortgage of leasehold land at village Amarpur, allitpur, U.P., owned by Bundelkhand Projects Private Limited.
- ~ This is secured by a) exclusive first charge by way of hypothecation of Specific aircrafts owned by M/s A.R. Airways Pvt. Ltd. (related party), b) corporate guarantee of A.R. Airways Pvt. Ltd. and c) guarantee of Chairman & Managing Director of the Holding Company.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	As At 31.03.2018	As At 31.03.2017
(Rs. in Lacs)		
16. OTHER FINANCIAL LIABILITIES		
Securities Received	438.93	332.72
TOTAL :	438.93	332.72
17. PROVISIONS		
Provision for Leave Encashment	1136.21	1152.85
Gratuity	833.07	761.23
TOTAL :	1969.28	1914.08
18. DEFERRED TAX LIABILITIES (NET)		
Opening Balance	12646.18	14931.53
Add / (Less):		
Adjustment for Translation Reserve	316.41	-
Provision of Deferred Tax charge / (Credit) for the year	(141.96)	(2285.35)
TOTAL :	12820.63	12646.18

The Cumulative Tax effects of significant temporary differences, that resulted in Deferred Tax Asset & Liabilities and description of item thereof that creates these differences are as follows :

	Deferred Tax Assets / (Liabilities) As At 01.04.2017	Current Year (Charge) / Credit	Amount Reclassified to Translation Reserve	Deferred Tax Assets / (Liabilities) As At 31.03.2018
(Rs. in Lacs)				
Deferred Tax Assets				
Unabsorbed depreciation & tax losses	5681.89	(1327.12)	(1127.84)	3226.93
Other than unabsorbed depreciation & carry forward of losses.	4438.05	(338.38)	317.28	4416.95
Unutilised Tax Credit	-	8563.73	-	8563.73
Total (A)	10119.94	6898.23	(810.56)	16207.61
Deferred Tax Liabilities				
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(21929.32)	(6837.46)	494.15	(28272.63)
Others	(836.80)	81.19	-	(755.61)
Total (B)	(22766.12)	(6756.27)	494.15	(29028.24)
Net Deferred Tax (Liability) (A-B)	(12646.18)	141.96	(316.41)	(12820.63)

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Income Tax Expense in the Total Comprehensive Income represents;

	(Rs. in Lacs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
In Statement of Profit & Loss		
- Current tax	4357.88	5738.15
- Deferred tax	(141.96)	(992.39)
- (Excess) / Short Provision of Income Tax for earlier years	(45.68)	(369.69)
	4170.24	4376.07
In Statement of Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Remeasurement of the net defined benefit liability / asset	-	60.37
Exchange differences on devaluation of Currency	-	(1353.33)
	-	(1292.96)
		(Rs. in Lacs)
	As At 31.03.2018	As At 31.03.2017
19. OTHER NON CURRENT LIABILITIES		
Retention Money	566.94	485.36
TOTAL :	566.94	485.36
20. BORROWINGS		
Secured		
Working Capital Facilities From Banks	53134.22	55681.09
From Body Corporate	1870.00	1200.00
Unsecured		
From Banks #	5559.15	3159.70
From Others	9305.00	13578.00
From a Related Party	-	1546.50
TOTAL :	69868.37	75165.29
1	Working capital facilities from banks are secured a) on first pari passu basis, by way of hypothecation of stock of raw materials, semi-finished goods, finished goods and book debts of the Holding Company, both present and future, b) by way of second pari passu charge on specific fixed assets of the Holding Company, situated at Malanpur (M.P.), Jammu (J & K), NOIDA (U.P.) and Sanand (Gujarat), and c) by guarantee of Chairman & Managing Director of the Holding Company. However, second pari passu equitable mortgage on enhanced working capital facilities is yet to be created.	
2	Loan from a Body Corporate is secured by way of pledge of listed Equity Shares held as an Investment by the Holding Company. (Refer Note No 3B)	
3	Working Capital Facilities availed by Flex Americas SA de C.V. of USD 23.20 Million from the State Bank of India, New York is secured by way of hypothecation of current assets of the Company.	
4	Working Capital Facilities availed by Flex Americas SA de C.V. of USD 20 Million from the BBVA Bancomer S.A. is secured by way of hypothecation of current assets of the Company.	
5	Working Capital facilities of US \$16.5 Millions availed by Flex Films USA Inc. from Chase Bank is secured on the company's account receivables and inventory.	
#	Includes Rs. 4531.66 Lacs (Previous Year 2568.20 Lacs) in respect of deferred letters of credits for capital goods secured by way of hypothecation of specific machines under the letters of credits and pledge of fixed deposits of Rs. 590.65 Lacs (Previous Year	

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Rs.312.88 Lacs).

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
21. TRADE PAYABLES		
Suppliers	106705.56	84970.81
Due to Related Parties	12935.94	10759.07
TOTAL :	119641.50	95729.88
22. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Borrowings	32576.76	32070.10
Capital Creditors	3048.18	3839.45
Interest Accrued but not due on Loans		
- From Others	633.35	841.51
Unclaimed Dividend*	147.16	144.03
Due to Employees	1852.89	2753.88
Others Payable	7233.66	5529.39
Book Overdraft	1574.26	504.12
TOTAL :	47066.26	45682.48
*These figures do not include any amount, due and outstanding, required to be transferred to Investor Education and Protection Fund.		
23. OTHER CURRENT LIABILITIES		
Advances from Customers	4596.96	6522.27
Advances from Others	2500.00	2500.00
Advances from a Related Party	21.90	25.48
Statutory Dues	2774.28	1775.57
TOTAL :	9893.14	10823.32
24. PROVISIONS		
Leave Encashment	700.67	623.53
Staff Benefits	534.89	527.57
Warranty	18.21	13.47
TOTAL :	1253.77	1164.57
25. CURRENT TAX LIABILITIES (NET)		
Current Income Tax (Net)	1845.05	3515.03
TOTAL :	1845.05	3515.03

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31st March 2018	(Rs. in Lacs) For the Year Ended 31st March 2017
26 REVENUE FROM OPERATIONS		
A. i) REVENUE FROM SALE OF PRODUCTS		
Gross Sales	705118.57	681984.97
Less : Inter Unit Sales	46202.98	57757.20
	658915.59	624227.77
ii) REVENUE FROM SALE OF SERVICES		
Gross Job work / Services Rendered	5800.79	9425.78
Less : Inter Unit Job Work	2228.31	2723.12
	3572.48	6702.66
Technical Fees	2400.00	5355.20
TOTAL (A) :	664888.07	636285.63
B. OTHER OPERATING INCOME		
Scrap Sales	4943.39	5002.39
Packing, Forwarding and Insurance Recoveries	182.61	836.46
Exchange Rate Fluctuation (Net)	686.90	-
Export Incentive	3397.94	4708.07
Excise Duty / GST Refund	2231.65	3035.84
Miscellaneous Operating Income	1530.90	514.45
Consultancy Fees Received	429.25	-
Support Fees	10.00	-
Sundry Balances Written Back (Net)	547.08	-
Vat Refund	6.89	95.57
TOTAL (B) :	13966.61	14192.78
TOTAL (A+B):	678854.68	650478.41
27. OTHER INCOME		
Rent Received	705.80	210.15
Gain on sale of Investments (Net)		
- On Disposal of Subsidiary	110.09	19.05
- On sale of Units of Mutual Funds	7.52	-
Gain on sale of assets (Net)	-	1.68
Miscellaneous Income	180.40	327.16
Interest :		
- from Banks	776.94	1249.07
- from Others	177.42	237.70
Investment Income:		
- Dividend received on Investments carried at Fair value through other comprehensive income	40.21	5.68
TOTAL :	1998.38	2050.49

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	(Rs. in Lacs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
28. COST OF MATERIALS CONSUMED		
Opening Stock	28036.53	24542.79
Add : Purchases	<u>453663.02</u>	<u>405422.74</u>
	481699.55	429965.53
Less : Inter Unit Purchases	<u>44412.13</u>	<u>52634.29</u>
	437287.42	377331.24
Less : Closing Stock	<u>33982.13</u> 403305.29	<u>28036.53</u> <u>349294.71</u>
	<u>403305.29</u>	<u>349294.71</u>
29. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Stock-in-Trade	5961.66	6123.65
Finished Goods	14778.64	14953.41
Work-in-Progress	<u>13831.47</u>	<u>12060.72</u>
	34571.77	33137.78
Less: Closing Stock :		
Stock-in-Trade	5904.73	5961.66
Finished Goods	16382.96	14778.64
Work-in-Progress	<u>14423.87</u>	<u>13831.47</u>
	36711.56	34571.77
TOTAL :	<u>(2139.79)</u>	<u>(1433.99)</u>
30: EMPLOYEE BENEFITS EXPENSE		
Salaries,Wages,Bonus,Benefits and Amenities	54807.03	50221.25
Contribution to Provident Fund and Other Funds	3335.55	2902.39
Employee Welfare Expenses	<u>1759.76</u>	<u>1615.69</u>
TOTAL :	<u>59902.34</u>	<u>54739.33</u>
31: FINANCE COSTS		
Interest		
- On Loans for Fixed Period	11607.78	10584.80
- On Other Loans / Liabilities	3956.87	3471.36
- On Shortfall in payment of Advance Tax	<u>169.64</u> 15734.29	<u>406.49</u> <u>14462.65</u>
Discounting & Financial Charges	<u>3974.77</u>	<u>4218.99</u>
TOTAL :	<u>19709.06</u>	<u>18681.64</u>

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31st March 2018	(Rs. in Lacs) For the Year Ended 31st March 2017
32. OTHER EXPENSES		
A. OTHER MANUFACTURING EXPENSES		
Power & Fuel Consumed	31188.42	29640.86
Repair & Maintenance-Machinery	9217.99	8592.65
Stores Consumed	4532.75	3786.71
Tools, Jigs & Dies	344.98	235.25
Packing Material Consumed	18469.94	18042.52
Processing Charges for Cylinders	3368.35	2860.32
Less : Inter Unit Charges	2496.07	2501.05
	872.28	359.27
Design & Development Charges	85.12	361.58
Excise Duty on Others	(205.43)	49.89
Duties paid on Revenues	9118.87	34813.39
Job Work Charges	3192.25	3106.62
Royalty Expenses	446.50	743.77
Other Direct Charges	399.75	954.17
R & D Charges	100.34	88.91
TOTAL (A) :	77763.76	100775.59
B. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	1682.79	1562.89
Rates & Taxes	456.61	321.96
Insurance charges	1804.45	1879.50
Electricity & Water charges	489.93	454.96
Printing & Stationery	275.42	308.01
Postage & Telephone Expenses	917.18	1006.90
Vehicle Running & Maintenance Expenses	599.68	616.78
Lease Rent -Vehicles	597.01	909.39
Conveyance & Travelling Expenses	6623.64	6548.54
Repair & Maintenance :		
- Building	1084.94	1149.86
- Others	5180.97	4268.49
Legal & Professional Charges	3099.11	2831.93
Directors' sitting fees	29.07	29.75
General Expenses	3612.34	4029.18
Advertisement & Publicity	1273.86	1188.83
Entertainment Expenses	565.87	494.48
Charity & Donation	27.35	44.25
Corporate Social Responsibility Expenditure	317.34	488.92

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31st March 2018	(Rs. in Lacs) For the Year Ended 31st March 2017
Freight & Forwarding charges	21446.41	21349.54
Goodwill Written Off	20.10	-
Property, Plant & Equipments written Off	27.45	91.54
Loss on Property, Plant & Equipment sold (Net)	120.73	-
Exchange Rate Fluctuations (Net)	-	2775.63
Amount utilised from allowance for bad and doubtful Trade receivables	(342.05)	(1239.72)
Allowance for bad and doubtful Trade receivables	609.24	1665.15
Sundry Balances / Bad Debts written-off (Net)	-	839.63
Quality Claims	902.95	2052.13
TOTAL (B) :	51422.39	55668.52
TOTAL (A+B) :	129186.15	156444.11
Above includes following expenses on Investment Properties, that generated rental income;		
Rent (Lease Rent)	1.66	0.76
Insurance	1.51	1.41
Repair & Maintenance :		
- Building	13.61	7.33
	16.78	9.50

33. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS

Cost of Material Consumed	2376.79	1887.14
Employee Benefits Expense	1022.12	904.28
Depreciation and amortisation expense	215.57	194.66
Other Expenses	528.79	550.33
TOTAL :	4143.27	3536.41

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
34. I. Contingent liabilities not provided for in respect of :		
A. i) Show cause notice / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Company and are contested / appealed / replied.	7950.77	6481.99
ii) Additional demands raised by the Income Tax Department, which are under rectification & appeal	538.18	4235.87
iii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	1110.68	1535.19

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	As At 31.03.2018	(Rs. in Lacs) As At 31.03.2017
iv) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	27.73	27.73
v) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	13.82	12.82
vi) Claims against the Company/disputed liabilities not acknowledged as debt.	135.94	127.00
vii) Demand raised by the Concerned Development corporation on surrender of unutilised Industrial Leasehold Land.	62.69	62.69
B i) Guarantees issued by Banks	3291.75	4169.00
ii) Corporate Guarantees issued for facilities taken by Related Party	5000.00	-
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	31866.41	11796.17
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	11683.56	9849.16
C Liability in respect of Bonus for the FY 2014-15 arising due to retrorespective amendment in the Payment of Bonus (Amendment) Act, 2015; which is contested by the Company.	429.85	429.85
II The share in aggregate contingent liability of the Associates	429.53	536.35
i) In respect of litigations	369.86	407.90
ii) In respect of other matters	59.67	128.45
35. Capital Commitments :		
a. The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	11112.36	14187.14
b. The share in the aggregate capital commitments of the associates	49.10	24.08

36. Disclosures for Assets under Operating Leases

The Group has taken certain vehicles on operating Lease. The required disclosures are as under:
Minimum future Lease Rentals on assets under Operating Leases taken:

	(Rs. in Lacs)			
	of which not later than one year	of which later than one year and not later than 5 years	of which later than 5 years	Total
Payables	287.84	359.30	-	647.14
	<i>913.80</i>	<i>994.76</i>	<i>-</i>	<i>1908.56</i>

Previous Year figures have been given in Italic.

37. Defined Benefit Plan

a) Gratuity

The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The additional disclosure in terms of Indian Accounting Standard-(Ind AS)-19, "Employee Benefits" is as under:

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	(Rs. In Lacs)	
	<u>Current Year</u>	<u>Previous Year</u>
a. Reconciliation of opening and closing balances of obligation		
Obligations at period beginning	2949.81	2729.38
Current Service cost	377.84	322.22
Past Service Cost	379.83	-
Interest cost	209.95	195.16
Actuarial (gain) / loss due to unexpected experience	13.38	(42.33)
Benefits paid	(300.79)	(254.62)
Obligations at period end	3630.02	2949.81
b. Reconciliation of opening and closing balances of fair value assets		
Plan assets at period beginning, at fair value	3249.13	2664.48
Interest Income	243.68	199.84
Return on Plan Assets excluding Interest Income	(180.84)	132.10
Contributions	690.29	507.33
Benefits paid	(300.79)	(254.62)
Plan assets at period end, at fair value	3701.47	3249.13
c. Amount Recognized in Balance Sheet		
Present value of the defined benefit obligations at the end of the period	3630.02	2949.81
Fair value of plan assets at the end of the period	(3701.47)	(3249.13)
Liability/ (Asset) recognized in the balance sheet	(71.45)	(299.32)
d. Gratuity cost for the period		
Current Service cost	377.84	322.22
Past Service cost	379.83	
Interest cost	209.95	195.16
Expected return on plan assets	(243.68)	(199.84)
Net Gratuity Cost recognised in Statement of Profit & Loss	723.94	317.54
e. Remeasurement (gains) and losses		
Actuarial (gain) / loss due to change in financial assumptions	13.38	(42.33)
Return on Plan assets, excluding interest income	180.84	(132.10)
Net Gratuity Cost recognised on Statement of Other Comprehensive Income	194.22	(174.43)
Assumptions		
Interest rate	7.5% P.A.	7.5% P.A.
Estimated rate of return on plan assets	7.5% P.A.	7.5% P.A.

The expected benefits increases are based on the same assumptions as are used to measure the Group's defined benefit plan obligations as at 31st March 2018. The Group is expected to contribute Rs. 279.48 lacs to defined benefits plan obligations fund for the year ending 31st March 2019.

The significant accounting assumptions are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period while other assumptions constant.

If the discount rate increases /(decreases by 0.5%), the defined benefit plan obligations would decrease by Rs.139.25 Lacs (increase by Rs.150.25 Lacs) as at 31st March 2018.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

If the expected salary growth increases /(decreases by 0.5%), the defined benefit plan obligations would increase by Rs.149.85 Lacs (decrease by Rs.139.75 Lacs) as at 31st March 2018.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

b) Leave Encashment

The Group has provided for its Liability towards Leave encashment, based on the actuarial valuation, disclosure whereof in terms of Indian Accounting Standard (Ind AS)- 19, "Employee Benefits" is as under:

	Current Year	Previous Year
		(Rs. In Lacs)
a. Reconciliation of opening and closing balances of obligation		
Obligations at period beginning	1565.38	1295.06
Service cost	685.44	698.82
Interest cost	99.70	84.99
Actuarial (gain) / loss	(359.95)	(189.93)
Benefits paid	(472.05)	(323.56)
Obligations at period end	1518.52	1565.38
b. Amount Recognized in Balance Sheet		
Present value of the defined benefit obligations at the end of the period	1518.52	1565.38
Liability recognized in the balance sheet	1518.52	1565.38
c. Leave Encashment cost for the period		
Service cost	685.44	698.82
Interest cost	99.70	84.99
Actuarial (gain) / loss	(359.95)	(189.93)
Net Leave Encashment cost for the period	425.19	593.88
Assumptions		
Interest rate	7.5% P.A.	7.5% P.A.

38. Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.

39. Impact of Implementation of Goods and Services Tax (GST) on the financial statements

In accordance with Ind AS 18 on "Revenue" and Schedule III of the Companies Act, 2013, Revenue from Sales of Goods and Services for the previous year ended 31st March 2017 and for the period from 1st April 2017 to 30th June 2017 were reported gross of Excise Duty and Net of Value Added Tax (VAT) / Sales Tax. Excise Duty was reported as separate expense item in Note No "32(A)" as Duties paid on Revenues. Consequent to introduction of Goods and Service Tax (GST) with effect from 1st July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST. GST has not been recognized as part of Revenue from Sales of Goods and Services as per the requirement of Ind AS 18. This has resulted into lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in the structure expenses are also reported net of taxes (where credit is available). Accordingly, financial statements for the year ended 31st March 2018 and in particular, sales, absolute expenses, Inventory and ratios in percentage to Revenues are not comparable with the figures of previous year.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

40. EARNING PER SHARE

The following disclosure is made, as required by Indian Accounting Standard (Ind AS-33) on "Earning Per Share":

	<u>Current Year</u>	<u>Previous Year</u>
	(Rs. in Lacs)	
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs in Lacs)	31048.12	34845.56
(B) Weighted Average Number of Equity Shares (viz. denominator) for		
(i) Basic Earning Per Share	72211486	72211486
(ii) Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	72211486	72211486
(C) Nominal Value Per Share	Rs. 10/-	Rs. 10/-
(D) Earning Per Share		
(a) Basic [A/B(i)] (Rs.)	43.00	48.25
(b) Diluted [A/B(ii)] (Rs.)	43.00	48.25

41. SEGMENT DISCLOSURE :

Segment disclosure in accordance with the Ind AS 108 on " Operating Segments" are as under:

Accounting Principles and policies, as reported in Significant Accounting policies, used in the preparation of financial statements are consistently applied to record revenue, expenditure, assets and liabilities, in each segment.

For the Year Ended 31st March 2018

Particulars	(Rs. in Lacs)			
	Flexible Packaging Activities	Engineering Activities	Other (Un- allocable)	Total
Revenue from				
- External Customers	644732.87	34057.31	64.50	678854.68
- Transaction with other operating segments	-	7567.92	-	7567.92
Total Revenue	644732.87	41625.23	64.50	686422.60
Identifiable operating expenses	(546522.91)	(32885.94)	(11506.40)	(590915.25)
Less: Cost of Intersegment Revenue	(2503.75)	-	(5064.17)	(7567.92)
Operating Profit	95706.21	8739.29	(16506.07)	87939.43
Other Income				1998.38
Share in Profit of Associates for the Year				320.99
EBIDTA				90258.80
Depreciation & Amortization Expenses				(35159.04)
EBITA				55099.76
Finance Cost				(19709.06)
Profit before Tax				35390.70
Tax expenses				(4170.24)
Net Profit				31220.46
Segment Assets	634938.30	50972.68	82909.33	768820.31
Segment Liabilities	203529.87	39495.98	127832.91	370858.76

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018
For the Year Ended 31st March 2017

Particulars	(Rs. in Lacs)			
	Flexible Packaging Activities	Engineering Activities	Other (Un-allocable)	Total
Revenue from				
- External Customers	609412.98	39366.68	1698.75	650478.41
- Transaction with other operating segments	-	6534.93	-	6534.93
Total Revenue	609412.98	45901.61	1698.75	657013.34
Identifiable operating expenses	(513612.65)	(36466.91)	(12968.07)	(563047.63)
Less: Cost of Inter segment Revenue	(2524.17)	-	(4010.76)	(6534.93)
Operating Profit	93276.16	9434.70	(15280.08)	87430.78
Other Income				2050.49
Share in Profit of Associates for the Year				406.81
EBIDTA				89888.08
Depreciation & Amortization Expenses				(31753.91)
EBITA				58134.17
Finance Cost				(18683.07)
Profit before Tax				39451.10
Tax expenses				(4376.07)
Net Profit				35075.03
Segment Assets	574172.48	47705.48	92965.36	714843.32
Segment Liabilities	187376.12	37015.66	126044.53	350436.31

42. BUSINESS COMBINATIONS

- During the year, the Company has incorporated its Wholly Owned Subsidiary Company viz. Digicyl Pte. Ltd. (Singapore). However no investment was made by the Company upto the date of the Financial Statements in the Subsidiary.
- During the year, the Group has sold its entire stake in its Subsidiaries, Refex Energy (Rajathan) Private Limited and Bundelkhand Projects Private Limited for a total consideration, in cash, of Rs. 2069.20 Lacs . Total assets of the Subsidiaries as on the date of transfer is Rs. 8511.51 Lacs (Including Cash and Cash Equivalents of Rs. 533.75 Lacs) and total liabilities of Rs. 6465.13 Lacs Including Non-Controlling Interest of Rs. 1206.47 Lacs).

43. RELATED PARTY DISCLOSURES

- List of Related Parties (as per IND AS-24) :

- Associates** : Flex Foods Limited

- Key Management Personnel & their relatives / HUF (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi, Mr. Apoorva Shree Chaturvedi and Ms. Anshika Chaturvedi), Ashok Chaturvedi (HUF), Mr. Amitava Ray, Wholetime Director, Mr. Anantshree Chaturvedi (Director of Flex Middle East FZE), Mr. Pradeep Srivastava (Director of Uflex Europe Ltd.) and Mr. S.K.Sharma (Manager of Utech Developers Limited).

- Enterprises in which the persons referred in (ii) along with their relatives exercise significant influence** : AKC Retailers Pvt. Ltd., Anshika Investments Pvt. Ltd., Anant Overseas Pvt. Ltd., Apoorva Extrusion Pvt. Ltd., Anshika Consultants Pvt. Ltd., A.R. Leasing Pvt. Ltd., A.R. Infrastructures & Projects Pvt. Ltd., AC Infrastructures Pvt. Ltd., Cinflex Infotech Pvt. Ltd., Flex International Pvt. Ltd., Ultimate Infrotech Pvt. Ltd., Ultimate Flexipack Ltd., Ultimate Prepress LLP, Naveli Collections Pvt. Ltd., Modern

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Info Technology Pvt. Ltd., Flex Industries Pvt. Ltd., Club One Airways Pvt. Ltd., Niksar Finvest Pvt. Ltd., Ganadhipati Infraproject Pvt. Ltd., Nirman Overseas Pvt. Ltd., Kaya Kalpa Medical Services Pvt. Ltd., Sungrace Products (India) Pvt. Ltd., Virgin Infrastructures Pvt. Ltd., Liberal Advisory Services Pvt. Ltd.(up to 15/02/2018), Minor Hotel Pvt. Ltd.(upto 15/02/2018), East Coast Star Hotel Pvt. Ltd.(upto 15/02/2018), Saga Realtors Pvt. Ltd., Ganadhipati Infrastructure & Projects Pvt. Ltd., Gangotri Management Pvt. Ltd., Manpasand Marketing Pvt. Ltd., Magic Consultants Pvt. Ltd., A.L.Consultants Pvt. Ltd., First Flexipack Corporation, Ultra America Inc., AR Airways Pvt. Ltd., A-one Catering LLP, Refex Energy (Rajasthan) Pvt. Ltd.(w.e.f. 31/05/2017), Bundelkhand Projects Pvt. Ltd.(w.e.f. 31/05/2017), Affatus Gravures Pvt. Ltd.(w.e.f. 30/06/2017), Affatus Graphics Pvt. Ltd.(w.e.f. 30/06/2017), RCMT Clothings Pvt. Ltd.(w.e.f. 05/09/2017) and Manushree Creations Pvt. Ltd.(w.e.f. 24/02/2018)

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

(Rs. in Lacs)				
Transactions	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (iii)' above	Total
i) Trade Transactions				
Sale of Goods/Services (Net)	45.65	-	5252.06	5297.71
	47.00	-	7435.86	7482.86
Purchase of Goods/Services (Net)	-	-	28092.16	28092.16
	-	-	27398.71	27398.71
Purchase of Fixed Assets	-	-	229.30	229.30
	-	-	-	-
Sale of Fixed Assets	-	-	19.69	19.69
	-	-	-	-
Purchase of DEPB	173.40	-	-	173.40
	-	-	-	-
Rent Received	6.75	48.00	16.46	71.21
	-	48.00	10.56	58.56
Rent Paid	-	238.05	395.86	633.91
	-	238.05	290.60	528.65
Royalty Expenses	-	200.00	-	200.00
	-	440.00	-	440.00
Interest Paid on Loans	-	-	151.54	151.54
	-	-	192.77	192.77
Interest Received	-	-	119.58	119.58
	-	-	196.52	196.52
Dividend Received	146.75	-	-	146.75
	146.75	-	-	146.75
Consultancy Charges	-	-	-	-
	-	79.97	-	79.97
Remuneration *	-	1003.30	-	1003.30
	-	1664.01	-	1664.01

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lacs)				
Transactions	Associates	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (iii)' above	Total
ii) Non Trade Transactions				
Investment	-	-	-	-
	-	-	350.00	350.00
Investment sold	-	-	2069.19	2,069.19
	-	-	-	-
Loan Taken	-	-	265.00	265.00
	-	-	5722.00	5722.00
Repayment of Loan Taken	-	-	1640.00	1640.00
	-	-	2972.00	2972.00
Dividend Paid	-	81.26	1031.18	1112.44
	-	74.30	942.79	1017.09
Loan Given	-	-	1775.00	1,775.00
	-	-	175.00	175.00
Recovery of Loan Given	-	-	550.00	550.00
	-	-	6000.00	6000.00
Total	372.55	1570.61	41607.02	43550.18
	193.75	2544.33	51686.81	54424.89
Balance as on 31.03.2018				
Debit	10.54	-	3533.71	3544.25
	12.23	-	3631.85	3644.08
Credit	32.66	61.20	14515.27	14609.13
	-	620.25	13154.20	13774.45

Previous Year figures have been given in Italic.

*Includes

	(Rs. in Lacs)	
	Current Year	Previous Year
Salary	968.92	1334.02
Perquisites	25.25	24.43
Short Term Employees Benefits	9.13	5.56
Commission	0.00	300.00
Total	1003.30	1664.01

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

44: FINANCIAL INSTRUMENTS

The carrying value of instruments by categories are as follows:

		(Rs. in Lacs)			
Particulars		Amortised Cost	Financial assets / liabilities at fair value through Profit or Loss	Financial assets / liabilities at fair value through OCI	Total Carrying Value
Assets					
Cash and cash equivalents (Including Other Bank Balances)	CY	31550.75	-	-	31550.75
	PY	29630.49	-	-	29630.49
Investments					
Equity and other securities	CY	3721.82	-	4813.48	8535.30
	PY	3558.03	-	4045.86	7603.89
Trade Receivables	CY	193898.91	-	-	193898.91
	PY	165904.77	-	-	165904.77
Loans	CY	8657.36	-	-	8657.36
	PY	8369.24	-	-	8369.24
Other financial assets	CY	13666.28	-	-	13666.28
	PY	15672.23	-	-	15672.23
Total	CY	251495.12	-	4813.48	256308.60
	PY	223134.76	-	4045.86	227180.62
Liabilities					
Trade payables	CY	119641.50	-	-	119641.50
	PY	95729.88	-	-	95729.88
Other financial liabilities	CY	47505.19	-	-	47505.19
	PY	46015.20	-	-	46015.20
Borrowings	CY	175363.26	-	-	175363.26
	PY	178142.69	-	-	178142.69
Total	CY	342509.95	-	-	342509.95
	PY	319887.77	-	-	319887.77

Fair Value hierarchy disclosures:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Input other than quoted price included within Level 1 that are observable for the assets or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Particulars		Total	Level 1	Level 2	Level 3
Investment in equity instruments	CY	4813.48	4813.48	-	-
	PY	4045.86	4045.86	-	-

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

45: FINANCIAL RISKS

In the course of business, amongst others, the Group is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk and Commodity Price Risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Group causing adverse influence on the achievement of Group's strategies, operational and financial objectives, earning capacity and financial position.

The Group has formulated an appropriate policy and established a risk management framework which encompass the following process.

- identify the major financial risks which may cause financial losses to the Group
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Group enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Audit Committee and the Board of Directors from time to time.

Credit Risk

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the Group. The Group may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets.

In case of Trade receivables, the Group has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained wherever required.

Group's exposure to Credit Risk is also influenced by the concentration of risk from top five customers. The details in respect of the% of sales generated from the top customer and top five customers are given hereunder.

Particulars	Current Year	Previous Year
Revenue from Top Customer	13%	12%
Revenue from Top Five Customers	20%	20%

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks or mutual funds with high credit ratings assigned by the rating agencies of international repute.

Liquidity Risk

Liquidity Risk arises when the Group is unable to meet its short term financial obligations as and when they fall due.

The Group maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the Group's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

Particulars	As at 31st March 2018	(Rs. in Lacs)	
		Due within 12 months from Balance sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	207940.02	102445.13	105494.89
Trade payables	119641.50	119641.50	-
Other Financial Liabilities	14928.43	14489.50	438.93

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Interest Rate Risk

Generally market linked financial instruments are subject to interest rate risk. The Group does not have any marked linked financial instrument both on the asset or liability side. Hence no interest rate risk.

In case of the borrowings by the Group, the Group is subject to interest rate risk on account of any fluctuation in the base prime lending rate (BPLR) fixed by the banks. Every fluctuation in the BPLR of the bank either on the higher or lower side will result into financial loss or gain to the Group.

The major portion of the Group debt are linked with the BPLR of the Indian Banks. The total proportions of these debts are Rs. 192476.48 Lacs out of the total debt of Rs. 207940.02 Lacs.

Based on the structure of net debt as at year end, a one percentage point increase in the debt would cause an additional expense in the net financing cost of Rs. 1924.76 Lacs.

Foreign Currency Risk

The Group is exposed to the foreign currency risk from transactions & translation. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

Commodity Price Risk

The main raw materials which Group procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly.

The pricing policy of the Group final product is structured in such a way that any change in price of raw materials is passed on to the customers in the final product however, with a time lag which mitigates the raw material price risk.

With regard to the finished products, the Group has been operating in a global competitive environment which continues to keep downward pressure on the prices and the volumes of the products.

In order to combat this situation, the Group formulated manifold plans and strategies to develop new customers & focus on new innovative products. In addition, it has also been focusing on improvement in product quality and productivity. With these measures, Group counters the competition and consequently commodity price risk.

46. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ ASSOCIATES / JOINT VENTURES

S. No.	Name of the Enterprises	Net Assets i.e. Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs in Lacs)	As % of profit or loss	Amount (Rs in Lacs)	As % of profit or loss	Amount (Rs in Lacs)	As % of profit or loss	Amount (Rs in Lacs)
Parent									
	Uflex Limited	27.55%	2,11,803.12	32.50%	10,092.11	8.31%	573.40	28.11%	10,665.51
		28.56%	2,04,179.53	55.55%	19,354.97	-6.03%	854.95	97.74%	20,209.92
Subsidiary									
Indian									
1	U Tech Developers Limited	2.43%	18,682.16	0.26%	80.81	0.00%	-	0.21%	80.81
		2.60%	18,601.35	0.36%	126.04	0.00%	-	0.61%	126.04
2	USC Holograms Pvt. Ltd.	0.20%	1,532.53	0.88%	273.90	0.00%	-	0.72%	273.90
		0.16%	1,129.73	0.96%	333.85	0.00%	-	1.61%	333.85
3	S.D.Buildwell Private Limited	0.17%	1,269.58	0.63%	194.87	0.00%	-	0.51%	194.87
		0.15%	1,074.71	1.09%	380.91	0.00%	-	1.84%	380.91
4	Refex Energy (Rajasthan) Private Limited*	0.00%	-	0.24%	74.06	0.00%	-	0.20%	74.06
		0.44%	3,150.64	0.57%	200.25	0.00%	-	0.97%	200.25
5	Bundelkhand Projects Private Limited*	0.00%	-	0.00%	(0.38)	0.00%	-	0.00%	(0.38)
		0.00%	35.09	-0.01%	(3.65)	0.00%	-	-0.02%	(3.65)

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

S. No.	Name of the Enterprises	Net Assets i.e. Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs in Lacs)	As % of consolidated profit or loss	Amount (Rs in Lacs)	As % of consolidated profit or loss	Amount (Rs in Lacs)	As % of consolidated profit or loss	Amount (Rs in Lacs)
Foreign									
1	Flex Middle East FZE	18.26%	1,40,349.82	0.90%	279.67	0.00%	-	0.74%	279.67
		<i>19.53%</i>	<i>1,39,636.41</i>	<i>8.34%</i>	<i>2,904.77</i>	<i>0.00%</i>	-	<i>14.05%</i>	<i>2,904.77</i>
2	Flex Americas S.A. de C.V.	3.81%	29,308.88	7.10%	2,204.24	0.00%	-	5.81%	2,204.24
		<i>3.71%</i>	<i>26,495.35</i>	<i>8.96%</i>	<i>3,121.30</i>	<i>0.00%</i>	-	<i>15.09%</i>	<i>3,121.30</i>
3	Flex P. Films Egypt S.A.E.	4.60%	35,394.77	25.22%	7,830.82	0.00%	-	20.64%	7,830.82
		<i>3.84%</i>	<i>27,478.60</i>	<i>7.93%</i>	<i>2,762.12</i>	<i>67.23%</i>	<i>(9,525.31)</i>	<i>-32.71%</i>	<i>(6,763.19)</i>
4	Flex Films Europa Sp. Z.o.o.	6.98%	53,675.70	33.52%	10,407.83	0.00%	-	27.43%	10,407.83
		<i>5.23%</i>	<i>37,372.54</i>	<i>23.23%</i>	<i>8,092.91</i>	<i>0.00%</i>	-	<i>39.14%</i>	<i>8,092.91</i>
5	Flex Films (USA) Inc.	3.09%	23,785.13	-0.69%	(214.63)	0.00%	-	-0.57%	(214.63)
		<i>2.98%</i>	<i>21,331.90</i>	<i>2.33%</i>	<i>810.48</i>	<i>0.00%</i>	-	<i>3.92%</i>	<i>810.48</i>
6	UFlex Europe Limited	-0.05%	(350.66)	0.95%	295.30	0.00%	-	0.78%	295.30
		<i>-0.08%</i>	<i>(566.16)</i>	<i>-2.39%</i>	<i>(833.06)</i>	<i>0.00%</i>	-	<i>-4.03%</i>	<i>(833.06)</i>
7	UFLEX Packaging Inc.	0.20%	1,560.96	2.77%	858.53	0.00%	-	2.26%	858.53
		<i>0.10%</i>	<i>700.26</i>	<i>0.61%</i>	<i>213.97</i>	<i>0.00%</i>	-	<i>1.03%</i>	<i>213.97</i>
8	UPET Holdings Limited	3.24%	24,884.30	-0.02%	(6.50)	0.00%	-	-0.02%	(6.50)
		<i>3.47%</i>	<i>24,813.73</i>	<i>-0.02%</i>	<i>(6.48)</i>	<i>0.00%</i>	-	<i>-0.03%</i>	<i>(6.48)</i>
9	Upet Singapore Pte. Ltd.	3.23%	24,819.26	0.00%	-	0.00%	-	0.00%	-
		<i>3.46%</i>	<i>24,742.41</i>	<i>0.00%</i>	-	<i>0.00%</i>	-	<i>0.00%</i>	-
10	Flex P. Films (Brasil) Comercio De Films Plasticos Ltda	-	-	0.00%	-	0.00%	-	0.00%	-
		-	-	<i>0.01%</i>	<i>2.06</i>	<i>0.00%</i>	-	<i>0.01%</i>	<i>2.06</i>
	Minority Interest in Subsidiaries	-0.06%	(490.42)	-0.56%	(172.34)	0.00%	-	-0.45%	(172.34)
		<i>-0.21%</i>	<i>(1,524.55)</i>	<i>-0.66%</i>	<i>(229.47)</i>	<i>0.00%</i>	-	<i>-1.11%</i>	<i>(229.47)</i>
	Exchange Difference on translating foreign operations					91.84%	6,335.93	16.70%	6,335.93
						<i>38.76%</i>	<i>(5,491.16)</i>	<i>-26.56%</i>	<i>(5,491.16)</i>
Associates (Investment as per Equity Method)									
1	Flex Foods Limited	0.48%	3,722.63	1.03%	320.99	-0.15%	(10.45)	0.82%	310.54
		<i>0.50%</i>	<i>3,588.72</i>	<i>1.04%</i>	<i>363.63</i>	<i>0.04%</i>	<i>(6.29)</i>	<i>1.04%</i>	<i>357.34</i>
2	Refex Energy (Rajasthan) Private Limited*	-	-	0.00%	-	0.00%	-	0.00%	-
		<i>0.00%</i>	-	<i>0.11%</i>	<i>36.89</i>	<i>0.00%</i>	-	<i>0.00%</i>	<i>36.89</i>

*Cease to be subsidiaries after 30/05/2017.

Notes:

- 1 Net Assets & Share in Profit or Loss / Other Comprehensive Income / Total Comprehensive Income of the Foreign subsidiaries are converted into INR based on the Closing Exchange Rates stated in the Note No.47.
- 2 Previous Year figures have been given in italics.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

47. STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES, AS PER FIRST PROVISIO TO SECTION 129(3) OF COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

Part 'A' : Subsidiaries

Sl. No.	Name of the Subsidiary concerned, if different from holding company's reporting period	Reporting period for the subsidiary	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) after taxation	INR in Lacs	
													FC in Million	Proposed dividend holding
Subsidiary														
Indian														
1	U Tech Developers Limited	Not Applicable	CY INR	10,000.00	8,682.16	25,319.23	6,637.07	1.00	266.24	78.25	(2.56)	80.81	-	100%
		PY		10,000.00	8,601.35	26,383.98	7,782.63	1,251.18	313.14	45.70	(80.34)	126.04	-	100%
2	USC Holograms Pvt. Ltd.	Not Applicable	CY INR	6.00	1,526.53	8,064.43	6,531.90		5,973.66	608.21	205.41	402.80	-	68%
		PY		6.00	1,123.73	3,569.12	2,439.39		5,502.36	736.43	245.47	490.96	-	68%
3	S.D.Buildwell Private Limited	Not Applicable	CY INR	1.00	1,268.58	1,302.60	33.02		190.92	190.31	(4.56)	194.87	-	100%
		PY		1.00	1,073.71	1,076.17	1.46	551.38	12.11	7.23	(373.68)	380.91	-	100%
4	Reflex Energy (Rajasthan) Private Limited ²	Not Applicable	CY INR	-	-	-	-	-	325.66	117.73	-	117.73	-	62.91%
		PY		2,860.00	290.64	8,283.98	5,133.34	70.10	1,583.61	324.76	6.45	318.31	-	62.91%
5	Bundelkhand Projects Private Limited ²	Not Applicable	CY INR	-	-	-	-	-	-	(0.61)	-	(0.61)	-	62.91%
		PY		50.00	(14.91)	260.84	225.75	-	-	(5.80)	-	(5.80)	-	62.91%
Foreign														
1	Flex Middle East FZE	Not Applicable	CY INR	18,965.66	1,21,384.15	1,58,723.62	18,373.80	89,377.97	49,788.12	279.67	-	279.67	-	100%
		PY	US \$	29.16	186.63	244.04	28.25	137.42	76.55	0.43	-	0.43	-	100%
		PY	INR	18,906.94	1,20,729.47	1,65,730.95	25,494.54	86,507.66	48,855.89	2,904.77	-	2,904.77	-	100%
2	Flex Americas S.A. de C.V.	Not Applicable	CY INR	14,863.45	14,445.43	53,892.31	24,583.43		57,124.03	3,224.63	1,020.39	2,204.24	-	100%
		PY	MX\$	419.22	407.43	1,520.02	693.37		1,611.17	90.95	28.78	62.17	-	100%
		PY	INR	14,529.33	11,966.02	56,256.17	29,760.82		57,310.82	4,458.75	1,337.45	3,121.30	-	100%
		PY	MX\$	419.22	345.26	1,623.18	858.70		1,653.61	128.65	38.59	90.06	-	100%
3	Flex P. Films Egypt S.A.E.	Not Applicable	CY INR	31,160.66	4,234.10	83,062.58	47,667.82		79,674.00	10,126.73	2,295.91	7,830.82	-	100%
		PY	US \$	47.91	6.51	127.71	73.29		122.50	15.57	3.53	12.04	-	100%
		PY	INR	31,064.17	(3,585.57)	76,853.19	49,374.59		72,055.14	4,259.90	1,497.77	2,762.12	-	100%
		PY	US \$	47.91	(5.53)	118.53	76.15		111.13	6.57	2.31	4.26	-	100%
4	Flex Films Europa Sp. Z.o.o.	Not Applicable	CY INR	19,331.56	34,344.14	70,602.95	16,927.26		61,241.05	10,407.83	-	10,407.83	-	100%
		PY	PLN	101.47	180.27	370.59	88.85		321.45	54.63	-	54.63	-	100%
		PY	INR	16,697.60	20,674.94	56,558.24	19,185.70		59,108.87	8,092.91	-	8,092.91	-	100%
		PY	PLN	101.47	125.64	343.70	116.59		359.20	49.18	-	49.18	-	100%
5	Flex Films (USA) Inc.	Not Applicable	CY INR	23,414.40	370.73	59,082.34	35,297.21		78,913.03	(481.30)	(266.66)	(214.63)	-	100%
		PY	US \$	36.00	0.57	90.84	54.27		121.33	(0.74)	(0.41)	(0.33)	-	100%

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Sl. No.	Name of the Subsidiary for the subsidiary concerned, if different from holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Currency Exch. Rate		Share Capital	Reserve & Total Assets surplus	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) after taxation	INR in Lacs	
			PY	INR									FC in Million	% of Share-holding
6	UFlex Europe Limited	Not Applicable	CY	INR	20,748.35	583.55	50,801.04	29,469.14	- 72,878.59	1,400.51	590.03	810.48	1.25	100%
				US \$	32.00	0.90	78.35	45.45	- 112.40	2.16	0.91	1.25	-	-
				INR	922.80	(1,273.46)	6,247.36	6,598.02	- 8,129.87	73.82	(221.47)	295.30	100%	100%
				GBP	92.28	(1.38)	6.77	7.15	- 8.81	0.08	(0.24)	0.32	-	-
				INR	808.80	(1,374.95)	3,768.99	4,335.15	- 5,297.62	(833.06)	-	(833.06)	100%	100%
				GBP	80.8797	1.00	(1.70)	4.66	5.36	(1.03)	-	(1.03)	-	-
7	UFLEX Packaging Inc.	Not Applicable	CY	INR	2,393.47	(832.51)	3,225.98	1,665.02	- 11,408.02	897.55	39.02	858.53	100%	100%
				US \$	3.68	(1.28)	4.96	2.56	- 17.54	1.38	0.06	1.32	-	-
				INR	2,386.06	(1,685.80)	4,428.48	3,728.22	- 14,102.40	246.39	32.42	213.97	100%	100%
				US \$	64.8386	3.68	(2.60)	6.83	5.75	0.38	0.05	0.33	-	-
8	UPET Holdings Limited	Not Applicable	CY	INR	24,975.36	(91.06)	24,890.81	6.50	24,832.27	(6.50)	-	(6.50)	100%	100%
				US \$	38.40	(0.14)	38.27	0.01	38.18	(0.01)	-	(0.01)	-	-
				INR	24,898.02	(84.29)	24,820.22	6.48	24,755.38	(6.48)	-	(6.48)	100%	100%
				US \$	64.8386	38.40	(0.13)	38.28	0.01	38.18	(0.01)	(0.01)	-	-
9	Upet (Singapore) Pte. Ltd.	Not Applicable	CY	INR	24,845.28	(26.02)	24,819.26	-	24,747.72	-	-	-	100%	100%
				US \$	38.20	(0.04)	38.16	-	38.05	-	-	-	-	-
				INR	24,768.35	(25.94)	24,748.89	6.48	24,671.09	-	-	-	100%	100%
				US \$	64.8386	38.20	(0.04)	38.17	0.01	38.05	-	-	-	-

CY represents Current Year and PY represents Previous year

Notes :

- Name of subsidiaries which are yet to commence operations
Digicyl Pte. Ltd.
- Names of Subsidiaries which have been liquidated or sold during the year
1 Refex Energy (Rajasthan) Private Limited
2 Bundeikhand Projects Private Limited
- Name of Subsidiary not considered for Consolidation
Reason for Non Consolidation
Name of The company
AKC Developers Ltd.
Its Parent Company, Utech Developers Ltd. has transferred the Management & ownership control under the agreement dated 21st May 2010 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

**Part "B": Associates and Joint Ventures
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sl No.	Name of the Associates / Joint Ventures	Latest Audited Balance Sheet Date	Share of Associates / Joint Ventures held by the Company on the year end		Description of how there is significant influence	Reason why the associate attributable to / joint venture is not consolidated	Net worth as per latest Audited Balance Sheet	Profit or Loss for the Year		Other Comprehensive Income	
			No	Amount of Investment in Associates / Joint Venture				Extent of Holding %	Considered in Consolidation	Not Considered in Consolidation	Considered in Consolidation
			Rs in Lacs				Rs in Lacs	Rs in Lacs	Rs in Lacs	Rs in Lacs	Rs in Lacs
1	Flex Foods Limited	31-Mar-18	5870000	587.00	47.15%	By Virtue of Shareholding	NA	3,722.63	320.99	(10.45)	
		31-Mar-17	5870000	587.00	47.15%	By Virtue of Shareholding	NA	3,588.72	369.92	(6.29)	
2	Reflex Energy (Rajasthan) Private Limited	31-Mar-18	-	-	-	By Virtue of Shareholding	NA	-	-	-	-
	(Share in Profit till 6/7/2016)	31-Mar-17	8993000	899.30	31.44%	By Virtue of Shareholding	NA	-	36.89	-	-

Notes:

- 1 Name of Associates / Joint Ventures which are yet to commence operations **NIL**
 - 2 Names of Associates / Joint Ventures which have been liquidated or sold during the year **NIL**
 - 3 Name of Associate / Joint Venture which are not considered for consolidation
- | Relationship | Name of The company | Reason for Non Consolidation |
|---------------|--------------------------|--|
| Associate | Ultra Urban Infotech Ltd | Its Parent Company, Utech Developers Limited, has transferred the Management & ownership control under the agreement dated 21st May/2010 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement. |
| Joint Venture | Qcell Limited | Its controlling Company, Utech Developers Limited' has transferred the Management & ownership control under the agreement dated 29th October,2013 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement. |

For and on behalf of the Board of Directors

Rajesh Bhatia Group President (Finance & Accounts)	Amitava Ray Whole-time Director DIN 00184143	Ashok Chaturvedi Chairman & Managing Director DIN 00023452	For KAAP & Associates Chartered Accountants Firm's Registration No.: 019416N
Rakesh Malhotra Asst. Vice President (Corp. Accounts)	Ajay Krishna Sr. Vice President (Legal) & Company Secretary		Deepak Sehgal Partner M.No.: 085391

Place : Noida
Dated : 28th May, 2018



UFLEX LIMITED

CIN: L74899DL1988PLC032166

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

ATTENDANCE SLIP

29th Annual General Meeting

Reg. Folio/DP & Client No:..... No .of Shares Held:.....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company being held on **Thursday, 2nd August, 2018** at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 and at any adjournment thereof.

Member's Name :

Proxy's Name :

Member's/ Proxy's Signature

- Note :
1. Please fill this attendance slip and hand it over at the entrance of the Hall.
 2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
 3. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.



Form No. MGT-11

UFLEX LIMITED

CIN: L74899DL1988PLC032166

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

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) :

Registered Address :

E.Mail Id :..... Folio No./Client Id :..... DP ID.....

I/We,being the Member(s) holding shares of the above named Company, hereby appoint

1. Name :..... Address:.....
..... E.mail ID:..... Signature:..... or failing him

2. Name :..... Address:.....
..... E.mail ID:..... Signature:..... or failing him

3. Name :..... Address:.....
..... E.mail ID:..... Signature:..... as my/our

Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on

Thursday, 2nd August, 2018 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 and at any adjournment thereof in respect

of such Resolutions as are indicated below:

Sl. No.	Resolutions Ordinary Business	Optional	
		For	Against
1	To adopt the Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March, 2018		
2	To declare the dividend for the year 2017-2018		
3	To appoint a Director in place of Shri Ashok Chaturvedi (DIN: 00023452), who retires by rotation and, being eligible, offers himself for re-appointment.		
	Special Business		
4	Re-appointment of Shri Arvind Mahajan (DIN: 02410540) as an Independent Director		
5	Re-appointment of Shri Achintya Karati (DIN: 00024412) as an Independent Director		
6	Amendment in Articles of Association of the Company		
7	Ratification of Remuneration to the Cost Auditors		
8	Increase in total shareholding limit of Foreign Portfolio Investors (FPI) and/or Foreign Institutional Investors (FI)		

Signed this.....day of.....2018

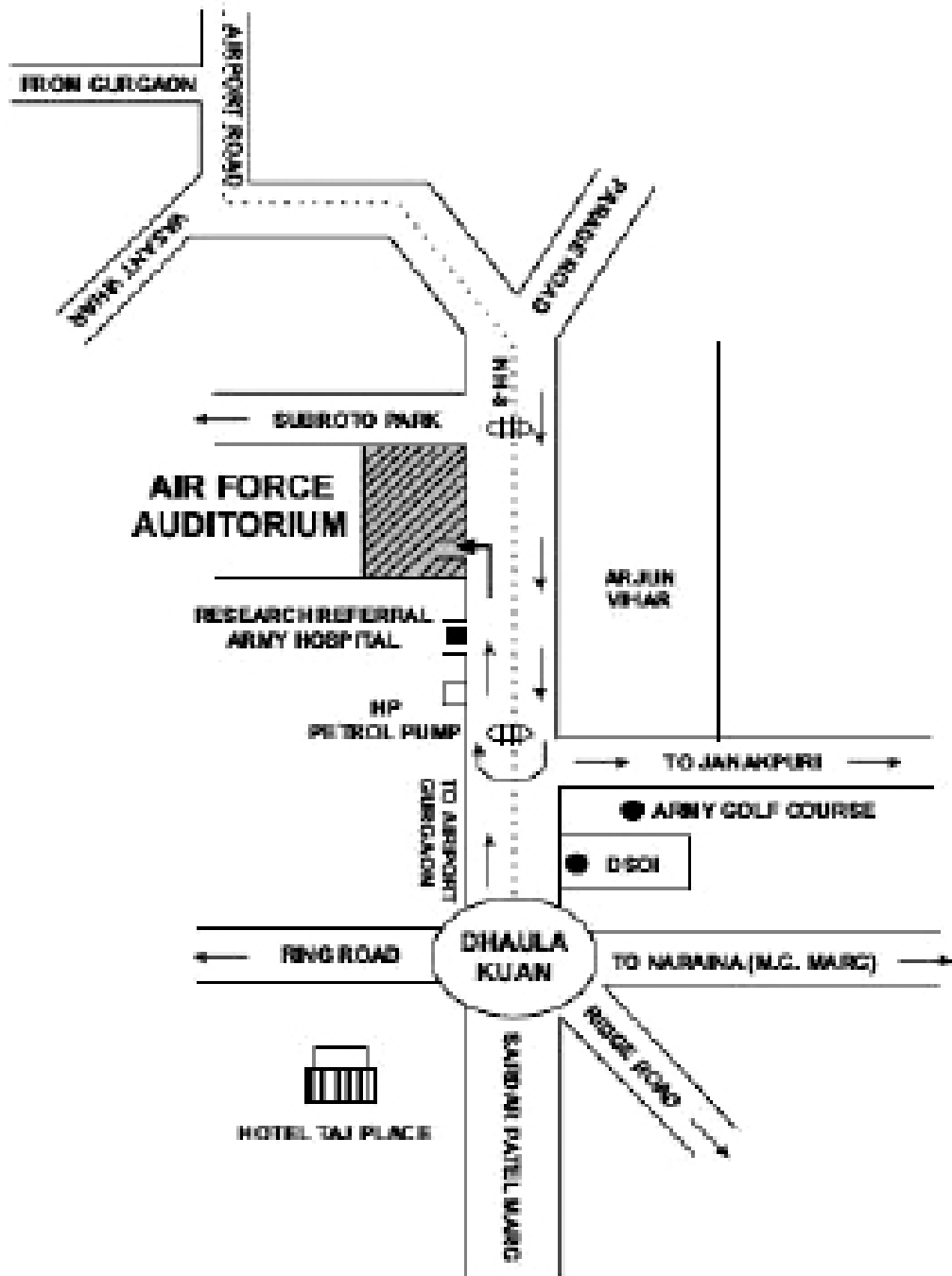
Affix
Revenue
stamp

Signature of Proxy holder(s)

Signature of the Shareholder

- Note:**
1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 29th Annual General Meeting of the Company.
 3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, '**For**' or '**Against**' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
 4. Please complete all details including details of Member(s) in above box before submission.

ROUTE MAP





'A part of your daily life'

UFLEX LIMITED