

T W E N T Y   F I F T H  
ANNUAL REPORT 2013-2014



**UFLEX LIMITED**



## UFLEX LIMITED

CIN: L74899DL1988PLC032166

### TWENTY FIFTH ANNUAL REPORT 2013-2014

#### BOARD OF DIRECTORS

ASHOK CHATURVEDI  
*Chairman & Managing Director*  
RAVI KATHPALIA  
M. G. GUPTA  
ACHINTYA KARATI  
VIJAY KUMAR GUPTA  
*Nominee IFCI*  
S.K KAUSHIK  
*Whole-time Director*

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

AJAY KRISHNA

#### AUDITORS

##### Statutory Auditors

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

##### Internal Auditors

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

##### 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

Flex America Inc., USA\*  
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. z.o.o., Poland  
Flex P Films (Brasil) Comercio De Films  
Plasticos Ltda, Brazil  
UPET Holdings Ltd., Mauritius  
UPET (Singapore) Pte. Ltd., Singapore

Flex Americas S.A. de C.V., Mexico  
UTech Developers Limited  
SD Buildwell Pvt. Ltd.  
USC Holograms Pvt. Ltd.

#### BANKERS

##### UFLEX Ltd., India - Bankers

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

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

United Arab Bank, Dubai  
Bank of India, New York

##### Flex Americas S.A. de C.V., Mexico - Bankers

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

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

##### Egypt - Bankers

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

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

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

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

KBC Bank, Deutschland 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.)  
29-A, B, Malanpur Industrial Area,  
Distt. Bhand (M.P.)  
L-1, Industrial Area, Ghirongi (Malanpur),  
Distt. Bhand (M.P.)  
Unit-I, Lane No. 3, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu  
Unit-II, Lane No. 2, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu  
Unit-III, Lane No. 3, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu

##### Dubai

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

##### Mexico

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

##### Egypt

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

##### Poland

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

##### USA

1221, North Black Branch Road,  
Elizabethtown, KY 42701

#### ZONAL OFFICES

##### Mumbai

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

##### Bangalore

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

## NOTICE

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of UFLEX Limited will be held on Friday, the 8<sup>th</sup> day of August, 2014 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare the dividend for the year 2013-2014 on the equity shares of the Company.
3. To appoint a Director in place of Shri S.K. Kaushik (holding DIN 00027035), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi (Firm Registration No.000374N) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the fourth consecutive AGM and to fix their remuneration and to pass the following resolution thereof:

“Resolved that, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi (Firm Registration No.000374N), be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors, be and are hereby authorized to fix such remuneration as may be agreed upon by the Board of Directors and Auditors, in addition to reimbursement of service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company.”

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 196 & 197 and subject to Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof) and such other approvals/sanctions as may be necessary, the Company hereby approves the re-appointment of Shri S.K. Kaushik (DIN 00027035) as Whole-time Director of the Company for a further period of three years

w.e.f. 1<sup>st</sup> August, 2014 on the terms and conditions including as to remuneration, minimum remuneration in case of loss or inadequate profit in any financial year as set out in the explanatory statement which shall be deemed to form part hereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise the remuneration of the said Whole-time Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ravi Kathpalia (holding DIN 00023576), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31<sup>st</sup> March, 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri M.G. Gupta (holding DIN 00023524), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31<sup>st</sup> March, 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable

provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri A. Karati (holding DIN 00024412), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31<sup>st</sup> March, 2019.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED that in supersession of the Ordinary Resolution adopted at the Extra-ordinary General Meeting held on 7<sup>th</sup> February, 2007 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.3000 Crores (Rupees Three Thousand Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

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

“RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby given to the Board of Directors for:-

- i) giving any loan to any person or other body corporate,
  - ii) giving any guarantee or providing security in connection with a loan to any other body corporate or person and/ or
  - iii) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate.
- up to an amount, the aggregate outstanding of which should not exceed, at any given time,

Rs. 5,000 crores (including in WOS/JVs/Subsidiaries and Other Body/Corporates person).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide, from time to time, terms and conditions, execute necessary documents, papers, agreements etc. for investments to be made, loans / guarantees to be given and securities to be provided to any person and / or any body corporate, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole-time Director or Director or officer of the Company or any other person.”

“RESOLVED FURTHER THAT pursuant to provisions of Section 186 and Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Shareholders ratifies the Inter-Corporate Loans/Loans/Guarantees/Securities given to all Body Corporate(s) including WOS, Subsidiaries, JVs and Others from time to time of Rs.2815 crores upto 31<sup>st</sup> March, 2014 and that the Board be and is hereby authorized to agree, make and accept all such terms, conditions alteration(s), modification(s) deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

By Order of the Board

**AJAY KRISHNA**

Place : NOIDA

Sr. Vice President (Legal) &

Dated : 30<sup>th</sup> May, 2014

Company Secretary

ACS No. 3296

#### IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 04.08.2014 to 08.08.2014 (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 MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members.

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. Under Section 205A of the Companies Act, 1956, 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.9,77,724/- being the unpaid and unclaimed dividend amount pertaining to Interim Dividend, 2007 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 for 2013-14 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 Annual Report for 2013-14 is being sent in the permitted mode.
  9. The Company has paid the Annual Listing Fees for the year 2014-2015 to the following Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.
  10. Unclaimed/Undelivered Share Certificates  
As per the provisions of Clause 5A of the Listing Agreement, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly unclaimed shares lying with the Company have been transferred and dematerialized in an 'Unclaimed Suspense Account' of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.  
It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.  
Shareholders, who have not yet claimed their shares are requested to immediately approach the Registrar & Transfer Agents of the Company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card & proof of address, and for delivery in demat form, a copy of Demat Account – Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.  
The status of equity shares lying in the Suspense Account is given below :

Sl. No.	Particulars	No. of Share-holders	No. of equity shares held
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed suspense Account	663	55742
2.	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account	1	63
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account	1	63
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on date	662	55679

### 11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

#### The instructions for members for voting electronically are as under:-

##### In case of members receiving e-mail:

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

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

Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares you hold on record date i.e. 11<sup>th</sup> July, 2014 in the Dividend Bank details field.</li> </ul>
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- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly 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 "**UFLEX LIMITED**"
- 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 out print of the voting done by you 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.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on **2<sup>nd</sup> August, 2014 (9:00 AM)** and ends on **4<sup>th</sup> August, 2014 (6:00 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 **11<sup>th</sup> July, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on Resolution is cast by the shareholders, the shareholders shall not be allowed to change it subsequently.
- (C) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.
12. Mr. 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.

The Results of e-voting shall be declared on or after the AGM of the Company and the Results declared with Scrutinizer Report shall be placed on the Website of the Company i.e. viz. [www.uflexltd.com](http://www.uflexltd.com) and also on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com) within two days of passing of the Resolution of the AGM of the Company.

13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

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

**Item No. 5**

Shri S.K. Kaushik was reappointed as a Whole-time Director of the Company for a further period of three years w.e.f. 1<sup>st</sup> August, 2011. The Present term of Shri S.K. Kaushik as Whole-time Director of the Company will be expiring on 31<sup>st</sup> July, 2014.

Shri S.K. Kaushik (DIN 00027035) aged 75 years, is a Chartered Accountant and has experience of about 49 years in the field of finance, marketing, production & planning and possesses commercial acumen of high caliber. He is associated with the group since last 15 years.

Though he is 75 years old, considering his vast experience in the field of finance, marketing, production, planning & other related areas, the Board of Directors in their Meeting held on 30<sup>th</sup> May, 2014 approved the re-appointment of Shri S.K. Kaushik as Whole-time Director of the Company for a further period of three years w.e.f. 1<sup>st</sup> August, 2014 on the following terms and conditions as recommended by the remuneration Committee of Directors:

**Remuneration**

Salary including allowances of Rs. 3,75,000/- (Rupees Three Lacs Seventy Five Thousand only) per month with an annual total increment of upto Rs. 1,00,000/- per month. (increment as decided by the Chairman of the Company)

**Ex-gratia** - As per Company's rules.

**Perquisites**

**Category 'A'**

**Medical Reimbursement & LTC/LTA:**

In addition to the aforesaid salary, Shri S.K. Kaushik shall be entitled to medical reimbursement incurred for self, wife, dependent children and dependent parents on actual including premium for Mediclaim. LTA for self, wife, dependent children and dependent parents once in a year to and from any place in India and abroad as per scheme/rules of the Company or as may be decided by the Chairman & Managing Director of the Company.

**Category 'B'**

He will also be entitled to Company's Car with driver & telephone at his residence and a Mobile Phone. Private use of Car and Private long distance call would be billed to the Whole-time Director.

**OTHER TERMS**

- (a) The Whole-time Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund.
- (b) Payment of gratuity as per the policy of the Company.

- (c) Encashment of leave at the end of the tenure.
- (d) He will not be entitled to sitting fees for attending meetings of the Board or Committee(s) thereof.
- (e) He will be liable to retire by rotation.
- (f) The above remuneration and perquisites payable to him would be within the limits as prescribed under Schedule V to the Companies Act, 2013.
- (g) The aforesaid appointment may be terminated by either side giving three months notice in advance.

In the event of inadequacy or absence of profits, the Company shall pay to Mr. S.K. Kaushik the above remuneration as minimum remuneration but not exceeding the limits specified under Schedule V of Companies Act, 2013 or such other limits as may be specified by the Central Government from time to time as minimum remuneration.

### Functions

The Whole-time Director shall discharge such functions as are delegated to him by the Board of Directors and/or Chairman & Managing Director.

The Board recommends the resolution for your approval. Except Shri Kaushik, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

### Item No. 6

Shri Ravi Kathpalia is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2001. Shri Kathpalia is the Chairman of Audit Committee and Stakeholders' Relationship Committee and a Member of the Nomination and Remuneration and Corporate Social Responsibility Committee of the Company.

Shri Kathpalia is a Retd. Govt. Officer with expertise in the fields of Audit & Accounts.

Shri Kathpalia is a Director, whose period of office is liable to determination by retirement of director by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Kathpalia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Kathpalia as a candidate for the office of Director of the Company.

Shri Ravi Kathpalia has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Kathpalia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Kathpalia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Kathpalia as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Kathpalia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

### Item No. 7

Shri M.G. Gupta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2002. Shri Gupta is the Chairman of Nomination and Remuneration Committee and a Member of the Audit Committee and Stakeholders' Relationship Committee of the Company.

Shri Gupta is a Retd. Govt. Officer with expertise in the fields of Audit & Accounts.

Shri Gupta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Gupta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Gupta as a candidate for the office of Director of the Company.

Shri M.G. Gupta has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Gupta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Gupta as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

### Item No. 8

Shri A. Karati is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2000. Shri Karati is a Member of the Audit Committee and Nomination and Remuneration Committee, of the Board of Directors of the Company.



Shri Karati retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Karati being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Karati as a candidate for the office of Director of the Company.

Shri A. Karati has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Karati fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Karati as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Karati as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Karati, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

#### **Item No. 9**

Under section 180(1)(c) of the Companies Act, 2013, exercise of borrowing powers by the Board of Directors of the Company in excess of its paid up Share Capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) requires approval of the members of the Company by way of a Special Resolution.

Presently, the Board is authorised by a resolution of the Shareholders dated 7<sup>th</sup> February, 2007 to borrow monies for the business purposes of the Company within an overall limit of Rs.2500 Crores (Rupees Two Thousand Five Hundred Crores) apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business.

Your Company today is growing at a fast pace both organically and inorganically. To take care and successfully implement its ambitious plans, the Company would require to infuse substantial funds and accordingly may have to depend on large amount of borrowings from time to time.

It is, therefore, considered desirable to enhance the limit from the existing level of Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores) to Rs.3000 Crores (Rupees Three Thousand Crores only).

The Board of Directors recommend the resolution for the consideration and approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9.

#### **Item No. 10**

Pursuant to Section 186(2) of the Companies Act, 2013 (Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (Rules), the Board of Directors is authorized to give loan, guarantee or provide security in connection with a loan to any person or other body corporate, or acquire by way of subscription, purchase or otherwise, the securities including shares, debentures etc. of any other body corporate, up to an amount, the aggregate of which should not exceed 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account of the Company, whichever is higher. In case the Company exceeds the above mentioned limits then, prior approval of shareholders by way of a Special Resolution (except in case of WOS/JV as per Rule 11 of the above Rule) required to be obtained.

The Company is operating in a dynamic business environment and therefore may be required to make investment, and to give Loans, Guarantees or provide Securities at any point of time when the exigencies arise. It is therefore proposed to authorize the Board of Directors to give loans, make investment or provide guarantees or securities up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 5,000 crores (including in WOS/JVs /Subsidiaries and Other Body/Corporates person).

Further, the Company had given Inter-Corporate Loan / Loans/ Guarantees and made Investments of Rs. 2815 crores upto 31<sup>st</sup> March, 2014. As per explanation to Rule 13 of Companies (Meetings of Board and Its powers) Rules, 2014 the same is required to be ratified at the ensuing Annual General Meeting.

The Board of Directors had, in its meeting held on 30.05.2014, considered and approved, subject to the approval of shareholders, this proposal and recommends Resolution no. 10 of the accompanying Notice to the shareholders for their approval by way of special resolution.

Except the Directors and Key Managerial Personnel or their relatives who may be concerned or interested, financial or otherwise, by way of directorship/ shareholding or in any other manner in one or more companies/ bodies corporate/ individuals as described in the said resolution, no other Director or Key managerial personnel or their relatives is concerned or interested in the said resolution.

By Order of the Board

**AJAY KRISHNA**

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

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

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri Ravi Kathpalia	Shri M.G. Gupta	Shri A. Karati	Shri S.K. Kaushik
<b>Date of Birth</b>	18.08.1937	02.03.1934	23.03.1946	20.11.1939
<b>Date of Appointment</b>	31.01.2001	31.01.2002	14.09.2000	30.07.2005
<b>Experience in specific Functional areas</b>	A Retd. Govt. Officer with expertise in the fields of Audit & Accounts.	A Retd. Govt. Officer with expertise in the fields of Audit & Accounts.	He has held several important positions in ICICI Bank Limited.	A professional having more than 49 years of experience particularly in the field of Finance, Marketing and Production Planning.
<b>Qualification</b>	M.A., M.Phil. (Retd. I.A.A.S)	M.Sc. (Retd. I.A.A.S)	B.Com., LL.B.	FCA
<b>Directorship in other Public Limited Companies/ excluding private companies which are subsidiary of public company</b>	Alchemist Asset Reconstruction Co. Ltd. UTech Developers Ltd.	Flex Foods Limited Taurus Asset Management Co. Limited	J.K. Cement Limited Jay Bharat Maruti Limited Shyam Telecom Limited Sangam (India) Limited Delton Cables Limited	Flex Foods Limited U Tech Developers Limited
<b>Member/ Chairman of Committee of the Board of the Public Limited Companies on which he is Director</b>	<b>Audit Committee</b> - UFLEX Limited (Chairman) - UTech Developers Limited  <b>Nomination and Remuneration Committee</b> - UFLEX Limited  <b>Stakeholders' Relationship Committee</b> - UFLEX Limited (Chairman)	<b>Audit Committee</b> - UFLEX Limited - Flex Foods Limited - Taurus Asset Management Co. Limited (Chairman)  <b>Nomination and Remuneration Committee</b> - UFLEX Limited (Chairman) - Flex Foods Limited - Taurus Asset Management Co. Limited  <b>Stakeholders' Relationship Committee</b> - UFLEX Limited	<b>Audit Committee</b> - UFLEX Limited - Sangam (India) Limited - Shyam Telecom Limited - J.K. Cement Limited - Jay Bharat Maruti Ltd.  <b>Nomination and Remuneration Committee</b> - UFLEX Limited - J.K. Cement Limited  <b>Stakeholders' Relationship Committee</b> - Sangam (India) Ltd.	<b>Audit Committee</b> - UFLEX Limited  <b>Nomination and Remuneration Committee</b> - Nil  <b>Stakeholders' Relationship Committee</b> - UFLEX Limited - Flex Foods Ltd.

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

(Pursuant to Clause 49 of the Listing Agreement)

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

## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting this Twenty-fifth Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2014.

### WORKING RESULTS

The summarized financial results for the year ended 31<sup>st</sup> March, 2014 and for the previous year ended 31<sup>st</sup> March, 2013 are as follows:

[Rs. In lacs]

	Consolidated Year Ended		Standalone Year Ended	
	2014	2013	2014	2013
<b>Gross Sales &amp; Job Work</b>	<b>626553</b>	560015	<b>369167</b>	367278
<b>Net Sales &amp; Job Work</b>	<b>560335</b>	495643	<b>302948</b>	302906
<b>Revenue from Operations</b>	<b>586325</b>	516108	<b>317927</b>	315637
Other Income	<b>2863</b>	1908	<b>8125</b>	2403
<b>Profit before Finance Cost, Depreciation &amp; Tax</b>	<b>71714</b>	67468	<b>47273</b>	49693
Finance Cost	<b>23331</b>	22969	<b>16723</b>	17478
Depreciation	<b>26708</b>	23599	<b>14681</b>	14683
<b>Profit before Tax</b>	<b>21675</b>	20900	<b>15869</b>	17532
Less: Tax Expenses	<b>1512</b>	1863	<b>2933</b>	3685
Add: Minority Interest	<b>0.94</b>	--	--	--
<b>Profit for the year</b>	<b>20164</b>	19037	<b>12936</b>	13847

### YEAR IN RETROSPECT

During the year under review, your Company achieved on consolidated basis total revenue of Rs.5,89,676 lacs including other income of Rs.2,863 lacs and share in profit of associate of Rs.488 lacs as against total revenue of Rs.5,18,279 lacs including other income of Rs.1,908 lacs and share in profit of associate of Rs.263 lacs of the previous financial year ended 31<sup>st</sup> March, 2013. The profit for the year ended 31<sup>st</sup> March, 2014 at Rs.20,164 lacs was higher than the previous financial year ended March, 2013 at Rs.19,037 lacs.

Further, your Company achieved on standalone basis total revenue of Rs.3,26,052 lacs including other income of Rs.8,125 lacs as against total revenue of Rs.3,18,040 lacs including other income of Rs.2,403 lacs of the previous financial year ended 31<sup>st</sup> March, 2013. The profit for the year ended 31<sup>st</sup> March, 2014 at Rs.12,936 lacs was lower than the previous financial year ended March, 2013 at Rs.13,847 lacs.

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

### DIVIDEND

In view of the future needs of funds for growth of the Company and also the overall sluggish economic environment, your Directors are pleased to recommend a dividend @ Rs. 2.50 per share for the financial year ended March 31, 2014. 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 3<sup>rd</sup> August, 2014. In respect of shares held in dematerialized form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on 3<sup>rd</sup> August, 2014.

### FIXED DEPOSITS

No fresh/renewal of deposits were accepted during the financial year 2013-2014. There were no unclaimed deposits as at March 31, 2014.

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri S.K. Kaushik, Director (DIN 00027035) of the Company retire by rotation and being eligible, offer himself for reappointment.

According to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri Ravi Kathpalia (DIN 00023576), Shri M.G. Gupta (DIN 00023524) and Shri A. Karati (DIN 00024412) as Independent Directors for five consecutive years for a term upto 31<sup>st</sup> March, 2019.

IFCI Limited withdrew the nomination of Shri Shivendra Tomar (DIN 03174406) from the Board of the Company and nominated Shri Vijay Kumar Gupta (DIN 06806431) as their new nominee on the Board of the Company w.e.f. 30<sup>th</sup> May, 2014. Your Directors while welcoming Shri Gupta on the Board of the Company also took the opportunity to place on record their appreciation for the valuable services rendered by Shri Shivendra Tomar during his tenure as Director of the Company.

Brief resume of the above Directors proposed to be re-appointed, nature of their expertise in specific functional areas and the name of the public companies in which they hold the Directorship and the Chairmanship/membership of the Committees of the

Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given as Annexure to the Notice convening the Annual General Meeting.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2014 the applicable accounting standards have been followed and that there has been no material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

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

### **AUDITORS & AUDIT**

The Statutory Auditors of the Company, M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi (Firm Registration No.000374N), retire at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if re-appointed. The Audit Committee and the Board of Directors recommends the re-appointment of M/s. Vijay Sehgal & Co., Chartered accountants, as the Auditors of the Company for a period of three years.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and

therefore do not call for any further comments.

### **Internal Auditors**

The Board of Directors of your Company has re-appointed M/s. Jain Singhal & Associates, Chartered Accountants, New Delhi (Firm Registration No.005839N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2014-2015.

### **Cost Auditors**

M/s. Jitender, Navneet & Co., Delhi, Cost Auditors (Firm Registration No.00119) were appointed as Cost Auditors of the Company for the financial year 2013-2014. Further the Board of Directors has re-appointed them as Cost Auditors for the financial year 2014-2015.

### **Secretarial Auditors**

The Board of Directors of your Company has appointed M/s Mahesh Gupta & Co., Practicing Company Secretary, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-2015.

### **SUBSIDIARY COMPANIES**

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

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, 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, Joint Venture & Associate Company.



## CONSOLIDATED FINANCIAL STATEMENTS

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

## CORPORATE GOVERNANCE

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

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

## STATUTORY DISCLOSURES

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

Information as per Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under Section 217(2A) of the Act. Any

member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

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

## PERSONNEL

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

## ACKNOWLEDGEMENT

The Directors express their gratitude and thanks to the domestic and international Financial Institutions & Banks, Government Authorities both India & overseas particularly in the states of Uttar Pradesh, Madhya Pradesh and Jammu & Kashmir, Jafza (Dubai), Six October City (Egypt), Kentucky & New Jersey (USA), London (UK), Kaliska (Poland), Tamaulipas (Mexico) & Brazil, Shareholders, GDR holders, Customers, Suppliers and other Business Associates for their continued co-operation and patronage.

For & On behalf of the Board

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

## ANNEXURE 'A' TO DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

Energy is most important & vital component of industrial activity. Per capita Energy consumption is increasing regularly. Hence, it is essential to adopt energy conservation means or utilize energy of available natural resources as availability of conventional energy is not for infinite time.

We are to conserve energy by using technological advancement/optimization of process & replace the conventional equipment/machines by latest upgraded machines to increase productivity on low energy consumption.

#### (a) Energy conservation measures taken

The below mentioned are some of the steps which have been undertaken during 2013-2014:

1. We have shifted 8000 KVA factory load from Own Generation to GRID Power and by doing this, we had reduced burning of HFO/Gas and saved Rs. 220 Lac during the year.
2. We have replaced conventional HPSV / HPMV / Florescent lights with CFL /LED lights and reduced energy consumption by 40% and maintenance cost to almost negligible. On account of this change, we have saved about 1,00,000 KWH amounting to about Rs.7 lacs annually at grid power rate.
3. We have introduced Air Ventilators which work on induced exhaust at several locations and stopped usage of conventional Exhaust Fans and saved Energy in tune to about 12 KW/hr rating.
4. We have started using dry urinals in order to stop usage of water for flushing purpose.
5. We have installed ETP to recover water from the rejected water from the Main RO Plant.
6. Changed over to grid load from DG sets. The change over process started in May 2013 and was completed in February 2014. Presently the savings in the energy bills is to a tune of over 40 %. The change over process involved capex on protective devices on the process machineries to prevent the machines from breakdown under potential grid failures.

7. In the process of replacing conventional lights with energy efficient LED lights. Have completed 10% of lighting in 2013-14 and plan to complete the replacement by March 2015.

Apart from the above measures, continued efforts for recycling of waste and monitoring of gaseous emissions from the boiler have helped sustain a high level of energy efficiency.

#### (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 take 132 KV/ 20 MVA power from the GRID and to shift our total Plant load on Grid Power. By shifting this load on Grid Power, we would be saving about Rs.35 crores per annum.
2. We are planning to replace existing conventional lamps with LED/CFL lamps which have a potential saving of Rs.20-30 lacs annually.
3. We are planning to install transparent day light panels on the roof tops of FGS hall, Utility block etc. which would enable us to stop usage of lights during day time. This would give us savings in conserving electrical energy to the tune of Rs. 10 lacs annually.

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

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

### B. TECHNOLOGY ABSORPTION

The following efforts are being made in technology absorption:

#### Research & Development (R&D)

1. Specific areas in which R&D is carried out by the Company  
The Company has carried out R&D in multiple products, processes and technologies.
2. Benefits derived as a result of the above R&D  
Products improvements in quality and quantity, conversion cost reduction, import substitution, widening the product range. The capability to develop new products boosts the morale and the culture of the

organization. Further, several new products have been developed by the Company to respond to the needs of its customers both in the domestic and international markets, with concurrent commitment to improve quality and productivity.

3. Future plan of action

Steps are continuously being taken for innovation and renovation of products including new product development and enhancement of product quality/profile, to offer better products at relatively affordable prices/process to customers.

4. Expenditure on R&D

During the year, the Company spent Rs.45.12 lacs. This is equivalent to 0.01% of the turnover.

**Technology absorption, adaptation & innovation**

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

The Company as a matter of policy exposes its technical staff to latest technological developments by encouraging them to participate in domestic as well as global technical seminars and expositions; this helps them to further improve their knowledge and skills, which in turn results in better quality products and increased productivity.

2. Benefits derived as a result of the above efforts

Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness and energy conservation as the major benefits.

3. Imported Technology

During the year, the Company has not imported any technology.

**C. GLOBAL BUSINESS STRATEGIES**

In order to serve our global base of customers, we have started expanding globally into different regions in order to get closer to the customers.

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

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

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. Activities relating to exports:

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

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

2. During the period under review:

**(Rs. in lacs)**

a) Earnings in Foreign Exchange	
i) F.O.B. value of export of manufactured/ Stock in Trade	50,234.01
ii) Sales of Services	105.21
iii) Technical Support Fees	3,165.57
iv) Interest on Loans granted to Subsidiaries	133.79
v) Commission for expansion of Corporate Guarantee for Subsidiaries	611.38
b) Expenditure	
i) CIF Value of Imports	57,785.00
ii) Expenditure in Foreign Currency	931.90

For & On behalf of the Board

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

Place : NOIDA  
 Dated: 30<sup>th</sup> May, 2014

## 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. Industry Structure & Developments

The flexible packaging market is considered to be one of the most dynamic packaging markets exhibiting diversified types of packaging and materials used across the globe. The global flexible Packaging market is projected to grow at a Compound Annual Growth Rate (CAGR) of 5.1% from 2013 to 2018. Polyethylene dominates this global market by materials accounting nearly 32% of the total market share and is projected to grow at a CAGR of 5.1% during the above said period. Polypropylene accounts for the second largest share in the segment growing at a CAGR of 4.9% during the period under review. The BOPP segment of polypropylene holds a significant share of around 80% growing at a CAGR of 5.2% during this period. Paper and Aluminum are growing at a CAGR of 5.5% and 5.4% respectively. Cellulosic is one of the materials which show potential growth in the future. It is projected to grow at a CAGR of 8.2% through to 2018. (sources: *Markets & Markets*)

Food, beverage, personal care products and pharmaceutical industries are the most important constituents of consumer packaged goods. Good packaging dominates the market share in terms of value as well as volume. With a huge market potential and growing consumer preference the market is likely to witness substantial growth in the coming years. In the current packaging environment, flexible packaging is an important packaging solution for a saturated industry. It plays a vital role in protecting and extending the shelf life of end-products. Depending on the characteristics of the end-product and value to be offered by packaging, selection of resins and packaging type is decided. The right packaging type is essential to preserve the end-products such as food, beverage, personal care products

and pharmaceuticals and prevent untoward chemical reactions endangering the consumer health. Hence, an efficient and suitable packaging solution is imperative for every product.

The global packaging industry witnessed influence of technology innovation and development, a key reason for the industry's robust growth over the last few decades. Over the years, technology development has been moving in sync with growing consumer demand for convenient and quality packaging. Eclectic packaging solutions, for instance, have evolved to offer exceptional product packaging advantages to manufacturers and consumers alike.

#### 2. Business Review

##### Plastic Film Business

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

The Company's OPP films comprising of BOPP and CPP films are highly cost effective and functionally efficient and has rapidly penetrated into high barrier sensitive packaging segment across the World. It is primarily being used for applications in packaging food products such as tea, coffee, confectionery, biscuits, bakery, pasta, dried foods, meats and others. The technologically superior and highly dependable BOPP film can be structured in up to three layers and tailored for almost any machine requirements and is capable of meeting both Rotogravure and Flexography Printing standards. The Company produces BOPP film from its Indian plant which largely caters to the captive & domestic market and Egypt plant which caters to the international market.

The CPP film is highly dynamic and versatile with high gloss, greater transparency, better heat sealability, good twisting property and better tear strength. These factors provide its application in food wraps, anti wraps, anti fog, garment bags, deep freeze applications, etc. Presently CPP film too is produced from Indian plant and caters to captive consumption & Indian market. The CPP plant in Egypt caters to the international market.

BOPET films in different range of microns have the capacity to sustain the high fidelity graphics and meet the requirements of both rotogravure as well as flexography printing standards besides having properties of BOPET film like optically brilliant, clear appearance, unequaled mechanical strengths and toughness, excellent



dielectric properties good flatness and coefficient of friction (COF), tear resistant and puncture resistant characteristics wide range of thickness, excellent dimensional stability over a wide range of temperature, good resistant to most common solvents, moistures, oil and grease, excellent barrier against a wide range of gases. BOPET film is produced from India, Dubai, Mexico, Poland, Egypt & USA. Indian plant meets captive & Indian market requirements whereas overseas plants serve overseas market.

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

### **Flexible Packaging Business**

The main products of this business are laminates made of various combinations of Polyester, BOPP, poly, metalized & hologram films and others in roll form and in various preformed pouches & bags of many sizes, rotogravure cylinders for various types of rotogravure printing, Anilox/Coating, Rollers for flexo printing and Shims for holographic embossing and holograms and printing ink and adhesives and packaging & processing machines. This business involves customization according to the needs of customer.

The Company has the technical ability and innovative skills to design structures and barrier properties. The Company is one of the world leaders producing world class flexible packaging solutions that:

- Enhance market performance of the product
- Improve utility for the end user
- Help products reach out to new markets
- Replace out-moded options with versatile and cost-effective solutions

The Company offers finished packaging of a wide 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, marinates & 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 etc.

Uflex is known for introduction of Latest Technology and Marketable Concepts -

- *World's first 8 micron BOPP Film for Conversion (2013)* – It is suitable for conversion operations like printing, lamination, coating and metallisation. This is a significant down-gauging achievement when compared to the 12 to 15 micron thick BOPP films that are conventionally used for these applications and effects cost and material savings ranging from 33% to 47%, which is a great boon to converters and end-users.
- *High barrier Laminate for Shampoo Packaging (2013)* - The new laminate is a reverse printed 12 micron BOPET/40 micron metalized LDPE structure. It reduces material consumption by over 12% because of the down-gauging achieved and cuts out one laminate ply and hence, one operation to provide substantial source reduction and energy saving as well as cost reduction.
- *New laminate for packaging of Fortified Drinking Water (2013)* – It is the world's first flexible laminate that is suitable for packaging drinking water fortified with health-enhancing minerals like zinc, calcium and copper and provides extended shelf -life. The laminate has excellent organoleptic properties and does not degrade even on extensive exposure to UV rays in tropical conditions. These pouches replace rigid PET bottles and provide a much cheaper and a much more sustainable option.
- *Universal Grade Of Polyester Film (2012)*- Flex films has launched a revolutionary "universal" grade of Polyester Film designated FLEXPET F\_UPF. It is a special grade of film that is suitable for all standard and special conversion processes as well as demanding application like high bond strength in coating

and lamination, excellent metal bond during metallization, hot filling, retort processing, pasteurization, boiling or microwave heating.

- **EB Curing Stand-up Bag (2012)** - A pre-form bag for filling and made from 45gsm Paper/ Metalized BOPP/LDPE laminate that is surface printed and coated in line using electron beam (EB) curing. Bag has stand-up construction and made from four separate laminate webs. This bag has special properties like very high scuff resistance; precisely tailored COF to facilitate stacking of filled bags and gloss that mimics a reverse printed biaxially oriented film. The inks are fade resistant and bag is water resistant and highly chemical resistant.
- **Eco Friendly Flexi Tube (2011)** – Uflex is the 1st company in world offering – use of PET film as top layer printing and 360 degree printing on flexi tubes for various end segments, making flexi tubes more colourful compared to current industry trends of white tubes only. This tubing technology innovation provides “butt” side seam option, as against existing “overlap” side seam variety for last 40 years. First instance in world of tube industry, Uflex commercialized holographic tubes with 150 microns thickness without foil with printing on substrate viz PET, Matt PET, BOPP, Matt BOPP, PE.
- **Single Dose Biodegradable Sachet (2011)** – The package is a small single use sachet for flavoured mouth freshener & confectionary. Laminate construction is a 45gsm Paper/ 6.3micron Aluminium Foil/ Heat seal lacquer structure that is surface printed by rotogravure and coated with a special Electron Beam (EB) curable coating. The sachet surface is water-resistant and has high chemical resistance. The sachet surface is also highly weatherable and is suitable even for display outdoors. The package is biodegradable, eliminates VOC emissions during coating and saves over 20 percent in energy during curing (EB vs. heating).
- **AL-OX Coated Polyester Film (2011)** – (Al-Ox) coater applies a thin and highly transparent coating of aluminum oxide on packaging films that gives moisture barrier i.e. over 13 times of plain uncoated BOPET film. Oxygen barrier of plain BOPET film is enhanced 33 times. Properties are not affected by even by high level of temperature and relative

humidity, provides transparency, enables optical scanning, inspection and facilitates metal detection. These films can also be used for microwave heating or cooking.

**Printing Cylinder** – The main activities of the Cylinder business is to produce Rotogravure Cylinders for various types of Rotogravure printing, Anilox/Coating Rollers for flexo printing and Shims for holographic embossing. The printing Cylinders business of the Company is one of the largest in India. These cylinders are made for captive consumption as well as for domestic and international sales. Printing Cylinder is at the core of the Rotogravure Flexible printing and the Company has capabilities to provide complete solution starting from Artwork/Mock up stage to producing final printing cylinders.

The Company has bought special software for making specialized Cylinders up to 2.5 meters. The same can be used for vinyl flooring, wood grains, Textile & various other specialised purposes. Zero discharge system with effluent treatment plant was installed to stop draining of waste chemical(s) after treatment. The Company saves foreign exchange by developing in-house copper additive for copper plating. It is also having a proofing system which can print on actual substrate without engraving the Cylinders.

**Flexographic plates** : Flexographic plates, like letterpress plates, are relief plates with image elements raised above open areas. They are elastomeric in nature in contrast with hard letterpress plates. They use rotary presses and low viscosity inks. Flexographic plates have a Shore A durometer hardness of 25-55 versus durometer readings in excess of 60 for letterpress plates. The process was originally called aniline printing because of the aniline dye inks that were first used in the process. Coarse surfaces such as corrugated board and stretchy films can economically be printed only with this process. Flexography leaped into prominence with the introduction of cellophane as a packaging material.

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

**Digital Plate Cutting Table**: This equipment can cut Flexo Plates either straight or Staggered to

the finished size, when mounted on plate sleeve the joining will be more precise. This can cut Flexo plates as well as paper board and Rubber Blanket.

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

**Laser:** The Company has recently installed Direct Laser Engraving System (by M/s Schepers – Germany, a pioneer in laser techniques) with 4 beam facility by which, the Company can achieve High Resolution Images, High Definition Pictures & Fine Text. It leads to achieve up to 10,000 dpi. With this facility the Company is able to engrave Solid background & Fine Text and Straight Line Text for Paper & Board Packaging especially for Tobacco & Cosmetic Industry.

The Company can also achieve High-Definition Half Tone results, 3D Pictures, Micro Texts, Nano Texts, Hidden Texts and Security Features with 3D effects. The Company is able to make special cylinders e.g. Embossing Rollers, Mica Vinyl Rollers, Textiles, Match Box and Tissue & Paper Napkin etc. The Company can also get low & high depth cylinders to deposit (0.5 gsm – 40 gsm) coating.

**Hologram** produced by the Company has been well accepted both by the Government and Private Organization across the country. The Company through aggressive marketing has been able to get substantial orders from different states. With a strong foothold in innovating products and design, research & development of holography division is committed to refine and upgrade the processes and products being manufactured. Our fully equipped research laboratory is a result of core technical strength & commitments to manufacturing holography and related products. Hologram being low cost with better margin, add to the bottom line significantly.

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

**Machines:** The Company also manufactures customized need based packaging and processing machines. The ongoing process

of innovation and introduction of machines through its in-house R&D facilities, having unique features and facilities for packaging products of different varieties, enables the Company to manufacture both tailor made machines as well as machines of specific design to suit the needs and requirements of various customers both in India and abroad. The Company's machines have found global acceptance in more than 35 countries. The Company's valued customers in India and abroad include Unilever, Coca Cola, Wrigley, Procter & Gamble, Nestle, Ranbaxy, Perfetti, ITC, Britannia, Dabur, Haldiram, Parle Biscuit, Tata Tea etc.

### 3. Financial and Operational Performance – Overview

The summarized financial results are given hereunder:

#### Summary of results:

(Rs. in Lacs)

	2013-14		2012-13	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Total Revenue	589676	326052	518279	318040
Profit before Finance Cost, Depreciation & Tax	71714	47273	67468	49693
Profit before Tax	21675	15869	20900	17532
Profit for the year	20164	12936	19037	13847

### 4. Opportunities & Threats

#### Opportunities

The increasing need for sustainable and eco-friendly packaging is another trend being witnessed in the Global Flexible Packaging market. The public in many countries are raising environment and sustainability issues against packaging manufacturers. Numerous consumer product manufactures prefer using eco-friendly packaging material as it provides an opportunity to promote environmental sustainability. The increased environmental concern and the need to reduce pollution have led to more emphasis being placed on the sustainability of the environment, the use of recyclable materials, especially plastic, in packaging, and the use to resins that are derived from renewable resources. Factors such as these are expected to encourage the packaging vendors to research and develop new materials or incorporate new eco-friendly

designs which encourage minimal use of non-biodegradable materials in packaging. Hence, they prefer to use recyclable and biodegradable flexible packaging materials.

One of the main drivers in this market is the increasing demand from consumers for convenient packaged products. Consumers look for products which are easy to open, consume, store, carry, and dispose of, which has led to an increase in the demand for flexible packaging as it is convenient to use. The key elements in the growth of flexible packaging are as under:

### **Light weighting**

The plastic bottled water sector is a prime example of a market in which materials have gotten lighter and lighter over time producing less waste. However, manufacturers have now reached the stage where polyethylene tereolthalate (PET) bottles cannot be made much lighter.

Therefore, the next step is to replace plastic bottles with lightweight, flexible pouches. The development has been gaining momentum over the years, although widespread usage had not yet occurred. The primary reason for this has been issues with high-speed filling – while PET bottles can be filled at speed of 1,500 per minute, the process of filling pouches falls behind, at only 400 packages per minute.

However, some of the newer PET bottle-filling technologies are designed to transport the bottle through the cycle via henpeck, a breakthrough that will also allow the introduction of pouches using the same technology. This is forecast to occur as early as 2014, and the use of pouches would allow water companies to reduce their packaging weight by half.

### **Ease of Decorating**

Part of the total cost of any rigid package is the label, and these are applied as part of the filling process. Labels are supplied from a different supplier than the bottles, meaning that they often become a bottleneck in the filling process.

With flexible packaging such as pouches, the converting of the pouch generally includes full printing features along with the lamination of the films if necessary. This printing only marginally increases the cost of the pouch and has no effect on the filling process. Printing options for flexible packaging are endless and can be instantaneously changed if required.

Another key decorating feature is the printing of security or brand identity graphics, which is just being developed for flexible packaging. The challenge associated with this new technology is including security graphics in the packaging design without making it obvious to the potential counterfeiter. Solutions include pigment additives which only appear under certain lighting and inks that disappear and reappear depending on environmental conditions. Such technology simply isn't possible with rigid alternatives.

### **Barrier Properties**

One of the main advantages of flexible packaging over rigid packaging is the ability of the company to “dial-in” the appropriate barrier for the product and end-use many products, such as juices, wines, and milk require a reasonable oxygen barrier. Bottles made from PET, glass, or multilayer paperboard laminates provide a barrier for all products whether it is required or not. A flexible package can be supplied with barrier properties that can provide anything from moisture and aroma protection to essentially the same barriers as glass. Aluminium foil has been used for many years as the ultimate flexible barrier material, although its properties are compromised by the most recent flexible packaging developments, such as stand-up pouches.

When creased, the foil can fracture, leading to pinholes that let in oxygen, water, and light. To combat this, new flexible materials such as styrene-acrylonitrile (SAN) have been developed. SAN is tough even in thin layers, and recent production methods have improved the flexible properties of this resin.

### **Packaging variation and Dispensing**

Packages made from flexible plastic films can be made into practically any imaginable shape, and the inclusion of handles, fitments, and opening features is quite straightforward. Today's pouches often have advanced dispensing functions, such as screw-top caps and laser-scored tear features.

Flexible packaging can also be used to enhance rigid packs, an example is shrink labels used for plastic bottles. These labels not only provide attractive decoration features but additional levels of barrier protection against oxygen or light.

Other key technical developments include fitments for use with flexible packaging for



liquids, with traditional dispensing taps leading to connecting valves, one-way dispensers, and pop-up straws. Connecting valves allow consumers to connect a pouch of dishwashing soap directly to the appliance, so the proper amount of detergent is dosed every cycle and no cleanup is required.

## 5. Larger Sizes

As technology has improved, the flexible packaging market size has increased, and the ability to produce packaging of ever-larger sizes has become possible. Larger retail flexible packages are now becoming the norm, as consumer packaged goods and retail outlets alike take advantage of larger-format packaging. For example, the classic paperboard carton and unprinted flexible liner used for dry cereals is repaid being replaced with flexible pouches incorporating high-end graphics and easy-to-reclose features. These packages are typically much larger.

### Threats

One of the main challenges hindering the growth of this market is its highly fragmented nature. The numerous vendors present in the market compete with each other on product price and sustainability, and compete to increase their market reach and gain customers. Enhanced competition from various countries where the company operates, is also worrisome.

The packaging industry is very dynamic and has undergone significant change because the environment in which it operates is changing e.g. laws & regulations, introduction of new products, the globalization of technologies and a general increase in competitiveness have accelerated in the last 10 years, but there are greater concerns with health and reliability issues such as greater commercial pressure for freshness in foods. Above all, the world perceives the packaging industry an environmental unfriendly and thus there is opposition to it in general. But all the products made by the Company are eco-friendly, thus do not have any effect.

The Company believes that having a strong management team with extensive experience enables it to respond to changing market conditions and tune it to the preferences of the customers for its overall success and future growth.

## Future Outlook

Because of growing consumer focus on convenience and sustainability, general flexible packaging use has been growing rapidly worldwide both in absolute and percentage terms. It is gaining market share from other packaging formats such as rigid packaging. This growth is projected to continue because flexible packaging, particularly pouch packaging, uses less energy and materials and has lower transport costs, environmental impact and carbon footprint than its rigid counterparts. These current trends concerning flexible packaging and rapid growth are anticipated to continue and increase over the next 10 years to 2023. there will be continuous development of new flexible packaging products for new markets and applications encroaching on traditional rigid packaging. High growth is expected in Europe and North America, as well as in the emerging markets of Asia and Central and South America.

Important drivers from a manufacturing viewpoint will include savings in materials, manufacturing and transportation costs and increased line filling speeds for pouches to match those for rigid bottles. From the consumer viewpoint two important drivers will be the growing focus on convenience and sustainability.

## 6. Internal Control Systems And Their Adequacy

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

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

The Company has already formed an Audit Committee and has met five times in the year. Audit Committee ensures proper compliance with the provisions of the Listing Agreement with

Stock Exchanges, Companies Act, reviews the adequacy and effectiveness of the internal control environment and monitors implementation of internal audit recommendations. Besides the above, Audit Committee is actively engaged in overseeing financial disclosures and in reviewing your Company's risk management policies.

## 7. Corporate Social Responsibility

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

- Environmental Responsibility
- Employee Engagement
- Community Initiatives

### Environmental Responsibility

The Company believes that a clean environment in and around the workplace fosters health and prosperity for the individual, the group and the larger community to which they belong. Environmental protection is an integral part of the planning, design, construction, operation and maintenance of all our projects.

Further, the Company has developed technology for reprocessing mixed plastic waste and converts them into usable products. In addition to this, the Company constantly works to reduce consumption of energy, water and petroleum based products and works with its customers to develop more sustainable and 'green' film and laminate structure. The overall emphasis is on reducing the carbon footprint and be more environment friendly and sustainable. All the products of the company are eco-friendly.

### Employee Engagement

The Company is an equal opportunity employer offering best in industry career growth prospects and has taken a step ahead to make a positive difference by aligning its vision of offering equal opportunities of skill and career enhancement to underprivileged sections of the society; specifically, the youth.

### Community Initiatives

The Company has also been working with an NGO called 'STAIRS' and working towards sports, education and health of underprivileged children and creating a sustainable future for them through sports. The Company wants to expand this initiative to a higher scale in future.

### UFlex Khelo Dilli

UFlex Khelo Dilli aims to provide free of cost – space, infrastructure and sports equipment to the less fortunate children of our society, to play. More than 5000 underprivileged children are regularly playing at 28 different sports centers across Delhi. These centers have emerged as a hub of recreation for children from low economic background and ignited a passion for playing in others as evident from an increasing number of children getting enrolled at these centers.

### UFlex Stairs Cricket Scholarship Camps

The Company has also adopted cricket initiatives of Stairs, namely, UFlex Stairs Cricket Championship and UFlex Stairs Cricket Scholarship. The Company supports Stairs in running cricket training academies, providing sports scholarship and sports gear to the underprivileged children. Since 2011, 72 talented children have been granted the UFlex Stairs Cricket Scholarship and are being trained at accredited cricket centers in Delhi.

## 8. Risk Management

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

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

## 9. Company's Standalone Financial Performance & Analysis

### A. Fixed Assets

The composition and growth of assets are as under:

(Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
<b>A. TANGIBLE ASSETS</b>		
Freehold Land	9	256
Leasehold Land	4139	4139
Buildings	28921	28942
Plant & Machinery	188608	188291
Electrical Installations	5290	5249
Office Equipments	4687	4711
Furniture & Fixtures	4986	5005
Vehicles	2025	1950
Aircraft (on Lease)	0	3585
<b>Sub-Total (A)</b>	<b>238664</b>	<b>242128</b>
<b>B. INTANGIBLE ASSETS</b>		
Software	1087	1087
Patent	500	500
Technical know-how	266	266
<b>Sub-Total (B)</b>	<b>1852</b>	<b>1852</b>
Less: Accumulated Depreciation	112264	104240
Add: CWIP & Intangible Assets Under Development	7272	1445
<b>Net Fixed Assets (A+B)</b>	<b>135525</b>	<b>141186</b>

### B. Results of operations

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

(Rs. in Lacs)

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Amount	%	Amount	%
<b>INCOME</b>				
Revenue from Operations	317927	98	315637	99
Other Income	8125	2	2403	1
<b>Total Revenue</b>	<b>326052</b>	<b>100</b>	<b>318040</b>	<b>100</b>
<b>EXPENDITURE</b>				
Cost of Materials consumed	196756	60	172376	54
Purchase of Stock-in-Trade	7431	2	28608	9
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	1101	0	(2058)	--
Employee benefits expense	22347	7	18447	6
Finance costs	16723	5	17478	5
Depreciation and amortization expense	14681	5	14683	5
Other expenses	52738	16	54172	17
Expenses Allocated to Self Constructed Assets	(1594)	--	(3198)	--
<b>Total Expenses</b>	<b>310183</b>	<b>95</b>	<b>300508</b>	<b>94</b>
<b>Profit Before Tax</b>	<b>15869</b>	<b>5</b>	<b>17532</b>	<b>6</b>

### 11. Human Resource Development/Industrial Relations

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

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

The effort to rationalize and streamline the work force is a continuous process. Currently the Company has 5090 employees as on 31<sup>st</sup> March, 2014. The industrial relations scenario remained harmonious throughout the year.

### 12. Environment, Occupational Health & Safety

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

## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE

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

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

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

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

#### 2. Board of Directors

##### a) Composition of the Board (As on March 31, 2014)

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

The composition and category of Directors as on 31.03.2014 is as follows:

Name of Director	Designation	Category
Mr. Ashok Chaturvedi	Chairman & Managing Director	Promoter/Executive Chairman
Mr. S.K. Kaushik	Whole-time Director	Executive Director
Mr. Ravi Kathpalia	Director	Independent, Non-Executive
Mr. M.G. Gupta	Director	Independent, Non-Executive
Mr. A. Karati	Director	Independent, Non-Executive
Mr. Shivendra Tomar (*)	Nominee Director – IFCI Limited	Independent, Non-Executive

(\*) IFCI has withdrawn the nomination of Mr. Shivendra Tomar w.e.f.30.05.2014 and appointed Mr. Vijay Kumar Gupta as its Nominee Director on the Board of the Company w.e.f. 30.05.2014.

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

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

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

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



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

### Information supplied to the Board

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

### Compliance reports of all applicable laws to the Company

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

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

Five Board Meetings were held during the financial year 2013-2014. The dates on which the meetings were held are 30.05.2013, 06.08.2013, 08.11.2013, 04.01.2014 & 11.02.2014, and the gap between the two meetings were not more than four months.

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

Name of the Director	Attendance Particulars		No. of other Directorship and Committee Member/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship (in Public Co.) excluding private companies which are subsidiary of public company	No of Membership(s) of Board Committees in other Companies (**)	No of Chairmanship(s) of Board Committees in other Companies (**)
Mr. Ashok Chaturvedi	4	No	3	--	1
Mr. S.K. Kaushik	4	Yes	2	1	--
Mr. Ravi Kathpalia	5	Yes	2	1	--
Mr. M.G. Gupta	5	Yes	2	1	1
Mr. A. Karati	5	Yes	5	5	--
Mr. Shivendra Tomar (*)	-	No	3	--	--

(\*) Mr. S.P. Bhat, Observer of IFCI attended the meeting on 30.05.2013, Mr. Jagdish Garwal, Observer of IFCI attended the meetings on 06.08.2013 & 08.11.2013, Mr. Prasoon, Observer of IFCI attended the meeting on 04.01.2014 & Mr. Satbir Singh, Observer of IFCI attended the meeting on 11.02.2014 on behalf of Mr. Shivendra Tomar.

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

### 3. Audit Committee

Presently, the Audit Committee comprises of four member Directors viz., Mr. Ravi Kathpalia, Mr. M.G. Gupta, Mr. A. Karati and Mr. S.K. Kaushik. All the members of the Audit Committee are Non-Executive and Independent Directors except Mr. S.K. Kaushik. Mr. Ravi Kathpalia is the Chairman of the Audit Committee. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 07.09.2013. All the Members of the Audit Committee have accounting and financial management expertise.

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

**Role of Audit Committee**

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

**Powers of Audit Committee**

- To investigate any activity within its terms of reference.
- To seek any information from any employee.
- To obtain outside legal or other professional advice.
- 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 five times on 30.05.2013, 06.08.2013, 08.11.2013, 20.01.2014 & 11.02.2014. The attendance of each Committee members is as under:

Name of Member	No. of Meetings held	Meetings Attended
Mr. Ravi Kathpalia	5	5
Mr. M.G. Gupta	5	4
Mr. A. Karati	5	5
Mr. S.K. Kaushik	5	4

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

**4. Nomination and Remuneration Committee [Erstwhile Remuneration Committee]**

The Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2014 renamed the 'Remuneration Committee' to 'Nomination and Remuneration Committee'.

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

During the year, the Nomination and Remuneration Committee Meeting had met once on 04.01.2014. All the Members had attended this Meeting.

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

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

Details of Remuneration paid to Managing/Whole-time Directors for the year ended 31.03.2014 is given below:

Name	Sitting Fee (Rs.)	Salary (Rs.)	Perquisites & Allowances etc. (Rs.)	Commission [Paid] (Rs.)	Total (Rs.)	Date of Reappointment/ Appointment	Service Contract
Mr. Ashok Chaturvedi	NIL	67800000	1993191	--	69793191	01.02.2014	5 years
Mr. S.K. Kaushik	NIL	4153280	881413	--	5034693	01.08.2011	3 years

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

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

Name of Directors	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)
Mr. Ravi Kathpalia	1,00,000.00	2,00,000.00	3,00,000.00
Mr. M.G. Gupta	1,00,000.00	1,40,000.00	2,40,000.00
Mr. A. Karati	1,00,000.00	1,20,000.00	2,20,000.00
Mr. Shivendra Tomar Nominee – IFCI Limited	--	--	--

## 5. Stakeholders' Relationship Committee [Erstwhile Shareholders'/Investors' Grievance Committee]

The Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2014 renamed the 'Shareholders'/Investors' Grievance Committee' to 'Stakeholders' Relationship Committee'.

Presently the Stakeholders' Relationship Committee consists of Mr. Ravi Kathpalia (Chairman), Mr. M.G. Gupta and Mr. S.K. Kaushik. The Committee, *inter-alia*, approves issue of duplicate certificates, oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders'/investors' complaints. The Committee oversees the performance of the Registrar and 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 – 12 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 30.09.2013 & 31.03.2014.

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

The total numbers of complaints received and resolved during the year under review were 9. Outstanding complaints as on 31.03.2014 were nil. There were no valid share transfers pending for registration for more than 30 days as on the said date.

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

## 6. Corporate Social Responsibility Committee of Board

Corporate Social Responsibility Committee of Board (CSR) was constituted on 30<sup>th</sup> May, 2014 pursuant to the requirement of the companies Act, 2013 and the Members of the CSR are Mr. Ashok Chaturvedi (Chairman), Mr. Ravi Kathpalia, and Mr. S.K. Kaushik. The terms of reference of the committee included formulation and recommendation to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.

## 7. Subsidiary Companies

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

- (a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- (b) All minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.
- (c) 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 non-listed Indian Subsidiary Company and Step-down Indian Subsidiary Company, i.e. U Tech Developers Limited, USC Holograms Pvt. Ltd. and SD Buildwell Pvt. Ltd. respectively. These companies do not fall under the category of 'material unlisted company' under Clause 49(III) of Listing Agreement.

## 8. Board Procedure

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



**9. Compliance Certificate**

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

**10. General Body Meetings**

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

AGM	Day, Date & Time	Venue	Special Resolution Passed
22 <sup>nd</sup>	Saturday, September 10, 2011 at 10:00 A.M.	Air Force Auditorium Subroto Park, New Delhi – 110010	Re-appointment of Mr. S.K. Kaushik as Whole-time Director of the Company for a further period of 3 years w.e.f. 01.08.2011.
23 <sup>rd</sup>	Tuesday, September 4, 2012 at 10:00 A.M.	Air Force Auditorium Subroto Park, New Delhi – 110010	NIL
24 <sup>th</sup>	Saturday, September 7, 2013 at 10:00 A.M.	Air Force Auditorium Subroto Park, New Delhi – 110010	NIL

(b) Whether Special Resolutions were put through Postal Ballot last year?

No.

(c) Are Special Resolutions proposed to be put through Postal Ballot this year?

No Special Resolution requiring postal ballot is proposed at the ensuing Annual General Meeting.

**11. Disclosures****a) Related Party Transactions**

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

**b) Disclosure of Accounting Treatment**

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

**c) Disclosures of Risk Management**

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

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

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

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

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

**f) Management Discussion and Analysis**

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

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

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

**h) Code of conduct**

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

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

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2014 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**12. CEO/CFO Certifications**

Mr. Ashok Chaturvedi, Chairman & Managing Director and Mr. R.K. Jain, President (Corporate Finance & Accounts), who are carrying responsibility of CEO and CFO respectively have given CEO/CFO certificate as per format prescribed under Clause No. 49(V) of the Listing Agreement to the Board at its meeting held on 30<sup>th</sup> May, 2014.

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

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

**(i) The Board**

The Chairman of the Company is the Executive Chairman.

All the Directors including Independent Directors are appointed/re-appointed by the Board from time to time. The Board of Directors of the Company appointed the Independent Directors for 5 consecutive years for a term upto 31<sup>st</sup> March, 2019.

**(ii) Nomination and Remuneration Committee**

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

**(iii) Shareholders' Rights**

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

**(iv) Audit Qualifications**

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

**(v) Training of Board Members**

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

**(vi) Mechanism for evaluation of Non-Executive Directors**

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

**(vii) Whistle Blower Policy**

The Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2014 approved the Whistle Blower Policy for Directors and Employees.

**14. Means of Communication**

The quarterly un-audited financial results duly approved by the Board of Directors are sent to all the Stock Exchanges where the Company's shares are listed immediately after the Board Meeting. The same are also published in 'English' and 'Hindi' newspapers in terms of the Listing Agreement within the stipulated period and in the format as prescribed by the Stock Exchanges and the Company posts its financial results

for all quarters on its own website i.e. [www.uflexltd.com](http://www.uflexltd.com) and the website of BSE Ltd. i.e. [www.bseindia.com](http://www.bseindia.com) and the website of The National Stock Exchange of India Ltd. i.e. [www.nseindia.com](http://www.nseindia.com).

### 15. SEBI Complaints Redress System (SCORES)

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

### 16. General Shareholders Information

#### (a) Annual General Meeting to be held

Date : 08.08.2014  
 Day : Friday  
 Time : 10:00 A.M.  
 Venue : Air Force Auditorium, Subroto Park, New Delhi – 110010

#### (b) Tentative Financial Calendar

- Results for quarter ending 30.06.2014 : 2<sup>nd</sup> week of August, 2014  
 - Results for quarter ending 30.09.2014 : 2<sup>nd</sup> week of November, 2014  
 - Results for quarter ending 31.12.2014 : 2<sup>nd</sup> week of February, 2015  
 - Results for the year ending 31.03.2015 : 4<sup>th</sup> week of May, 2015

#### (c) Book Closure date

04.08.2014 to 08.08.2014 (Both Days Inclusive)

#### (d) Dividend payment date

Dividend for the financial year 2013-2014, if declared will be paid/credited to the account of the shareholders on or after 8<sup>th</sup> August, 2014.

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

The equity shares are listed on the following Stock Exchanges:

- 1) BSE Limited, Mumbai
- 2) National Stock Exchange of India Limited, Mumbai
- 3) Societe de la Bourse de Luxembourg, Luxembourg (GDRs only)

**Note:** Annual Listing fee for the year 2014-2015 have been duly paid to all the above Stock Exchanges.

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

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

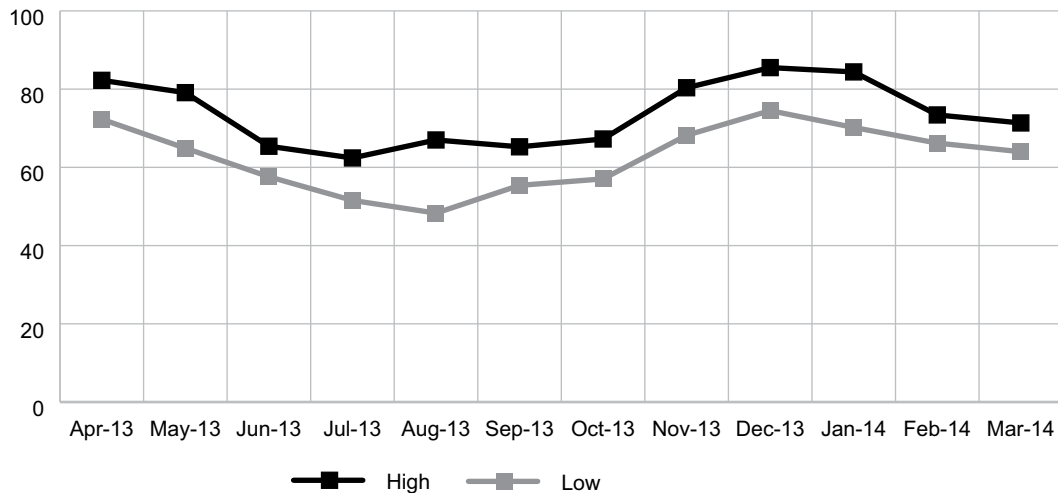
#### (g) Demat ISIN Number in NSDL & CDSL : INE516A01017

#### (h) Stock Market Price for the year 2013-2014:

Closing Share prices on National Stock Exchange are as under:

(In Rs.)

Month	High	Low
April, 2013	82.25	72.30
May, 2013	79.10	64.90
June, 2013	65.40	57.60
July, 2013	62.40	51.55
August, 2013	67.00	48.30
September, 2013	65.25	55.40
October, 2013	67.25	57.05
November, 2013	80.35	68.20
December, 2013	85.50	74.50
January, 2014	84.40	70.20
February, 2014	73.40	66.20
March, 2014	71.35	64.00

**Share Price movement**


- (i) **Performance in comparison to broad base in indices such as BSE sensx, Crisil index etc.**  
The shares of the Company are not considered by the Stock Exchanges in their index fluctuations.

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

**For shares held in physical form:**

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

Beetal Financial & Computer Services Pvt. Ltd.  
(Unit : UFLEX Limited)

BEETAL House, 3<sup>rd</sup> Floor, 99, Madangir  
Behind Local Shopping Centre  
Near Dada Harsukh Dass Mandir  
New Delhi – 110062

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

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

- (k) **Share Transfer System**

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

- (l) **Distribution of Share holding as on 31.03.2014**

Range in Numbers	No. of Shareholders	No. of shares	% of total equity
1 - 500	51272	5397630	7.47
501 - 1000	2376	1893788	2.62
1001 - 2000	1124	1675339	2.32
2001 - 3000	352	907058	1.26
3001 - 4000	163	581250	0.80
4001 - 5000	140	656498	0.91
5001 - 10000	210	1555588	2.15
10001 & above	308	59017269	81.74
Transit shares *		527066	0.73
<b>TOTAL</b>	<b>55945</b>	<b>72211486</b>	<b>100.00</b>

\* As on March 31, 2014 these shares lying in pool account of NSDL/CDSL since buyers identity are not established.



**(m) Categories of Shareholders as on 31.03.2014**

Category	No. of shares held	% of shareholding
Promoters & Associates	31386975	43.47
Financial Institutions, Mutual Funds & Banks	63522	0.09
Foreign Institutional Investors	4473139	6.19
NRIs	2165078	3.00
GDRs	5465840	7.57
Other Bodies Corporate	8583875	11.89
General Public	19545991	27.06
Shares in transit (Demat) *	527066	0.73
<b>Total</b>	<b>72211486</b>	<b>100.00</b>

\* As on March 31, 2014 these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

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

Nearly 98.77% of total equity share capital is held in dematerialized form upto 31.03.2014 with NSDL/CDSL. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors.

**(o) Outstanding GDRs**

The outstanding GDRs represent 5465840 shares as on 31.03.2014, which are nearly 7.57% of the Subscribed Share Capital of the Company.

**(p) Plant Locations**

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

**(q) Address for Correspondence**

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

Beetal Financial & Computer Services Private Limited (Unit: UFLEX Limited) BEETAL House, 3 <sup>rd</sup> Floor 99, Madangir Behind Local Shopping Centre Near Dada Harsukh Dass Mandir New Delhi - 110062 Tel. No.011- 29961281-83 Fax No.011- 29961284	UFLEX Limited 305, 3 <sup>rd</sup> Floor, Bhanot Corner Pamposh Enclave, Greater Kailash-I New Delhi - 110048 Tel. No. : 011-26440917, 26440925 Fax No. : 011-26216922 e-mail : flexsec@vsnl.net
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The above report has been placed before the Board at its meeting held on 30<sup>th</sup> May, 2014 and the same was approved.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**UFLEX LIMITED**  
New Delhi

We have examined the compliance of conditions of Corporate Governance by UFLEX Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

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## DECLARATION

To the Members of  
**UFLEX LIMITED**

I, Ashok Chaturvedi, Chairman & Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Rules of Code of Conduct for the financial year ended 31<sup>st</sup> March, 2014 pursuant to the requirements of Clause 49 of the Listing Agreement.

For **UFLEX LIMITED**  
  
**ASHOK CHATURVEDI**  
Chairman & Managing Director

Place: NOIDA  
Dated: 24<sup>th</sup> May, 2014

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**UFLEX LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of UFLEX LIMITED. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

- In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2014;
- In the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Emphasis of Matter:

We draw attention to the statement attached to the financial statements, u/s 215(2) of the Companies Act, 1956, regarding inability of the Managing Director to sign these financial statements, owing to his non-presence, within the territory of India. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003, ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:-
  - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account;
  - In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act, read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of directors is disqualified as at 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

**CA. S.V.SEHGAL**

Partner

Place : NOIDA  
Dated : 30th May, 2014

Membership No. 080329

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date]

1. In respect of fixed assets of the Company: -
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and nature of its assets and no material discrepancies were noticed on such physical verification;
  - (c) Substantial part of fixed assets have not been disposed off during the year.
2. In respect of inventories of the Company: -
  - (a) The inventories have been physically verified during the year by the management, at reasonable intervals;
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate, in relation to the size of the Company and the nature of its business;
  - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not significant and were properly dealt with in the books of account.
3. In respect of Loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:-
  - a) The Company has not given any loan during the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
  - b) During the year, the Company has taken interest bearing unsecured loans aggregating to Rs. 2260.00 lacs, from five companies, covered in the register maintained under Section 301 of the Companies Act, 1956, which were repaid before the date of the Balance Sheet. Further the Company has paid the principle and interest on time. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of these loans, were not *prima-facie* prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system, commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:-
  - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five lacs in respect of Royalty paid to one of the party, we are unable to comment whether the transactions were made at prevailing market prices at relevant times, as comparable prices could not be ascertained.
6. The Company has not accepted any deposit, during the year, under the provisions of Section 58A & 58AA of the Companies Act, 1956 and the rules framed thereunder.
7. The internal audit of the Company has been conducted by an independent firm of Chartered Accountants and in our opinion; the company has an internal audit system, commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed records have been made and maintained.
9. In respect of Statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other applicable statutory dues have been generally deposited regularly with the appropriate authorities.
  - b) According to the information and explanations given to us, there are no dues of custom duty, wealth tax and cess, which have not been deposited on account of any dispute. However, following amounts are involved (Gross of amount deposited under protest, if any) with under-mentioned forums, in respect of the disputed statutory dues:
    - (i) Aggregate Sales Tax of Rs. 791.91 lacs, pending before (a) Various High Courts (Rs. 322.38 lacs),



- (b) Tribunal (Rs. 40.39 lacs) & (c) Assessing Authorities (Rs. 429.14 lacs);
- (ii) Aggregate Income Tax of Rs. 519.04 lacs, pending before (a) Delhi High Court (Rs. 145.50 lacs), (b) ITAT (Rs. 38.34 lacs) & (c) CIT (Appeals) (Rs. 335.20 lacs);
- (iii) Aggregate Excise duty of Rs. 6736.96 lacs, pending before (a) Supreme Court (Rs. 134.82 lacs), (b) Various High Courts (Rs. 72.56 lacs), (c) Tribunal (Rs. 4209.02 lacs) (d) Commissioner (Appeals) (Rs. 2041.03 lacs) & (e) Assessing Authorities (Rs. 279.53 lacs);
- (iv) Aggregate Service Tax of Rs. 1301.13 lacs, pending before (a) Tribunal (Rs. 1239.93 lacs), (b) Commissioner (Appeals) (Rs. 54.86 lacs) & (c) Assessing Authorities (Rs. 6.34 lacs).
10. The Company has neither accumulated losses as at the year end nor it has incurred cash losses in the financial year under report and in the immediately preceding financial year.
11. Based on the audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
12. The Company has not granted loans and advances during the year, on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has not dealt or traded in shares, securities, debentures and other investments during the year. However, it has maintained proper records in respect of shares and other investments and are held in the name of the Company.
15. According to the information and explanations given to us, and the records examined by us, the Company has given corporate guarantees to banks for loans taken by its foreign subsidiaries and foreign step down subsidiaries; however in our opinion the terms and conditions thereof are not *prima-facie* prejudicial to the interest of the Company.
16. To the best of our knowledge & belief and according to the information and explanations given to us and the records of the Company examined by us, the term loans availed by the Company during the year, have been applied for the purposes for which loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment.
18. During the year, company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. As the Company has neither issued debentures during the year nor have any outstanding balance in respect of debentures, as at year-end, hence provision of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

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

**CA. S.V.SEHGAL**

Partner

Place : NOIDA  
Dated : 30th May, 2014

Membership No. 080329

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(Rs in Lacs)

Particulars	Note No.	As At 31st March 2014	As At 31st March 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	2	7221.15	7221.15
b) Reserves and Surplus	3	<u>152150.60</u>	<u>141327.06</u>
		<b>159371.75</b>	148548.21
<b>(2) Non-Current Liabilities</b>			
a) Long-term borrowings	4	45726.33	55147.44
b) Deferred tax liabilities (Net)	5	14269.38	15932.38
c) Other Long term liabilities	6	398.29	372.73
d) Long-term provisions	7	<u>902.11</u>	<u>874.13</u>
		<b>61296.11</b>	72326.68
<b>(3) Current Liabilities</b>			
a) Short-term borrowings	8	26770.54	28252.09
b) Trade payables	9	44548.10	44102.25
c) Other current liabilities	10	38151.78	43502.79
d) Short-term provisions	11	<u>6718.01</u>	<u>6201.91</u>
		<b>116188.43</b>	122059.04
<b>TOTAL :</b>		<b><u>336856.29</u></b>	<b><u>342933.93</u></b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed assets	12		
i) Tangible assets		127573.08	138791.45
ii) Intangible assets		679.95	949.58
iii) Capital work-in-progress		7271.50	1444.67
b) Non-current investments	13(1)	53048.59	65800.94
c) Long-term loans and advances	14	6547.78	8446.75
d) Other non-current assets	15	<u>428.47</u>	<u>1236.95</u>
		<b>195549.37</b>	216670.34
<b>(2) Current assets</b>			
a) Current investments	13 (2)	-	200.00
b) Inventories	16	21665.81	21857.52
c) Trade receivables	17	80894.75	71241.69
d) Cash and Bank Balances	18	14402.57	9034.07
e) Short-term loans and advances	19	22802.13	21556.66
f) Other current assets	20	<u>1541.66</u>	<u>2373.65</u>
		<b>141306.92</b>	126263.59
<b>TOTAL :</b>		<b><u>336856.29</u></b>	<b><u>342933.93</u></b>

The accompanying Notes from S.No. 1 to 44 form an Integral Part of the Financial Statements.

For and on behalf of the Board of Directors

**R.K. Jain**  
*President (Corp. Finance & Accounts)*
**S. K. Kaushik**  
*Whole-time Director*
**Ravi Kathpalia**  
*Director*
**Rakesh Malhotra**  
*Sr. General Manager  
 (Corp. Accounts)*
**Ajay Krishna**  
*Sr. Vice President (Legal)  
 & Company Secretary*

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

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

 Place : NOIDA  
 Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
 Partner

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014****(Rs in Lacs)**

Particulars	Note No.	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>REVENUE FROM OPERATIONS</b>			
Gross Sales & Job Work	21 (A)	369166.95	367277.87
Less : Inter unit Sales & Job Work		36079.25	34650.55
Less : Excise Duty		30139.61	29721.02
Net Sales & Job Work		302948.09	302906.30
Other Operating Income	21 (B)	14978.86	12730.26
<b>Revenue from Operations</b>		<b>317926.95</b>	<b>315636.56</b>
<b>Other Income</b>	22	<b>8125.34</b>	<b>2403.00</b>
<b>Total Revenue</b>		<b>326052.29</b>	<b>318039.56</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	196755.55	172375.54
Purchase of Stock-in-Trade	24	7431.39	28607.65
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	1100.83	(2057.81)
Employee benefits expense	26	22347.05	18447.31
Finance costs	27	16722.69	17478.46
Depreciation and amortization expense		14681.23	14682.60
Other expenses	28	52738.43	54172.09
Expenses Allocated to Self Constructed Assets	29	(1593.72)	(3198.11)
<b>Total Expenses</b>		<b>310183.45</b>	<b>300507.73</b>
Profit before tax		15868.84	17531.83
<b>Less : Tax expense:</b>			
- Current tax		4757.00	3870.00
- Deferred tax		(1663.00)	2540.00
- (Excess) Provision of Income Tax for earlier years		(160.80)	(2725.20)
Profit for the year		12935.64	13847.03
<b>Earning Per Share</b>			
a) Basic (Rs.)		17.91	19.18
b) Diluted (Rs.)		17.91	18.78

The accompanying Notes from S.No. 1 to 44 form an Integral Part of the Financial Statements.

For and on behalf of the Board of Directors

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

**S. K. Kaushik**  
Whole-time Director

**Ravi Kathpalia**  
Director

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

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

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
Partner

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs.in lacs)

	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	15868.84	17531.83
<b>Adjustment for :</b>		
Depreciation & amortisation expense	14681.23	14682.60
Exchange rate fluctuations (Net)	(1324.17)	3541.59
Loss / (Profit) on assets sold (Net)	416.77	42.55
Fixed Assets written off	18.62	3.20
Finance Cost	16722.69	17478.46
Interest received from Banks / others	(1250.70)	(1300.28)
Dividend received on Trade Investments	(117.40)	(117.40)
Dividend received on Non-trade Investments	(44.71)	(34.75)
Profit on sale of Investments (Net)	(4554.21)	(20.28)
Provision for Doubtful Debt Written Back	(14.06)	(1190.17)
Bad & Doubtful Debts (Provision)	463.47	563.75
Sundry Balances written off (Net)	690.56	1183.80
<b>Operating Profit before Working Capital changes</b>	<b>41556.93</b>	<b>52364.90</b>
<b>Adjustment for :</b>		
Trade and other receivables	(11715.35)	(1787.36)
Inventories	191.71	(332.60)
Trade and other payables	(4420.00)	5378.65
<b>Cash generated from operations</b>	<b>25613.29</b>	<b>55623.59</b>
Income Tax	(4596.20)	(1144.80)
Exchange rate fluctuations	1324.17	(3541.59)
<b>Net Cash from operating activities (A)</b>	<b>22341.26</b>	<b>50937.20</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(12350.69)	(10297.96)
Sale proceeds of Fixed Assets	2895.24	118.13
Inflow / (Outflow) on Investments (Net)	17506.56	(16932.45)
Loans to body corporates (Net)	1325.47	2925.00
Loans to subsidiaries (Net)	1890.82	1880.08
Interest received from Banks / others	1250.70	1300.28
Dividend received on Trade Investments	117.40	117.40
Dividend received on Non- Trade Investments	44.71	34.75
<b>Net Cash used in Investing Activities (B)</b>	<b>12680.21</b>	<b>(20854.77)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(1733.08)	(1444.23)
Dividend Distribution Tax	(294.54)	(234.29)
Finance Cost	(16722.69)	(17478.46)
Borrowings (Net)	(10902.66)	(10606.43)
<b>Net Cash used in Financing Activities (C)</b>	<b>(29652.97)</b>	<b>(29763.41)</b>
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	5368.50	319.02
Opening Cash and Cash equivalents	9034.07	8715.05
Closing Cash and Cash equivalents #	14402.57	9034.07

# Includes Rs. 1833.64 lacs (Previous Year Rs. 1031.22 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks as margin for letter of credits, guarantees & bills discounted.

For and on behalf of the Board of Directors

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

**S. K. Kaushik**  
Whole-time Director

**Ravi Kathpalia**  
Director

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

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

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
Partner

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****1 GENERAL****A. COMPANY AND ITS BACKGROUND**

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

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

The Company has been engaged in the manufacture and sale of flexible packaging products & offer a complete flexible packaging solution to its customers across the globe.

**B. SIGNIFICANT ACCOUNTING POLICIES****a. Basis of Preparation of Financial Statements**

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 (read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013), the provisions of Companies Act, 1956, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

**b. Use of Estimates and Judgements**

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

The estimates and underlying assumptions are reviewed on 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. Valuation****i) Fixed Assets**

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

- b) Self-constructed Fixed Assets are valued at cost including overheads of the unit constructing the asset.

**ii) Finished Goods**

Finished goods are valued at lower of cost, based on weighted average method, (except in case of machine manufacturing where specific identification method is used) arrived after



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

including depreciation on plant & machinery, electrical installation and factory building, repair & maintenance on factory building, specific manufacturing expenses including excise duty and specific payments & benefits to employees or net realisable value.

**iii) Work-in-Progress**

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

**iv) Raw Materials**

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

v) Stores, fuel and packing materials are valued at lower of cost, based on first-in-first-out method or net realisable value.

vi) Inter-unit transfers of goods and services / job work are valued at cost price / the price agreed to between the units.

e. Cost of spares, tools, jigs & dies are charged to revenue.

**f. Leases**

i) Lease rentals paid on operating leases are charged to revenue.

ii) Lease rentals received under operating lease are recognized in the statement of Profit & Loss.

g. Expenses incurred for issue of financial securities are charged to Securities Premium Reserve.

**h. Foreign currency transactions**

i) Foreign currency monetary items remaining unsettled at the year end are translated at year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined.

ii) Exchange differences on settlement / translation of monetary items, are adjusted as income / expense through the Exchange Fluctuation Account in the year they arise.

iii) Difference between the forward and exchange rate on the date of transactions are adjusted over the period of the contract as an income / expense through the Exchange Fluctuation Account.

iv) Profit or loss on cancellation of forward contracts for transactions, are adjusted as income / expense through Exchange Fluctuation Account in the year they arise.

v) Exchanges difference arises on long term foreign currency monetary items relating to acquisition of fixed assets are capitalized to the cost of assets acquired and provided for over the remaining useful life of the fixed asset.

**i. Depreciation**

i) Normal depreciation on all fixed assets, except land and extra shift depreciation on specific plant & machineries for the period of extra shift worked, are provided from the date of put to use for commercial production on straight line method at the rates prescribed in Schedule-XIV to the Companies Act, 1956 except in respect of rotogravure cylinders & shims, where it is provided @ 33-1/3% p.a., based on the estimated useful life of assets assessed by the Management.

ii) No depreciation is provided on leasehold land.

iii) Depreciation on additions / deletions to fixed assets is provided on *pro-rata* basis from / to the date of additions / deletions.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

- iv) In case the financial year consists of the period less / more than the normal period of 12 months, depreciation on fixed assets existing at the beginning of the financial year as well as those acquired during the said period are provided for the period covered on *pro-rata* basis.

**j. Turnover**

- i) Gross sales are inclusive of inter-unit sale value and excise duty/cess recoveries and exclusive of sales tax.
- ii) Sales returns / rate differences are adjusted from the sales of the year in which the returns take place / rate differences accepted.
- iii) Gross job work is inclusive of inter-unit job work value and excise duty/cess recoveries.
- iv) Consignment Sales are considered as Sales when goods are sold to ultimate customer.

**k. Purchases**

- i) Purchases are inclusive of inter-unit purchase value and net of CENVAT credits and materials consumed during trial run.
- ii) Purchases returns / rebates are adjusted from the purchases of the year in which the returns take place / rebates allowed.

**l. Investments**

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

**m. Employee Benefits**

- i) Defined Long Term benefit is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit & Loss.
- ii) Defined Contribution Plans are charged to Statement of Profit & Loss based on the contribution made to the specified fund.
- iii) Short term employee benefits are charged to Statement of Profit & Loss at the undiscounted amount in the year in which the related service is rendered.

**n. Claims by / against the Company**

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

**o. Borrowing Cost**

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

**p. Earning Per Share**

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

**q. Deferred Tax Assets / Liabilities**

Deferred tax assets & liabilities are measured using the current tax rates. When there is unabsorbed

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

### r. Research & Development

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

### s. Impairment

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

### t. Provisions, Contingent Liabilities and Contingent Assets

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

### u. Intangible Assets

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

## 2. SHARE CAPITAL

### A AUTHORISED

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

### B ISSUED, SUBSCRIBED & PAID-UP

The Issued, Subscribed and Paid-up Capital of the Company as at 31st March 2014 is of Rs.7221.15 Lacs, represented by the 7,22,11,486 Equity Shares of Rs. 10/- each as at 31st March 2014. The reconciliation of the Equity Share Capital of the Company is given as under:

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 31st March 2012	72211486	7221.15	72211486	7221.15	-	-
Balance as At 31st March 2013	72211486	7221.15	72211486	7221.15	-	-
<b>Balance as at 31st March 2014</b>	<b>72211486</b>	<b>7221.15</b>	<b>72211486</b>	<b>7221.15</b>	-	-

The Company's Issued, Subscribed and Paid-up Capital of 72211486 (previous Year same) Equity Shares of Rs. 10/- each, is distributed as under:

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As At 31st March 2014		As At 31st March 2013	
	Number	%	Number	%
a) <b>Promoter &amp; Promoter Group</b>	<b>31386975</b>	<b>43.47</b>	<b>31386975</b>	<b>43.47</b>
<b>Of which Shareholders holding More than 5 % of the Paid-up Capital</b>				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anant Overseas Pvt. Ltd.	1000000	1.38	5415141	7.50
Anshikha Investments Pvt. Ltd.	5771092	7.99	5271092	7.30
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshikha Consultants Pvt. Ltd.	3778524	5.23	-	-
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	-	-
b) <b>Public Shareholding*</b>	<b>40824511</b>	<b>56.53</b>	<b>40824511</b>	<b>56.53</b>
i) Institution	4536661	6.28	6461706	8.95
ii) Non-Institution	30822010	42.68	28896965	40.01
iii) GDRs (underlying shares)	5465840	7.57	5465840	7.57

**\* Of which Shareholder holding More than 5 % of the Paid-up Capital**

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

### C RESTRICTION ON VOTING RIGHTS

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

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

### 3. RESERVES & SURPLUS

	(Rs. in Lacs)					
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Statement of Profit & Loss	Total
Balance as at 31st March 2012	2877.76	57110.63	3.23	14068.90	47947.13	122007.65
Profit for the Year					13847.03	13847.03
<b>(Less): Appropriations</b>						
Proposed Dividend					(1733.08)	(1733.08)
Dividend Distribution Tax					(294.54)	(294.54)
Amount transferred to General Reserve					(1384.70)	(1384.70)
Amount Transferred from Statement of Profit & Loss				1384.70		1384.70
Addition on Forfeiture of warrants application money	7500.00					7500.00
Amount Transferred from Revaluation Reserve to General Reserve*			(0.08)	0.08		-
<b>Balance as at 31st March 2013</b>	<b>10377.76</b>	<b>57110.63</b>	<b>3.15</b>	<b>15453.68</b>	<b>58381.84</b>	<b>141327.06</b>
Profit for the Year					12935.64	12935.64
<b>(Less): Appropriations</b>						
Proposed Dividend					(1805.29)	(1805.29)
Dividend Distribution Tax					(306.81)	(306.81)
Amount transferred to General Reserve					(1293.56)	(1293.56)
Amount Transferred from Statement of Profit & Loss				1293.56		1293.56
Amount Transferred from Revaluation Reserve to General Reserve*			(0.07)	0.07		-
<b>Balance as at 31st March 2014</b>	<b>10377.76</b>	<b>57110.63</b>	<b>3.08</b>	<b>16747.31</b>	<b>67911.82</b>	<b>152150.60</b>

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**4. LONG-TERM BORROWINGS**

	As At 31.03.2014	(Rs. in Lacs) As At 31.03.2013
<b>A. Secured</b>		
<b>Term Loans :</b>		
From Banks	<b>49505.08</b>	57199.91
From IFCI Limited	<b>17136.00</b>	19900.87
	<b>66641.08</b>	77100.78
<b>B Unsecured</b>		
From Bodies Corporate	<b>2631.79</b>	1126.74
<b>Sub- Total</b>	<b>69272.87</b>	78227.52
Less: Current portion	<b>23546.54</b>	23080.08
<b>TOTAL :</b>	<b>45726.33</b>	55147.44

The Company is availing the Secured Term Loan Facilities from Financial Institutions /Banks. Their repayment terms and other details are given as under:

						(Rs. in Lacs)
Name of the Financial Institution / Banks	Sanctioned Amount	O/s As At 31/03/2014	Current Portion	Long Term	Repayment Terms	
IFCI Limited	* 20000.00	<b>12136.00</b> (16150.87)	<b>4210.53</b> (4210.53)	<b>7925.47</b> (11940.34)	Repayable in 19 Equal Quarterly Installments of Rs. 1052.63 lacs each commencing from September 2012.	
IFCI Limited	* 5000.00	<b>5000.00</b> (3750.00)	<b>1250.00</b> (-)	<b>3750.00</b> (3750.00)	Repayable in 16 Equal Quarterly Installments of Rs. 312.50 Lacs each commencing from June 2014.	
ICICI BANK LTD	* 16000.00	<b>3000.00</b> (7000.00)	<b>3000.00</b> (4000.00)	- (3000.00)	- Repayable in 16 Equal Quarterly Installments of Rs.1000.00 Lacs each commencing from Jan 2011	
UCO Bank	* 25000.00	- (17498.23)	- (5000.00)	- (12498.23)	- Repayable in 20 Equal Quarterly Installments of Rs. 1250.00 Lacs each commencing from December 2011.	
Allahabad Bank	* 24000.00	<b>13188.65</b> (17993.74)	<b>4800.00</b> (4800.00)	<b>8388.65</b> (13193.74)	Repayable in 20 Equal Quarterly Installments of Rs. 1200.00 Lacs each commencing from Feb 2012.	
Allahabad Bank	2800.00	- (544.82)	- (311.12)	- (233.70)	- Repayable in 36 Equal Quarterly Installments of Rs. 77.78 Lacs each commencing from Jan 2006	
Bank of India	@ 10000.00	<b>1874.90</b> (4374.67)	<b>1874.90</b> (2500.00)	- (1874.67)	- Repayable in 16 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jan 2011.	
Jammu & Kashmir Bank Ltd.	* 5000.00	<b>3745.67</b> (4998.45)	<b>2500.00</b> (1250.00)	<b>1245.67</b> (3748.45)	Repayable in 8 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Dec 2013.	
Jammu & Kashmir Bank Ltd.	* 5000.00	<b>5000.00</b> (-)	<b>1000.00</b> (-)	<b>4000.00</b> (-)	Repayable in 20 Equal Quarterly Installments of Rs. 250.00 Lacs each commencing from June 2014.	
Jammu & Kashmir Bank Ltd.	# 93.00	<b>84.71</b> (-)	<b>15.54</b> (-)	<b>69.17</b> (-)	Repayable in 60 Equal Monthly Installments of Rs. 2.06 Lacs each commencing from September 2013 including interest amount.	
Canara Bank	* 12500.00 \$	<b>8787.26</b> (4790.00)	<b>2500.00</b> (-)	<b>6287.26</b> (4790.00)	Repayable in 20 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from June 2014.	
Canara Bank-London (ECB Facility)	* US \$ 23.175 Million	<b>13823.89</b> (-)	- (-)	<b>13823.89</b> (-)	Repayable in 12 Quarterly Installments Commencing from May 2017. First four installments are of US\$ 0.94 Million each, next four installments are of US\$ 1.56 Million each, next three installments are of US\$ 3.75 Million each and last installment of US\$ 1.93 Million	
<b>Total</b>		<b>66641.08</b>	<b>21150.97</b>	<b>45490.11</b>		
Previous Year		(77100.78)	(22071.65)	(55029.13)		

Previous Year figures have been given in brackets.



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

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

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

# This is secured by way of hypothecation of a Vehicle of the Company.

### 5. DEFERRED TAX LIABILITIES (NET)

	As At 31.03.2014	(Rs. in Lacs) As At 31.03.2013
Opening Balance	15932.38	13392.38
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	(1663.00)	2540.00
<b>TOTAL</b>	<b>14269.38</b>	<b>15932.38</b>

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

	Deferred Tax Assets / (Liabilities) As At 01.04.2013	Current Year (Charge) / Credit	(Rs.in Lacs) Deferred Tax Assets/(Liabilities) As At 31.03.2014
<b>Deferred Tax Assets</b>			
Other than unabsorbed depreciation & carry forward of losses.	520.51	164.00	684.51
<b>Total (A)</b>	<b>520.51</b>	<b>164.00</b>	<b>684.51</b>
<b>Deferred Tax Liabilities</b>			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(16452.89)	1499.00	(14953.89)
<b>Total (B)</b>	<b>(16452.89)</b>	<b>1499.00</b>	<b>(14953.89)</b>
<b>Net Deferred Tax (Liability) (A-B)</b>	<b>(15932.38)</b>	<b>1663.00</b>	<b>(14269.38)</b>

### 6. OTHER LONG TERM LIABILITIES

	As At 31.03.2014	(Rs. in Lacs) As At 31.03.2013
Securities Received	303.66	293.87
Retention Money	82.75	66.98
Lease Security Deposit	11.88	11.88
<b>TOTAL :</b>	<b>398.29</b>	<b>372.73</b>

### 7. LONG-TERM PROVISIONS

	As At 31.03.2014	As At 31.03.2013
Provision for Leave Encashment	902.11	874.13
<b>TOTAL :</b>	<b>902.11</b>	<b>874.13</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	(Rs. in Lacs)	
	As At 31.03.2014	As At 31.03.2013
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Facilities From Banks	25385.54	23982.82
<b>Unsecured</b>		
From Others *	1385.00	4269.27
<b>TOTAL :</b>	<u>26770.54</u>	<u>28252.09</u>

1. Working capital facilities from banks are secured a) on *pari passu* basis, by way of hypothecation of stock of raw materials, semi-finished goods, finished goods and book debts of the Company, both present and future, b) by way of second *pari passu* charge on specific fixed assets of the Company, situated at Malanpur (M.P.), Jammu (J & K) and NOIDA (U.P.), and c) by guarantee of Chairman & Managing Director of the Company. However, the security in respect of facilities availed from CTBC Bank Co. Ltd. amounting to Rs. 1000 Lacs is yet to be created.

2.\* Include Rs.Nil (Previous Year Rs.1759.27 Lacs) Guaranteed by Chairman & Managing Director of the Company.

**9. TRADE PAYABLES**

Suppliers	38180.37	37071.84
Due to Suppliers under MSMEDA*	1263.78	468.71
Due to Related Parties	5103.95	6561.70
<b>TOTAL :</b>	<u>44548.10</u>	<u>44102.25</u>

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

Sr. No.	Particulars	(Rs.in Lacs)	
		As at 31.03.2014	As at 31.03.2013
1	Principal amount due and remaining unpaid	Nil	Nil
2	Interest due on (1) above and the unpaid interest	Nil	Nil
3	Interest paid on all delayed payment under the MSMED Act	Nil	Nil
4	Payment made beyond the appointed day during the year	Nil	Nil
5	Interest due and payable for the period of delay other than (3) above	Nil	Nil
6	Interest accrued and remaining unpaid	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding years	Nil	Nil

**10. OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings	23546.54	23080.08
Capital Creditors	779.18	578.37
Due to Employees	1004.94	1067.41
Interest Accrued but not due on Loans	313.46	190.46
Unclaimed Dividend*	159.65	145.89
Advances from Customers	2329.53	2026.47
Advances from Subsidiaries	3548.45	10116.06
Statutory Dues	849.15	767.73
Others Payable	5620.88	5530.32
<b>TOTAL :</b>	<u>38151.78</u>	<u>43502.79</u>

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

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	(Rs. in Lacs)	
	As At 31.03.2014	As At 31.03.2013
<b>11. SHORT-TERM PROVISIONS</b>		
Income Tax (Net)	2224.18	2364.00
Wealth Tax	100.68	101.52
Proposed Dividend	1805.29	1733.08
Proposed Dividend Distribution Tax	306.81	294.54
Leave Encashment	84.29	27.70
Staff Benefits	522.70	268.98
Warranty	9.70	16.07
Interest on Deferred Liabilities	1664.36	1396.02
<b>TOTAL</b>	<b>6718.01</b>	<b>6201.91</b>

## 12. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Value/cost As At 01.04.2013	Additions during the year	Deductions during the year	Value/cost As At 31.03.2014	Upto 31.03.2013	For the year	Deductions	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
<b>A. TANGIBLE ASSETS</b>										
Freehold Land	256.45	-	247.88	8.57	-	-	-	-	8.57	256.45
Leasehold Land	4138.83	-	-	4138.83	-	-	-	-	4138.83	4138.83
Building	28941.66	249.46	270.61	28920.51	8521.73	919.34	82.05	9359.02	19561.49	20419.93
Plant & Machinery	188291.14	5850.94	5533.91	188608.17	86375.85	12281.26	4730.25	93926.86	94681.31	101915.29
Electrical Installation	5248.97	54.84	13.61	5290.20	2685.83	255.44	12.05	2929.22	2360.98	2563.14
Office Equipments	4711.23	152.48	176.55	4687.16	1768.21	329.31	140.91	1956.61	2730.55	2943.02
Furniture & Fixtures	5004.96	48.01	67.31	4985.66	1702.54	319.41	67.31	1954.64	3031.02	3302.42
Vehicles	1950.33	168.13	93.35	2025.11	845.01	189.14	69.37	964.78	1060.33	1105.32
Aircraft (on Lease)	3584.70	-	3584.70	-	1437.65	117.70	1555.35	0.00	0.00	2147.05
Sub-Total (A)	242128.27	6523.86	9987.92	238664.21	103336.82	14411.60	6657.29	111091.13	127573.08	138791.45
Previous Year	(234145.39)	(9560.55)	(1577.67)	(242128.27)	(90344.66)	(14405.95)	(1413.79)	(103336.82)	(138791.45)	(143800.73)
<b>B. INTANGIBLE ASSETS</b>										
Software	1086.85	-	-	1086.85	712.46	116.34	-	828.80	258.05	374.39
Patent	500.00	-	-	500.00	121.86	100.00	-	221.86	278.14	378.14
Technical Know-How	265.55	-	-	265.55	68.50	53.29	-	121.19	143.76	197.05
Sub- Total (B)	1852.40	0.00	-	1852.40	902.82	269.63	-	1172.45	679.95	949.58
Previous Year	(1678.33)	(174.07)	-	(1852.40)	(626.17)	(276.65)	-	(902.82)	(949.58)	(1052.16)
<b>TOTAL</b>	243980.67	6523.86	9987.92	240516.61	104239.64	14681.23	6657.29	112263.58	128253.03	139741.03
Previous Year	(235823.72)	(9734.62)	(1577.67)	(243980.67)	(90970.83)	(14682.60)	(1413.79)	(104239.64)		
					Capital Work- in- Progress				7271.50	1444.67
					<b>TOTAL</b>				<b>135524.53</b>	<b>141185.70</b>

- Leasehold Land includes Rs.320.00 lacs (Previous Year same) pending execution of title deed.
- Building includes Rs. 5.30 lacs (Previous Year same) acquired on ownership basis & Rs.19.85 lacs (Previous Year same) pending execution of title deed.
- Gross Block & Capital Work-in-progress includes Pre-operative expenses, basis of which is certified by the Management.
- Capital Work in Progress includes Rs 1.61 lacs (Previous Year Rs. Nil lacs) in respect of Machinery in Transit.
- Plant & Machinery includes Rs.2397.72 lacs (Previous Year same) in respect of Machineries, destroyed during out break of fire, on which depreciation has been ceased to be charged, from the date of fire (Refer Note No. 37 for details).
- Gross Block includes Rs. 5.08 lacs (Previous Year same) added on revaluation of following assets:-
  - Rs. 2.27 Lacs (Previous Year same) towards for Building revalued as at 31st December 1987.
  - Rs. 2.81 lacs (Previous Year same) towards for Land revalued as at 31st December 1987.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**13. INVESTMENTS**

Particulars	Description	Face Value	As At 31.03.2014		As At 31.03.2013	
			Number	Amount (Rs.in Lacs)	Number	Amount (Rs.in Lacs)
<b>1. NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)</b>						
<b>A. QUOTED</b>						
<b>Fully Paid Up IN SHARES</b>						
<b>i) TRADE :</b>						
Flex Foods Ltd. (Associate)	Equity	Rs.10/-	5870000	587.00	5870000	587.00
<b>ii) NON-TRADE :</b>						
Reliance Industries Ltd.	Equity	Rs.10/-	222892	2820.92	222892	2820.92
Reliance Infrastructure Ltd.	Equity	Rs.10/-	60000	1115.87	60000	1115.87
Ansal Properties & Infrastructure Ltd.	Equity	Rs.5/-	589910	1113.90	589910	1113.90
Kothari Products Ltd.	Equity	Rs.10/-	76200	152.40	76200	152.40
B.A.G.Films Ltd.	Equity	Rs.2/-	49300	4.93	49300	4.93
<b>TOTAL (1-A)</b>				<b>5795.02</b>		<b>5795.02</b>
<b>B. UNQUOTED</b>						
<b>Fully Paid Up</b>						
<b>i) IN WHOLLY OWNED SUBSIDIARIES</b>						
Flex America Inc,USA	Equity	US\$ 1	-	-	100000	44.72
Flex Middle East FZE,Dubai	Equity	AED 1 Million	107	12672.08	107	12672.08
UFlex Europe Ltd.,UK	Equity	GBP 1	995000	726.92	995000	726.92
UFlex Packaging Inc,USA	Equity	US\$ 10	367500	1690.92	367500	1690.92
UTech Developers Ltd.	Equity	Rs.10/-	100000000	10000.00	100000000	10000.00
UPET Holdings Ltd.	Equity	US\$ 1	38400001	17480.80	38400001	17480.80
Flex Films (USA) Inc	Equity	US\$ 5000	1600	4150.88	6400	16862.59
Flex P Films (Brasil) Comercio De Films Plasticos Ltda	Equity	BLR 1/-	800000*	215.72	800000	215.72
USC Holograms Pvt. Ltd.	Equity	Rs.10/-	40800#	4.08	-	-
<b>ii) TRADE :</b>						
<b>IN SHARES</b>						
Malanpur Captive Power Ltd.	Equity	Rs.10/-	635650	297.17	635650	297.17
<b>iii) NON-TRADE :</b>						
<b>IN SHARES</b>						
Fair Growth Financial Services Ltd.	Equity	Rs.10/-	100000	10.00	100000	10.00
Vijaya Home Loans Ltd.	Equity	Rs.10/-	50000	5.00	50000	5.00
<b>TOTAL (1-B)</b>				<b>47253.57</b>		<b>60005.92</b>
<b>TOTAL (1)</b>				<b>53048.59</b>		<b>65800.94</b>
<b>2. CURRENT INVESTMENTS</b>						
Reliance Money Manager Fund Daily Dividend Plan	Units	Rs.1000/-	-	-	19972.608	200.00
[Repurchase value Rs. Nil lacs (Previous Year Rs.200.15 lacs)]						
<b>TOTAL (1)+(2)</b>				<b>53048.59</b>		<b>66000.94</b>

Aggregate Market Value of Quoted Investment is Rs. 4439.12 lacs (Previous Year Rs. 3723.86 Lacs). In the opinion of the Management, decline in the market value of the Investments is temporary.

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

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As At 31.03.2014	(Rs. in Lacs) As At 31.03.2013
<b>14. LONG-TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Capital Advances	2816.29	2252.76
Security Deposits	1398.95	1114.01
<b>Loans to :</b>		
- Subsidiary (UFlex Packaging Inc.)	-	2617.55
- Employees	180.26	186.21
- Others	831.47	7.00
<b>Deposits :</b>		
- With Excise Authority	326.68	299.12
- Others	132.90	166.20
MAT Credit Entitlement	-	943.00
Deposits / Advances with Income Tax Authorities	861.23	860.90
<b>TOTAL :</b>	<b>6547.78</b>	<b>8446.75</b>
<b>15. OTHER NON-CURRENT ASSETS</b>		
Long Term Trade Receivable	-	260.42
Advances recoverable in cash or in kind or value to be received	428.47	410.15
Other Receivable	-	566.38
<b>TOTAL :</b>	<b>428.47</b>	<b>1236.95</b>
<b>16. INVENTORIES</b>		
Raw Materials	11925.18	11091.95
Work-in-Progress	5942.48	6881.23
Finished Goods	2153.25	2257.08
Traded Goods	1.84	1.51
Material-in-Transit :		
- Raw Materials	563.36	420.59
- Raw Materials (Intra Group)	250.47	407.83
- Finished Goods (Intra Group)	25.32	83.90
Stores, Packing Material & Fuel	803.91	713.43
<b>TOTAL :</b>	<b>21665.81</b>	<b>21857.52</b>
<b>17. TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
A. Trade receivable outstanding for a period exceeding six months	14950.71	18258.59
B. Other trade receivable	66957.20	53546.85
	81907.91	71805.44
Less : Provision for Bad & Doubtful Debts	1013.16	563.75
<b>TOTAL #</b>	<b>80894.75</b>	<b>71241.69</b>
# Includes due from :		
- Subsidiaries	10377.58	8551.97
- Related Parties	1824.21	836.99



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	(Rs. in Lacs)			
	As At 31.03.2014		As At 31.03.2013	
<b>18. CASH &amp; BANK BALANCES</b>				
<b>a) Cash &amp; Cash Equivalents</b>				
Cash in hand	55.15		68.09	
Balances with Scheduled Banks:				
- On Current Accounts	2506.62		3000.69	
- On Cash Credits Accounts	1113.95		411.80	
- On Fixed Deposits Accounts	8893.21	12568.93	4522.27	8002.85
<b>b) Other Bank Balances</b>				
- On Fixed Deposits Accounts*	1027.24		744.34	
- On Fixed Deposits Accounts for a period more than 12 Months*	43.35		70.26	
- On Unclaimed Dividend Account	159.65		145.89	
- In Margin Money Accounts	603.40	1833.64	70.73	1031.22
<b>TOTAL :</b>		<u>14402.57</u>		<u>9034.07</u>

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

**19. SHORT-TERM LOANS & ADVANCES**

(Unsecured, Considered Good)

Advances recoverable in cash or in kind or for value to be received	5829.28	4395.36
Advances to Related Parties	0.43	68.52
Balances with Excise Authorities	3275.03	2791.23
Loans to Employees and others	0.30	5.72
Loans to Subsidiaries*	9177.56	8450.83
Loans to Other Body Corporates	4519.53	5845.00
<b>TOTAL</b>	<u>22802.13</u>	<u>21556.66</u>

\* Represents loans given to followings :

	Applicable Rate of Interest		Applicable Rate of Interest	
UTech Developers Ltd.	0%	9135.00	0%	8410.00
UFlex Europe Ltd.(UK)	-	-	4%	40.83
USC Holograms Pvt. Ltd.	10%	42.56	-	-
<b>TOTAL :</b>		<u>9177.56</u>		<u>8450.83</u>

**20. OTHER CURRENT ASSETS**

Interest accrued on :

- Loan to Subsidiaries	-	298.44
- Loans to Others	183.31	911.84
- Deposits with Banks	65.60	25.91
Other Receivables	1292.75	1137.46
<b>TOTAL :</b>	<u>1541.66</u>	<u>2373.65</u>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	<b>(Rs. in Lacs)</b>	
	<b>For the Year Ended 31.03.2014</b>	<b>For the Year Ended 31.03.2013</b>
<b>21. REVENUE FROM OPERATIONS</b>		
<b>A. i) REVENUE FROM SALE OF PRODUCTS</b>		
Gross Sales	363433.71	354365.06
Less : Inter Unit Sales	<u>32631.22</u>	<u>30716.36</u>
	330802.49	323648.70
Less : Excise Duty / Cess	<u>29941.05</u>	<u>29549.13</u>
	<b>300861.44</b>	294099.57
<b>ii) REVENUE FROM SALE OF SERVICES</b>		
Gross Job work	5733.24	12912.81
Less : Inter Unit Job Work	<u>3448.03</u>	<u>3934.19</u>
	2285.21	8978.62
Less : Excise Duty / Service Tax / Cess	<u>198.56</u>	<u>171.89</u>
	<b>2086.65</b>	8806.73
<b>TOTAL (A) :</b>	<b>302948.09</b>	302906.30
<b>B. OTHER OPERATING REVENUES</b>		
Scrap Sales	2858.42	2720.45
Less : Excise Duty / Cess	<u>219.77</u>	<u>207.92</u>
	2638.65	2512.53
Packing, Forwarding and Insurance Recoveries	184.31	132.38
Exchange Rate Fluctuation (Net)	1324.17	-
Export Incentive	3633.36	2324.37
Excise Duty Refund	1803.62	999.50
Miscellaneous Operating Income	2214.19	255.94
Sales Tax Refund	14.99	-
Licence fees	-	24.00
Technical & Support Fees	<u>3165.57</u>	<u>6481.54</u>
<b>TOTAL (B) :</b>	<b>14978.86</b>	12730.26
<b>TOTAL (A+B) :</b>	<b>317926.95</b>	315636.56
<b>PRODUCT WISE DETAILS OF REVENUE FROM SALE OF MANUFACTURED PRODUCTS / SERVICES</b>		
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Plastic Films and Hologrammed Stricker Sheets	244465.12	212803.41
Packaging & Converting Machines	23214.26	40125.53
Printing Ink	21382.43	14761.71
Adhesive	16217.13	13703.47
Others	<u>18981.88</u>	<u>18630.96</u>
<b>TOTAL :</b>	<b>324260.82</b>	300025.08
<b>PRODUCT WISE DETAILS OF REVENUE FROM SALE OF STOCK-IN-TRADE</b>		
Paper	1113.43	10981.49
Adhesive	1727.60	6618.23
Aluminium	5337.46	14189.21
Others	<u>648.39</u>	<u>813.31</u>
<b>TOTAL :</b>	<b>8826.88</b>	32602.24
<b>GROSS REVENUE FROM SALE OF PRODUCTS &amp; SERVICES</b>	<b>333087.70</b>	332627.32
Less : Excise Duty / Service Tax / Cess	<u>30139.61</u>	<u>29721.02</u>
<b>REVENUE FROM SALE OF PRODUCTS / SERVICES</b>	<b>302948.09</b>	302906.30

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	<b>For the Year Ended 31.03.2014</b>	<b>(Rs. in Lacs) For the Year Ended 31.03.2013</b>
<b>22. OTHER INCOME</b>		
Rent Received	211.71	204.01
<b>Profit on sale of Investments (Net)</b>		
- Non Current Investments	4554.21	17.27
- Current Investments	-	3.01
Miscellaneous Income	1946.61	726.28
<b>Interest :</b>		
- from Banks	432.35	299.46
- from Others	818.35	1000.82
<b>Investment Income:</b>		
- Dividend received on Trade Investments	117.40	117.40
- Dividend received on Non-Trade Investments	44.71	34.75
<b>TOTAL :</b>	<u>8125.34</u>	<u>2403.00</u>
<b>23. COST OF MATERIALS CONSUMED</b>		
Opening Stock	11499.78	12509.15
Add : Purchases	229140.50	202743.72
	<u>240640.28</u>	<u>215252.87</u>
Less : Inter Unit Purchases	31709.08	31377.55
	<u>208931.20</u>	<u>183875.32</u>
Less : Closing Stock	12175.65	11499.78
<b>TOTAL :</b>	<u>196755.55</u>	<u>172375.54</u>
<b>PRODUCT WISE DETAILS OF COST OF MATERIALS CONSUMED :</b>		
Fibre Chemicals	30833.03	45722.00
Plastic Granules	39739.64	32449.07
Plastic Films	32040.56	21953.62
Aluminium Foils	18060.16	7731.99
Paper	9881.97	6199.47
Solvents	12890.73	12264.38
Chemicals	12716.01	9815.60
Resin	9814.01	5528.37
Others	30781.14	30711.04
<b>TOTAL :</b>	<u>196757.25</u>	<u>172375.54</u>
Less : Materials Consumed during trial runs	1.70	-
<b>TOTAL :</b>	<u>196755.55</u>	<u>172375.54</u>
<b>24. PURCHASE OF STOCK-IN-TRADE</b>	<u>7431.39</u>	<u>28607.65</u>
<b>PRODUCT WISE DETAILS OF PURCHASE OF STOCK- IN-TRADE :</b>		
Paper	978.14	9654.00
Adhesive	1428.52	5819.67
Aluminium	4488.49	12465.56
Others	536.24	668.42
<b>TOTAL :</b>	<u>7431.39</u>	<u>28607.65</u>

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	(Rs. in Lacs)	
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
<b>25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Stock-in-Trade	1.51	-
Finished Goods	2340.98	1802.83
Work-in-Progress	6881.23	5363.08
	<b>9223.72</b>	7165.91
<b>Less: Closing Stock :</b>		
Stock-in-Trade	1.84	1.51
<b>Finished Goods</b>	<b>2178.57</b>	2340.98
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Plastic Films and Hologrammed Stricker Sheets	680.94	1208.79
Printing Ink	373.01	205.70
Adhesive	320.32	241.06
Others	804.30	685.43
<b>Work-in-Progress</b>	<b>5942.48</b>	6881.23
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Plastic Films and Hologrammed Sticker Sheets	3735.36	3410.60
Packaging & Converting Machines	1895.35	3154.46
Printing Ink	134.64	125.06
Adhesive	57.47	69.42
Others	119.66	121.69
	<b>8122.89</b>	9223.72
<b>TOTAL :</b>	<b>1100.83</b>	(2057.81)
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus, Benefits and Amenities	20363.55	17040.06
Contribution to Provident Fund and Other Funds	1271.31	834.65
Employee Welfare Expenses	712.19	572.60
<b>TOTAL :</b>	<b>22347.05</b>	18447.31
<b>27. FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	10384.33	11603.18
- On Other Loans / Liabilities	4250.13	4308.43
- On Shortfall in payment of Advance Tax	113.00	106.00
Short / (Excess) Provision of interest on Income Tax for earlier years	182.29	(31.07)
Discounting & Financial Charges	1792.94	1491.92
<b>TOTAL :</b>	<b>16722.69</b>	17478.46

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the Year Ended 31.03.2014	(Rs. in Lacs) For the Year Ended 31.03.2013
<b>28. OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	17648.54	18199.93
Repair & Maintenance-Machinery	2977.18	2543.69
Stores Consumed	3118.87	3000.89
Tools, Jigs & Dies	242.92	285.56
Packing Material Consumed	5101.67	5026.73
Cylinders / Processing Charges for Cylinders	1958.57	1120.59
Less : Inter Unit Charges	<u>1735.04</u>	<u>851.23</u>
	223.53	269.36
Design & Development Charges	20.53	9.50
Excise Duty	3.24	46.57
Job Work Charges	1343.18	1260.20
Royalty Expenses	843.61	565.00
R & D Charges	45.12	39.34
<b>TOTAL (A) :</b>	<u>31568.39</u>	<u>31246.77</u>
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	644.40	498.64
Rates & Taxes	125.00	124.83
Insurance charges	626.78	544.17
Electricity & Water charges	315.73	255.71
Printing & Stationery	200.17	197.10
Postage, Telephone & Fax Expenses	435.39	384.87
Vehicle Running & Maintenance Expenses	410.35	365.93
Lease Rent -Vehicles	531.37	506.10
Conveyance & Travelling Expenses	2341.77	2464.70
Repair & Maintenance :		
- Building	336.03	334.75
- Others	1288.29	923.63
Legal & Professional Charges	1294.70	1180.22
Directors' sitting fees	7.60	9.02
General Expenses	1544.95	1513.31
Commission on Sales	458.51	314.67
Advertisement & Publicity	327.46	538.33
Entertainment Expenses	318.52	460.24
Charity & Donation	176.71	111.85
Rebate & Discount	1236.14	855.39
Freight & Forwarding charges	6733.17	7194.48
Loss on Settlement of Fire Claim	202.13	-
Fixed Assets Written -off	18.62	3.20
Loss on assets sold (Net)	416.77	42.55
Exchange Rate Fluctuations (Net)	-	3541.59
Provision for Doubtful Debt Written Back	(14.06)	(1190.17)
Bad & Doubtful Debts (Provision)	463.47	563.75
Sundry Balances written-off (Net)	690.56	1183.80
Claim (Exports)	39.51	2.66
<b>TOTAL (B) :</b>	<u>21170.04</u>	<u>22925.32</u>
<b>TOTAL :</b>	<u>52738.43</u>	<u>54172.09</u>



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31.03.2014	(Rs. in Lacs) For the Year Ended 31.03.2013
<b>29. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS</b>		
Cost of Material Consumed	666.66	1954.92
Employee Benefits Expense	387.54	476.79
Finance Costs	3.94	5.03
Depreciation and amortisation expense	124.27	194.93
Other Expenses	411.31	566.44
<b>TOTAL :</b>	<b>1593.72</b>	<b>3198.11</b>

	As At 31.03.2014	(Rs.in Lacs) As At 31.03.2013
<b>30. Contingent liabilities not provided for in respect of:</b>		
i) Guarantees issued by Banks	2124.05	1286.41
ii) Corporate Guarantees issued for facilities taken by foreign subsidiaries / step down subsidiaries from Banks	213907.50	175904.20
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	2264.64	2854.16
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	6121.32	6355.77
v) Show cause notice / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Company and are contested / appealed / replied.	8038.09	6384.20
vi) Additional demands raised by the Income Tax Department, which are under rectification & appeal	519.04	480.71
vii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	791.91	204.63
viii) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	27.73	27.73
ix) Amount demanded by the erstwhile workers of the Company and are pending in labour Court	10.48	9.77
x) Claims against the Company/disputed liabilities not acknowledged as debt.	415.86	419.67

<b>31. Capital Commitments :</b>		
The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	11051.11	9803.69

### 32. Disclosures for Assets under Operating Leases

The Company has taken certain vehicles on operating Lease. The disclosures required in terms of Accounting Standard (AS)-19 on "Leases" 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	568.39	789.72	-	1358.11
	<i>481.63</i>	<i>514.41</i>	-	<i>996.04</i>

Previous Year figures have been given in Italic.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

**33.** Ministry of Corporate Affairs (MCA) has passed an order on 9th October 2013, wherein MCA has not acceded to the request made by the Company for waiver of recovery of excess remuneration paid by the company to its Chairman & Managing Director during the period from 2004-05 to 2008-09, aggregating to Rs.1184.79 Lacs. Accordingly the Chairman & Managing Director has refunded the amount determined as excess paid in the past, to the Company.

**34.** Auditors Remuneration, as included in "Legal & Professional charges" under Note No."28(B)", is as under:-  
(Rs.in Lacs)

	<u>Current Year</u>	<u>Previous Year</u>
a) Audit Fees	<b>80.00</b>	68.00
b) Taxation Matters	<b>22.50</b>	20.50
c) Company Law Matters	<b>1.12</b>	1.58
d) Management Service	-	3.00
e) Other Services	<b>27.62</b>	23.81
f) Out of Pocket Expenses	<b>5.37</b>	4.13

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

### 36. 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 Accounting Standard-15, "Employee Benefits" is as under:

	<u>Current Year</u>	<u>(Rs. In Lacs)</u> <u>Previous Year</u>
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>1575.14</b>	1385.83
Service cost	<b>313.24</b>	247.05
Interest cost	<b>121.08</b>	108.14
Actuarial (gain) / loss	<b>224.59</b>	(97.61)
Benefits paid	<b>(123.22)</b>	(68.27)
Obligations at period end	<b>2110.83</b>	1575.14
<b>b. Reconciliation of opening and closing balances of fair value assets</b>		
Plan assets at period beginning, at fair value	<b>1598.35</b>	1343.83
Expected return on plan assets	<b>139.18</b>	117.69
Actuarial gain / (loss)	<b>22.20</b>	14.66
Contributions	<b>244.68</b>	190.44
Benefits paid	<b>(123.22)</b>	(68.27)
Plan assets at period end, at fair value	<b>1881.19</b>	1598.35
<b>c. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>2110.83</b>	1575.14
Fair value of plan assets at the end of the period	<b>(1881.19)</b>	(1598.35)
Liability recognized in the balance sheet	<b>229.64</b>	(23.21)

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	<u>Current Year</u>	<u>(Rs. In Lacs) Previous Year</u>
Assumptions		
Interest rate	<b>8% P.A.</b>	8% P.A.
Estimated rate of return on plan assets	<b>8% P.A.</b>	8% P.A.
<b>d. Gratuity cost for the period</b>		
Service cost	<b>313.24</b>	247.05
Interest cost	<b>121.08</b>	108.14
Expected return on plan assets	<b>(139.18)</b>	(117.69)
Actuarial (gain) / loss	<b>202.39</b>	(112.27)
<b>Net gratuity cost</b>	<b>497.53</b>	125.23
<b>b) Leave Encashment</b>		
The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation, disclosure whereof in terms of Accounting Standard (AS)- 15, "Employee Benefits" is as under:		
	<u>Current Year</u>	<u>(Rs. In Lacs) Previous Year</u>
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>901.83</b>	1211.69
Service cost	<b>551.12</b>	465.86
Past Service Cost*	-	(537.26)
Interest cost	<b>65.05</b>	50.85
Actuarial (gain) / loss	<b>(354.10)</b>	(136.86)
Benefits paid	<b>(177.50)</b>	(152.45)
Obligations at period end	<b>986.40</b>	901.83
<b>b. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>986.40</b>	901.83
Liability recognized in the balance sheet	<b>986.40</b>	901.83
Assumptions		
Interest rate	<b>8% P.A.</b>	8.5% P.A.
<b>c. Leave Encashment cost for the period</b>		
Service cost	<b>551.12</b>	465.86
Interest cost	<b>65.05</b>	50.85
Actuarial (gain) / loss	<b>(354.10)</b>	(136.86)
Past Service Cost	-	(537.26)
<b>Net Leave Encashment cost for the period</b>	<b>262.07</b>	(157.41)

\* Represent difference between the book balance and balance derived by actuarial valuation.

**37.** Aggregate claim bill of Rs.2568.23 Lacs was filed during the year ended 31st March,2012, with insurance company, out of which Rs.2454.41 lacs is covered on re-instatement basis, towards machines, buildings, cables etc. destroyed during outbreak of fire in factory premises of the Company, situated at Sector 60, NOIDA and balance of Rs.113.82 lacs towards stock of materials, to be recovered from the insurance company. Up to the year end, Company has received interim claim of Rs.445.18 lacs from the Insurance Company.

**38:** Balances of some of the parties are subject to reconciliation & confirmations.

**39** a) Rupees have been rounded off to the nearest thousand.

b) Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 40. EARNING PER SHARE

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

	<u>Current Year</u>	<u>Previous Year</u>
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs in Lacs)	<b>12935.64</b>	13847.03
(B) (i) Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<b>72211486</b>	72211486
(ii) Opening Balance of Equity Shares (Numbers)	<b>72211486</b>	72211486
Add : Weighted Average Factor of outstanding Equity Warrants (Numbers)	-	1506849
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>72211486</b>	73718335
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) Earning Per Share		
(a) Basic (A/B(i)) (Rs.)	<b>17.91</b>	19.18
(b) Diluted (A/B(ii)) (Rs.)	<b>17.91</b>	18.78

### 41. SEGMENT DISCLOSURE

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

	<u>Current Year</u>	<u>Previous Year</u>
Domestic Revenue	<b>281321.66</b>	277202.70
<b>Export Revenue :</b>		
USA	<b>15633.35</b>	21934.15
Europe	<b>17385.74</b>	15798.27
Asia	<b>12041.83</b>	10619.75
Africa	<b>9502.19</b>	9760.36
Others	<b>61.35</b>	32.54
Total Export Revenue	<b>54624.46</b>	58145.07
<b>Total Revenue*</b>	<b>335946.12</b>	335347.77

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

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

(a) List of Related Parties:

- i) **Wholly Owned Subsidiaries** : Flex America Inc. (Up to 7th January, 2014), Flex Middle East FZE , UFlex Europe Ltd., UFlex Packaging Inc., UPET Holdings Ltd., UTech Developers Ltd., Flex Films (USA) Inc. (Up to 6th December, 2013), Flex P Films (Brasil) Comercio De Films Plasticos Ltda. and USC Holograms (P) Ltd.
- ii) **Fellow Subsidiaries** : Flex Films Europa Sp. Z.o.o, Flex P Films (Egypt) S.A.E., UPET (Singapore) PTE. Ltd., FlexAmericas S.A. DE C.V., SD Buildwell Pvt.Ltd., Flex Films (USA) Inc. (w.e.f 7th December, 2013) and Flex America Inc. (w.e.f 8th January, 2014)
- iii) **Associate** : Flex Foods Limited
- iv) **Joint Venture** : Qcell Limited (Till 30th September 2013) [Joint Venture of a Wholly Owned Subsidiary]#

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- v) **Key Management Personnel & their relatives/ HUF (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi), Mr. Ashok Chaturvedi (HUF) and Mr. S.K. Kaushik, Whole-time Director
- vi) **Enterprises in which the persons referred in (v) along with their relatives exercise significant influence** : Flex International (P) Ltd., Anshika Investments (P) Ltd., Ultimate Flexipack Ltd., A.R.Infrastructure & Projects (P) Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshika Consultants (P) Ltd., A.R. Leasing (P) Limited, Cinflex Infotech (P) Ltd., Ultimate Enterprises (P) Ltd., AR Aerotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd., AC Infrastructures (P) Ltd., Club One Airways (P) Ltd., Flex Industries (P) Ltd., AC Infratech (P) Ltd., RC Properties (P) Ltd., A to Z Infratech (P) Ltd., Ultimate Infratech (P) Ltd., AKC Investments (P) Ltd., Ganadhipati Investments (P) Ltd., Ultimate Prepress LLP, AKC Retailers Ltd., Niksar Finvest (P) Ltd., Reflex Energy (Rajasthan) (P) Ltd., A-One Infratech (P) Ltd., Ganadhipati Infraproject (P) Ltd., Nirman Overseas (P) Ltd., Holofix Urban Infrastructures (P) Ltd., Laurel Real Estates (P) Ltd., Sungrace Products (India) (P) Ltd., Virgin Infrastructures (P) Ltd., Vendee Builders (P) Ltd., Ultimate Energy Ltd., Modern Info Technology (P) Ltd., Liberal Advisory Services (P) Ltd., Saga Realtors (P) Ltd., Genius Infratech (P) Ltd. and Naveli Collections (P) Ltd.

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

(Rs.in Lacs)						
Transactions	Wholly owned Subsidiaries	Fellow Subsidiaries	Associate	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (vi)' above	Total
<b>i) Trade Transactions</b>						
Sale of Goods/Services (Net)	<b>19958.01</b> 16246.19	<b>7375.95</b> 12070.39	<b>36.05</b> 18.13	-	<b>7771.39</b> 2775.76	<b>35141.40</b> 31110.47
Purchase of Goods/Services (Net )	<b>2275.28</b> 2.72	<b>8.84</b> 640.01	-	-	<b>19094.87</b> 16549.15	<b>21378.99</b> 17191.88
Royalty	-	-	-	<b>770.00</b> 565.00	-	<b>770.00</b> 565.00
Purchase of Fixed Assets	-	-	-	-	<b>26.70</b>	<b>26.70</b>
Sale of Fixed Assets	-	164.95	-	-	<b>1114.19</b>	<b>1114.19</b>
Dividend Income	-	-	<b>117.40</b> 117.40	-	-	<b>117.40</b> 117.40
Lease Charges Received	-	-	-	-	<b>140.00</b> 210.00	<b>140.00</b> 210.00
Licence & Support fees Received	<b>76.16</b> 196.45	<b>355.65</b> 3586.60	-	-	-	<b>431.81</b> 3783.05
Rent Received	-	-	-	<b>36.00</b> 36.00	<b>4.08</b> 4.08	<b>40.08</b> 40.08
Rent Paid	-	-	-	<b>207.00</b> 207.00	<b>149.67</b> 123.60	<b>356.67</b> 330.60
Interest Paid on Loans	-	-	<b>1.96</b>	-	<b>92.02</b> 155.00	<b>93.98</b> 155.00
Interest Received on Loans	<b>133.79</b> 158.68	-	-	-	-	<b>133.79</b> 158.68
Commission Received on extension of Corporate Guarantee	<b>98.35</b> 97.36	<b>513.04</b> 417.16	-	-	-	<b>611.39</b> 514.52
Remuneration	-	-	-	<b>826.92</b> 760.73	-	<b>826.92</b> 760.73
Recovery towards Excess Remuneration paid in past	-	-	-	<b>1184.79</b>	-	<b>1184.79</b>



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs.in Lacs)

Transactions	Wholly owned Subsidiaries	Fellow Subsidiaries	Associate	Key Management Personnel & their Relatives / HUF	Enterprises as referred to in 'a (vi)' above	Total
<b>ii) Non Trade Transactions</b>						
Investment in Shares / Share application money	<b>4.08</b>	-	-	-	-	<b>4.08</b>
	<i>10693.78</i>	-	-	-	-	<i>10693.78</i>
Forfeiture of amount received on allotment of warrants	-	-	-	-	-	-
	-	-	-	2250.00	5250.00	7500.00
Advance received against Supply of goods / Services (Net)	-	8592.28	-	-	-	8592.28
Sale of Investments	<b>16325.84</b>	<b>984.80</b>	-	-	-	<b>17310.64</b>
	-	-	-	-	-	-
Dividend Paid	-	-	-	16.95	736.33	753.28
	-	-	-	14.13	613.61	627.74
Loan Taken	-	-	500.00	-	4600.00	5100.00
	-	-	-	-	8060.00	8060.00
Repayment of Loan Taken	-	-	500.00	-	4600.00	5100.00
	-	-	-	-	8060.00	8060.00
Loan Given	<b>1042.56</b>	-	-	-	-	<b>1042.56</b>
	<i>653.86</i>	-	-	-	-	<i>653.86</i>
Recovery of Loan Given	<b>2933.38</b>	-	-	-	-	<b>2933.38</b>
	<i>2684.00</i>	-	-	-	-	<i>2684.00</i>
<b>Total</b>	<b>42847.45</b>	<b>9238.28</b>	<b>1155.41</b>	<b>3041.66</b>	<b>38329.25</b>	<b>94612.05</b>
	<i>30733.04</i>	<i>25471.39</i>	<i>135.53</i>	<i>3832.86</i>	<i>41801.20</i>	<i>101974.02</i>
<b>Balance as on 31.03.2014</b>						
Debit	<b>18369.56</b>	<b>1186.01</b>	<b>7.50</b>	-	<b>1816.71</b>	<b>21379.78</b>
	<i>19374.99</i>	<i>592.93</i>	<i>1.68</i>	-	<i>853.08</i>	<i>20822.68</i>
Credit	<b>373.04</b>	<b>3553.45</b>	-	<b>92.12</b>	<b>4633.79</b>	<b>8652.40</b>
	<i>1911.44</i>	<i>8768.29</i>	-	<i>151.86</i>	<i>5844.54</i>	<i>16676.13</i>

Previous Year figures have been given in Italic.

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

# During the year, the concerned Wholly Owned Subsidiary 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.

**43. Information in respect of Imported & Indigenous Material Consumed**

(Rs. in lacs)

Description	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
<b>a) Raw Material</b>				
Imported	<b>53127.94</b>	<b>27.00</b>	35978.51	20.87
Indigenous	<b>143629.31</b>	<b>73.00</b>	136397.03	79.13
<b>TOTAL #</b>	<b>196757.25</b>	<b>100.00</b>	172375.54	100.00
# Includes Material Consumed during Trial Runs Rs. 1.70 lacs (Previous Year Rs. Nil lacs).				
<b>b) Stores, Spares, Tools, Jigs &amp; Dies Consumed</b>				
Imported *	<b>1172.25</b>	<b>27.25</b>	962.41	23.64
Indigenous	<b>3129.02</b>	<b>72.75</b>	3108.53	76.36
<b>TOTAL</b>	<b>4301.27</b>	<b>100.00</b>	4070.94	100.00

\* Includes spares of Rs.939.47 lacs (Previous year Rs.792.80 lacs) charged to Repair & Maintenance-Machinery.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**44 Other Particulars**

(Rs.in Lacs)

Description	Current Year	Previous Year
<b>a) CIF Value of Imports</b>		
i) Raw Materials / Stock - in - Trade	<b>52103.58</b>	55877.27
ii) Capital Goods	<b>4224.72</b>	2157.19
iii) Stores & Spares	<b>1072.35</b>	1296.98
iv) Material-in-Transit - Raw Materials	<b>378.57</b>	364.02
v) Material-in-Transit - Spare Parts	<b>5.78</b>	-
<b>b) Expenditure in Foreign Currency</b>		
i) Travelling expenses	<b>322.90</b>	260.95
ii) Advertisement & Publicity	<b>32.56</b>	174.47
iii) General expenses	<b>29.35</b>	34.87
iv) Commission on Sales	<b>68.31</b>	15.24
v) Discounting & Bank charges	<b>77.04</b>	53.91
vi) Entertainment Expenses	<b>1.42</b>	151.57
vii) Legal & Professional Charges	<b>89.88</b>	177.16
viii) Repair & Maint. -Others	<b>68.79</b>	3.57
ix) Claim Exports	<b>39.51</b>	2.66
x) Rent	<b>69.98</b>	61.94
xi) Charity & Donation	<b>3.40</b>	-
xii) Repair & Maint. -Machinery	<b>70.62</b>	18.72
xiii) Job work	-	62.82
xiv) Freight Charges	-	39.34
xv) Royalty	<b>45.85</b>	-
xvi) Interest on ECB	<b>12.29</b>	-
<b>c) Earning in Foreign Exchange</b>		
i) F.O.B. value of Export of Manufactured / Stock - in - Trade	<b>50234.01</b>	55111.80
ii) Sales of Services	<b>105.21</b>	215.90
iii) Technical & Support Fees	<b>3165.57</b>	6481.54
iv) Interest on loans granted to Subsidiaries	<b>133.79</b>	158.68
v) Commission for extension of Corporate Guarantee for Subsidiaries	<b>611.38</b>	514.52

Signatories to Notes 1 to 44

For and on behalf of the Board of Directors

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

**S. K. Kaushik**  
*Whole-time Director*

**Ravi Kathpalia**  
*Director*

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

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
*Partner*

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

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

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

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

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

For & On behalf of the Board

S.K. Kaushik  
Whole-time Director

Ravi Kathpalia  
Director

Place : NOIDA

Date : 30<sup>th</sup> May, 2014

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY**

S. No.	Name of the Subsidiary Company	Financial year of the Subsidiary	Issued, subscribed and paid up capital of Subsidiary Company as on 31st March 2014	Extent of interest of the holding Company as on 31st March 2014	Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the Members of the Holding Company and is not dealt in the Accounts of Holding Company for the Financial Year and Previous Financial Years		Net aggregate amount of Profits/(Losses) of the subsidiary so far as it concerns the members of the holding company and is dealt in the Accounts of Holding Company for the Financial Year and Previous Financial Years	
					Current Year #	Previous Years	Current Year	Previous Years
1	Flex Middle East FZE	31-03-2014	107 Equity Shares of AED 1 Million each	100%	US \$ 1,12,86,567 equivalent to Rs.6732.44 Lacs	US \$ 159,619,968 equivalent to Rs.95213.31 Lacs	NIL	NIL
2	UFlex Europe Limited	31-03-2014	9,95,000 Equity Shares of GBP 1 Each	100%	GBP 4,37,911 equivalent to Rs. 434.10 Lacs	GBP (18,21,770) equivalent to Rs. (1805.92) Lacs	NIL	NIL
3	U Tech Developers Limited	31-03-2014	10,00,00,000 Equity Shares of Rs. 10 Each	100%	Rs. (206.55) Lacs	Rs.1177.37 Lacs	NIL	NIL
4	UFLEX Packaging Inc.	31-03-2014	367,500 Equity Shares of US \$ 10 Each	100%	US \$ 113,339 Equivalent to Rs. 67.61 Lacs	US \$ (41,83,939) equivalent to Rs. (2495.72) Lacs	NIL	NIL
5	UPET Holdings Limited	31-03-2014	3,84,00,001 Equity Shares of US \$ 1 Each	100%	US \$ (8,874) equivalent to Rs. (5.29) Lacs	US \$ (81,447) equivalent to Rs. (48.58) Lacs	NIL	NIL
6	Flex P. Films (Brasil) Comercio De Films Plasticos Ltda	31-03-2014	8,00,000 Equity Shares of BLR 1 Each	100%	BLR (1,980) Equivalent to Rs. (0.52) Lacs	BLR (4,765) Equivalent to Rs. (1.26) Lacs	NIL	NIL
7	USC Holograms Pvt. Ltd.	31-03-2014	60,000 Equity Shares of Rs. 10 Each	68%	Rs. (2.01) Lacs	NIL	NIL	NIL
<b>Subsidiary of U Tech Developers Limited</b>								
8	S.D.Buildwell Private Limited	31-03-2014	10,000 Equity Shares of Rs. 10 Each	54%	Rs. (13.81) Lacs	Rs. (20.83) Lacs	NIL	NIL
<b>Subsidiary of UPET Holdings Limited</b>								
9	UPET (Singapore) Limited	31-03-2014	3,82,00,100 Equity Shares of US \$ 1 Each	100%	US \$ (3,765) equivalent to Rs. (2.25) Lacs	US \$ (21,872) equivalent to Rs. (13.05) Lacs	NIL	NIL
<b>Subsidiary of UPET (Singapore) Limited</b>								
10	Flex Americas S.A. de C.V.	31-03-2014	4,19,201 Equity Shares of MXP 1000 Each	100%	MXP (768.41) Lacs Equivalent to Rs. (3503.94) Lacs	MXP 2000.40 Lacs Equivalent to Rs.9121.82 Lacs	NIL	NIL
<b>Subsidiary of Flex Middle East FZE</b>								
11	Flex P. Films Egypt S.A.E.	31-03-2014	26,800,000 Equity Shares of 10/- Egyptian Pound Each Equivalent to USD 47,914,115	100%	US \$ 27,59,340 Equivalent to Rs.1645.95 Lacs	US \$ 60,63,626 Equivalent to Rs.3616.95 Lacs	US \$ 51,84,400 Equivalent to Rs.3092.49 Lacs	NIL
12	Flex Films Europa Sp. Z.o.o.	31-03-2014	2029441 Equity Shares of PLN 50 each	100%	PLN 20,165,481 Equivalent to Rs.4027.05 Lacs	PLN (54,03,782) Equivalent to Rs.(1079.14) Lacs	NIL	NIL
13	Flex Films (USA) Inc.	31-03-2014	6400 Common Stock of US \$5000 each	100%	US \$ (25,13,059) Equivalent to Rs. (1499.04) Lacs	US \$ (12,79,916) Equivalent to Rs. (763.47) Lacs	NIL	NIL
<b>Subsidiary of Flex Films (USA) Inc.</b>								
14	Flex America Inc	31-03-2014	1,00,000 of Equity Shares of US\$1each	100%	US \$ 54,623 Equivalent to Rs. 32.58 Lacs	US \$14,88,654 equivalent to Rs. 887.98 Lacs	NIL	NIL

# Including the impact of Prior period items, if any.

**Notes:**

- As the end of the Financial Year of the Subsidiaries ended 31st March, 2014 coincides with the end of the Financial Year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.
- AKC Developers Ltd., a fellow subsidiary is not reported above, since the company has transferred the Management and Control under the agreement dated 21st May 2010 with an understanding to transfer the entire shareholding

on payment of the amount under the agreement.

3 Following Rates are used for conversion of the Amount :

- 1 USD Equivalent to Rs. 59.65
- 1 GBP Equivalent to Rs.99.13
- 1 MXP Equivalent to Rs.4.56
- 1 PLN Equivalent to Rs.19.97
- 1 BLR Equivalent to Rs. 26.44

For and on behalf of the Board of Directors

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

**S. K. Kaushik**  
Whole-time Director

**Ravi Kathalia**  
Director

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' REPORT

#### TO THE BOARD OF DIRECTORS OF UFLEX LIMITED

##### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of UFLEX LIMITED (the "Company"), its subsidiaries, Flex America, Inc., Uflex Europe Ltd., Uflex Packaging Inc., Flex Middle East FZE, UPET Holdings Limited, U Tech Developers Limited, Flex P. Films (Egypt) S.A.E., UPET (Singapore) PTE Limited, Flex Americas S.A. DE C.V., SD Buildwell Private Limited, Flex Films Europa Sp. z o.o., Flex Films (USA) Inc., Flex P Films (Brasil) Comercio De Films Plasticos Ltda & USC Holograms (P) Ltd., and unaudited operational results of Joint Venture, Qcell Limited till 30-09-2013 (collectively referred to as "the Uflex Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Uflex Group for the year then ended and a summary of significant accounting policies and other explanatory information.

##### Management Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Uflex Group in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

##### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Uflex Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries, its associate, Flex Foods Limited and unaudited operational results of Joint Venture till 30-09-2013, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India: -

- In the case of the Consolidated Balance Sheet, of the State of Affairs of the Uflex Group as at 31st March, 2014;
- In the case of the Consolidated Statement of Profit & Loss, of the Profit of the Uflex Group for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Uflex Group for the year ended on that date.

##### Other Matters

We did not audit the financial statements of the Subsidiaries and Joint Venture, whose financial statements reflect total assets of Rs. 5,45,020.19 lacs as at 31st March 2014, total revenues of Rs. 3,47,035.20 lacs and Net Cash Outflows amounting to Rs. 848.09 lacs, for the year then ended. The financial statements and other financial information of the subsidiaries have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

For **VIJAY SEGHAL & CO.,**

Chartered Accountants

Firm Regn. No. 000374N

**CA. S. V. SEHGAL**

Place : NOIDA Partner

Dated : 30<sup>th</sup> May, 2014 Membership No.080329



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

(Rs in Lacs)

Particulars	Note No.	As At	
		31st March 2014	As At 31st March 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	2	7221.15	7221.15
b) Reserves and Surplus	3	<u>275069.21</u>	<u>242639.27</u>
		<b>282290.36</b>	249860.42
(2) Minority Interest	4	<b>0.98</b>	-
<b>(3) Non-Current Liabilities</b>			
a) Long-term borrowings	5	132883.99	130116.50
b) Deferred tax liabilities (Net)	6	14118.32	17199.06
c) Other Long term liabilities	7	398.29	372.73
d) Long-term provisions	8	<u>902.11</u>	<u>874.13</u>
		<b>148302.71</b>	148562.42
<b>(4) Current Liabilities</b>			
a) Short-term borrowings	9	59509.17	51173.27
b) Trade payables	10	86997.58	72246.17
c) Other current liabilities	11	75543.76	68097.23
d) Short-term provisions	12	<u>6815.24</u>	<u>6481.92</u>
		<b>228865.75</b>	197998.59
<b>Total:</b>		<u><b>659459.80</b></u>	<u>596421.43</u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed assets	13		
i) Tangible assets		337114.63	332904.35
ii) Intangible assets		698.82	1011.95
iii) Capital work-in-progress		7406.13	3833.91
b) Non-current investments	14(1)	12586.15	9988.49
c) Long-term loans and advances	15	16486.98	11991.28
d) Other non-current assets	16	<u>700.53</u>	<u>1308.60</u>
		<b>374993.24</b>	361038.58
<b>(2) Current assets</b>			
a) Current investments	14 (2)	-	200.00
b) Inventories	17	61073.94	47020.27
c) Trade receivables	18	150517.75	127602.49
d) Cash and Bank Balances	19	20742.49	16222.08
e) Short-term loans and advances	20	50571.45	42221.25
f) Other current assets	21	<u>1560.93</u>	<u>2116.76</u>
		<b>284466.56</b>	235382.85
<b>Total:</b>		<u><b>659459.80</b></u>	<u>596421.43</u>

The accompanying Notes from S.No. 1 to 36 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

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

**S. K. Kaushik**  
Whole-time Director

**Ravi Kathpalia**  
Director

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

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

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
Partner

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>Revenue from Operations</b>			
Gross Sales & Job Work	22 (A)	626553.39	560014.88
Less : Inter unit Sales & Job Work		36079.25	34650.55
Less : Excise Duty		30139.61	29721.02
Net Sales & Job Work		560334.53	495643.31
Other Operating Income	22 (B)	25990.60	20464.51
<b>Revenue from Operations</b>		<b>586325.13</b>	<b>516107.82</b>
<b>Other Income</b>	23	<b>2863.36</b>	<b>1907.92</b>
<b>Share in Profit of Associate for the Year</b>		<b>487.97</b>	<b>263.19</b>
<b>Total Revenue</b>		<b>589676.46</b>	<b>518278.93</b>
<b>Expenses:</b>			
Cost of materials consumed	24	358453.31	298913.25
Purchase of Stock-in-Trade		18090.91	30769.22
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(7762.47)	(5281.76)
Employee benefits expense	26	39026.82	27765.04
Finance costs	27	23331.30	22969.30
Depreciation and amortization expense		26708.37	23598.68
Other expenses	28	111747.05	101843.49
Expenses Allocated to Self Constructed Assets	29	(1593.72)	(3198.11)
<b>Total Expenses</b>		<b>568001.57</b>	<b>497379.11</b>
Profit before tax		<b>21674.89</b>	<b>20899.82</b>
<b>Less : Tax expense:</b>			
- Current tax		4790.00	3029.78
- Deferred tax		(3080.74)	1558.40
- (Excess) Provision of Income Tax for earlier years		(197.13)	(2725.23)
Profit for the year before Minority Interest		<b>20162.76</b>	<b>19036.87</b>
Minority Interest (Share in Losses)		0.94	-
Profit for the year		<b>20163.70</b>	<b>19036.87</b>
<b>Earning Per Share</b>			
a) Basic (Rs.)		<b>27.92</b>	<b>26.36</b>
b) Diluted (Rs.)		<b>27.92</b>	<b>25.82</b>

The accompanying Notes from S.No. 1 to 36 form an Integral Part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

**R.K. Jain**  
*President (Corp. Finance & Accounts)*
**S. K. Kaushik**  
*Whole-time Director*
**Ravi Kathpalia**  
*Director*
**Rakesh Malhotra**  
*Sr. General Manager  
 (Corp. Accounts)*
**Ajay Krishna**  
*Sr. Vice President (Legal) &  
 Company Secretary*

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

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

 Place : NOIDA  
 Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
 Partner

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs.in Lacs)

	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	21674.89	20899.82
<b>Adjustment for :</b>		
Depreciation & amortisation expense	26708.37	23598.68
Exchange rate fluctuations (Net)	316.80	3985.87
Foreign Currency Translation Reserve	(5473.28)	(1294.88)
(Profit) / Loss on assets sold (Net)	449.19	(1.34)
Fixed Assets written off	18.62	3.20
Finance Costs	23331.30	22969.30
Interest received from Banks / others	(1228.13)	(1247.86)
Dividend received on Non-trade Investments	(44.71)	(34.75)
Profit on sale of Investments (Net)	-	(20.28)
Provision for Doubtful Debt Written Back	(14.06)	(1190.17)
Bad & Doubtful Debts (Provision)	690.01	1068.45
Sundry Balances written off (Net)	1267.26	1279.18
<b>Operating Profit before Working Capital changes</b>	<b>46021.37</b>	<b>49115.40</b>
<b>Adjustment for :</b>		
Trade and other receivables	(38165.94)	(27094.33)
Inventories	(14053.67)	(3656.97)
Trade and other payables	22500.32	19168.84
<b>Cash generated from operations</b>	<b>(29719.29)</b>	<b>(11582.46)</b>
Income Tax	(4592.87)	(304.55)
Exchange rate fluctuations (Net)	(316.80)	(3985.87)
<b>Net Cash from operating activities (A)</b>	<b>33067.30</b>	<b>54142.34</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(19351.94)	(58509.57)
Sale proceeds of Fixed Assets	4558.01	1749.80
Inflow / (Outflow) on Investments (Net)	(2397.66)	(522.68)
Loans to bodies corporate (Net)	1625.47	2925.00
Interest received from Banks / others	1228.13	1247.86
Dividend received on Non-trade Investments	44.71	34.75
<b>Net Cash used in Investing Activities (B)</b>	<b>(14293.28)</b>	<b>(53074.84)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Addition / (deletion) in Minority Interest	1.92	-
Dividend Paid	(1733.08)	(1444.23)
Dividend Distribution Tax	(294.54)	(234.29)
Finance Costs	(23331.30)	(22969.30)
Borrowings (Net)	11103.39	22994.29
<b>Net Cash used in Financing Activities (C)</b>	<b>(14253.61)</b>	<b>(1653.53)</b>
Net (Decrease) in Cash and Cash equivalents (A+B+C)	4520.41	(586.03)
Opening Cash and Cash equivalents	16222.08	16808.11
Closing Cash and Cash equivalents #	20742.49	16222.08

# Includes Rs. 2814.93 lacs (Previous Year Rs. 2019.68 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks.

For and on behalf of the Board of Directors

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

**S. K. Kaushik**  
Whole-time Director

**Ravi Kathpalia**  
Director

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

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

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
Partner

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**
**1. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS**
**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 (read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013), the provisions of Companies Act, 1956, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

**b) PRINCIPLES OF CONSOLIDATION**

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

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

**C) THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE RESULTS OF THE FOLLOWING ENTITIES:**

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

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
7	UPET Holdings Limited	Mauritius	Subsidiary	100%
8	UPET (Singapore) PTE Ltd.	Singapore	Subsidiary	100%
9	Flex Americas S.A.de C.V.	Mexico	Subsidiary	100%
10	Flex Films (USA) Inc.	USA	Subsidiary	100%
11	Flex P Films (Brasil) Comercio De Films Plasticos Ltda	Brasil	Subsidiary	100%
12	UTech Developers Limited	India	Subsidiary	100%
13	SD Buildwell Private Limited	India	Subsidiary	54%
14	USC Holograms (P) Ltd.	India	Subsidiary	68%
15	Qcell Limited*	Gambia	Joint Venture	40%
16	Flex Foods Limited	India	Associate	47.15%

\* Refer Note no.34 of Notes to Accounts.

**d) OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

**2. SHARE CAPITAL****A Authorised**

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

**B Issued, Subscribed & Paid-up**

The Issued, Subscribed and Paid-up Capital of the Holding Company as at 31st March 2014 is of Rs.7221.15 Lacs, represented by the 7,22,11,486 Equity Shares of Rs. 10/- Each . The reconciliation of the Equity Share Capital of the Holding Company is given as under:

	Issued & Subscribed		Fully Paid-Up		Partly Paid-Up	
	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)	Number	Amount (Rs in Lacs)
Balance as at 31st March 2012	72211486	7221.15	72211486	7221.15	-	-
Balance as At 31st March 2013	72211486	7221.15	72211486	7221.15	-	-
<b>Balance as at 31st March 2014</b>	<b>72211486</b>	<b>7221.15</b>	<b>72211486</b>	<b>7221.15</b>	-	-

The Holding Company's Issued, Subscribed and Paid-up Capital of 72211486 (previous Year same) Equity Shares of Rs. 10/- each, is distributed as under:

	As At 31st March 2014		As At 31st March 2013	
	Number	%	Number	%
a) <b>Promoter &amp; Promoter Group</b>	<b>31386975</b>	<b>43.47</b>	31386975	43.47
<b>Of which Shareholders holding More than 5 % of the Paid-up Capital</b>				
Flex International Pvt. Ltd.	9197577	12.74	9197577	12.74
Anant Overseas Pvt. Ltd.	1000000	1.38	5415141	7.50
Anshikha Investments Pvt. Ltd.	5771092	7.99	5271092	7.30
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
Anshika Consultants Pvt. Ltd.	3778524	5.23	-	-
Apoorva Extrusion Pvt. Ltd.	4323162	5.99	-	-



**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	As At 31st March 2014		As At 31st March 2013	
	Number	%	Number	%
<b>b) Public Shareholding*</b>	<b>40824511</b>	<b>56.53</b>	<b>40824511</b>	<b>56.53</b>
i) Institution	4536661	6.28	6461706	8.95
ii) Non- Institution	30822010	42.68	28896965	40.01
iii) GDRs (underlying shares)	5465840	7.57	5465840	7.57

**\* Of which Shareholders holding More than 5 % of the Paid-up Capital**

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

**C RESTRICTION ON VOTING RIGHTS**

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

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

**3. RESERVES & SURPLUS**

	(Rs. in lacs)							
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Legal Reserve	Foreign Currency Translation Reserve (Arising on Consolidation)	General Reserve	Statement of Profit & Loss	Total
Balance as at 31st March 2012	2895.85	57110.63	3.23	644.94	8088.88	14570.57	128336.55	211650.65
Profit for the Year							19036.87	19036.87
<b>(Less): Appropriations</b>								
Proposed Dividend							(1733.08)	(1733.08)
Dividend Distribution Tax							(294.54)	(294.54)
Amount transferred to Legal Reserve							(163.63)	(163.63)
Amount transferred to General Reserve							(1384.70)	(1384.70)
Addition on Forfeiture of warrants application money	7500.00							7500.00
Adjustment of Goodwill arising on Consolidation Consequent upon merger \$							(581.72)	(581.72)
Amount Transferred from Statement of Profit & Loss				163.63		1384.70		1548.33
Amount Transferred from Revaluation Reserve to General Reserve *			(0.08)			0.08		-
Addition during the year					7061.09			7061.09
Balance as at 31st March 2013	10395.85	57110.63	3.15	808.57	15149.97	15955.35	143215.75	242639.27
Profit for the Year							20163.70	20163.70
<b>(Less): Appropriations</b>								
Proposed Dividend							(1805.29)	(1805.29)
Dividend Distribution Tax							(306.81)	(306.81)
Amount transferred to Legal Reserve							(82.30)	(82.30)
Amount transferred to General Reserve							(1293.56)	(1293.56)
Amount Transferred from Statement of Profit & Loss				82.30		1293.56		1375.86
Amount Transferred from Revaluation Reserve to General Reserve*			(0.07)			0.07		-
Addition during the year					14378.34			14378.34
<b>Balance as at 31st March 2014</b>	<b>10395.85</b>	<b>57110.63</b>	<b>3.08</b>	<b>890.87</b>	<b>29528.31</b>	<b>17248.98</b>	<b>159891.49</b>	<b>275069.21</b>

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

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	<b>As At</b>	<b>As At</b>
	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>(Rs. in Lacs)</b>		
<b>4. MINORITY INTEREST</b>		
<b>Share Capital</b>		
Equity Share Capital	2.38	0.46
<b>Statement of Profit &amp; Loss</b>		
Balance on Acquisition	(0.35)	(0.35)
Add: Post acquisition profit / (loss) till year end	(1.05)	(0.11)
	<u>(1.40)</u>	<u>(0.46)</u>
	<u><b>0.98</b></u>	<u><b>-</b></u>
<b>5. LONG-TERM BORROWINGS</b>		
<b>A. Secured</b>		
<b>Term Loans :</b>		
From Banks	<b>162339.20</b>	152713.87
From IFCI Limited	<b>17136.00</b>	19900.87
	<u><b>179475.20</b></u>	<u>172614.74</u>
<b>B. Unsecured</b>		
From Bodies Corporate	<b>2631.79</b>	1126.74
From Others	-	20.03
	<u><b>182106.99</b></u>	<u>173761.51</u>
Less: Current portion	<b>49223.00</b>	43645.01
<b>TOTAL :</b>	<u><b>132883.99</b></u>	<u>130116.50</u>
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance	<b>17199.06</b>	15640.66
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	<b>(3080.74)</b>	1558.40
<b>TOTAL :</b>	<u><b>14118.32</b></u>	<u>17199.06</u>
<b>7. OTHER LONG TERM LIABILITIES</b>		
Securities Received	<b>303.66</b>	293.87
Retention Money	<b>82.75</b>	66.98
Lease Security Deposit	<b>11.88</b>	11.88
<b>TOTAL :</b>	<u><b>398.29</b></u>	<u>372.73</u>

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	<b>As At</b>	<b>(Rs. in Lacs)</b>
	<b>31.03.2014</b>	<b>As At</b>
		<b>31.03.2013</b>
<b>8. LONG-TERM PROVISIONS</b>		
Provision for Leave Encashment	<b>902.11</b>	874.13
<b>TOTAL :</b>	<b>902.11</b>	874.13
<b>9. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Facilities From Banks	<b>55954.17</b>	46900.00
<b>Unsecured</b>		
From Others	<b>3555.00</b>	4269.27
From a Related Party	-	4.00
<b>TOTAL :</b>	<b>59509.17</b>	51173.27
<b>10. TRADE PAYABLES</b>		
Suppliers	<b>81007.89</b>	65486.94
Due to Suppliers under MSMEDA	<b>1263.78</b>	468.71
Due to Related Parties	<b>4725.91</b>	6290.52
<b>TOTAL :</b>	<b>86997.58</b>	72246.17
<b>11. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Borrowings	<b>49223.00</b>	43645.01
Capital Creditors	<b>1215.98</b>	3569.06
Due to Employees	<b>1445.58</b>	1488.95
Interest Accrued but not due on Loans	<b>795.75</b>	583.03
Unclaimed Dividend*	<b>159.65</b>	145.89
Advances from Customers	<b>3686.92</b>	3300.03
Advances from Others	<b>7151.64</b>	6557.00
Statutory Dues	<b>1175.50</b>	1157.45
Others Payable	<b>10689.74</b>	7650.81
<b>TOTAL :</b>	<b>75543.76</b>	68097.23
<i>*These figures do not include any amount, due and outstanding, required to be credited to Investor Education and Protection Fund.</i>		
<b>12. SHORT-TERM PROVISIONS</b>		
Income Tax (Net)	<b>2224.18</b>	2381.00
Wealth Tax	<b>100.68</b>	101.52
Proposed Dividend	<b>1805.29</b>	1733.08
Proposed Dividend Distribution Tax	<b>306.81</b>	294.54
Leave Encashment	<b>181.52</b>	33.62
Staff Benefits	<b>522.70</b>	526.07
Warranty	<b>9.70</b>	16.07
Interest on Deferred Liabilities	<b>1664.36</b>	1396.02
<b>TOTAL :</b>	<b>6815.24</b>	6481.92

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**13. FIXED ASSETS**

(Rs. in Lacs)

PARTICULARS	Gross Block						Depreciation Block				Net Block	
	Value/ cost As At 01.04.2013	Additions during the year	Deductions during the year	Adjust- ments	Value/ cost As At 31.03.2014	Upto 31.03.2013	For the year	Deductions	Adjust- ments	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
<b>A. TANGIBLE ASSETS</b>												
Freehold Land	3579.22	-	247.88	327.54	<b>3658.88</b>	-	-	-	-	-	<b>3658.88</b>	3579.22
Leasehold Land	12816.72	-	382.94	553.49	<b>12987.27</b>	-	-	-	-	-	<b>12987.27</b>	12816.72
Building	67241.98	<b>565.16</b>	935.69	3899.54	<b>70770.99</b>	11028.62	<b>2315.16</b>	195.61	203.85	<b>13352.02</b>	<b>57418.97</b>	56213.36
Plant & Machinery	348413.97	<b>14519.40</b>	9171.42	16231.43	<b>369993.38</b>	108952.50	<b>22088.84</b>	7739.46	1805.23	<b>125107.11</b>	<b>244886.27</b>	239461.47
Electrical Installation	13227.26	<b>54.84</b>	22.24	736.63	<b>13996.49</b>	3448.69	<b>630.55</b>	20.80	46.31	<b>4104.75</b>	<b>9891.74</b>	9778.57
Office Equipments	5852.28	<b>232.57</b>	256.96	109.17	<b>5937.06</b>	2063.13	<b>512.11</b>	203.73	20.90	<b>2392.41</b>	<b>3544.65</b>	3789.15
Furniture & Fixtures	5603.63	<b>145.13</b>	94.32	66.64	<b>5721.08</b>	1926.70	<b>447.80</b>	94.62	25.66	<b>2305.54</b>	<b>3415.54</b>	3676.93
Vehicles	2615.02	<b>261.51</b>	286.53	43.48	<b>2633.48</b>	1173.14	<b>309.99</b>	178.45	17.49	<b>1322.17</b>	<b>1311.31</b>	1441.88
Aircraft (on Lease)	3584.70	-	3584.70	-	-	1437.65	<b>117.70</b>	1555.35	-	<b>0.00</b>	<b>0.00</b>	2147.05
Sub-Total (A)	462934.78	<b>15778.61</b>	14982.68	21967.92	<b>485698.63</b>	130030.43	<b>26422.15</b>	9988.02	2119.44	<b>148584.00</b>	<b>337114.63</b>	332904.35
Previous Year	(372867.04)	(83592.98)	(3596.12)	(10070.88)	(462934.78)	(106871.16)	(23297.12)	(1849.24)	(1711.39)	(130030.43)	(332904.35)	(265995.88)
<b>B. INTANGIBLE ASSETS</b>												
Software	1231.74	<b>1.11</b>	116.48	4.25	<b>1120.62</b>	794.98	<b>132.93</b>	85.32	1.11	<b>843.70</b>	<b>276.92</b>	436.76
Technical Know-How	265.55	-	-	-	<b>265.55</b>	68.50	<b>53.29</b>	-	-	<b>121.79</b>	<b>143.76</b>	197.05
Patent	500.00	-	-	-	<b>500.00</b>	121.86	<b>100.00</b>	-	-	<b>221.86</b>	<b>278.14</b>	378.14
Sub- Total (B)	1997.29	<b>1.11</b>	116.48	4.25	<b>1886.17</b>	985.34	<b>286.22</b>	85.32	1.11	<b>1187.35</b>	<b>698.82</b>	1011.95
Previous Year	(2364.77)	(210.49)	(595.33)	(17.36)	(1997.29)	(671.73)	(301.56)	(8.83)	(20.88)	(985.34)	(1011.95)	(1693.04)
<b>TOTAL</b>	464932.07	<b>15779.72</b>	15099.16	21972.17	<b>487584.80</b>	131015.77	<b>26708.37</b>	10073.34	2120.55	<b>149771.35</b>	<b>337813.45</b>	333916.30
Previous Year	(375231.81)	(83803.47)	(4191.45)	(10088.24)	(464932.07)	(107542.89)	(23598.68)	(1858.07)	(1732.27)	(131015.77)		
Capital Work-in-Progress											<b>7406.13</b>	3833.91
<b>TOTAL :</b>											<b>345219.58</b>	337750.21

- Leasehold Land includes Rs.320.00 lacs (Previous Year same), pending execution of title deed.
- Freehold Land includes Rs.1422.96 lacs (Previous Year same), pending execution of title deed.
- Building includes Rs. 5.30 lacs (Previous Year same), acquired on ownership basis & Rs.19.85 lacs (Previous Year same), pending execution of title deed.
- Gross Block & Capital Work-in-Progress includes Pre-operative expenses, basis of which is certified by the Management.
- Capital Work in Progress includes Rs 1.70 lacs (Previous year Rs. Nil lacs) in respect of Machinery in Transit.
- Plant & Machinery includes Rs.2397.72 lacs (Previous Year same), in respect of Machineries, destroyed during out break of fire, on which depreciation has been ceased to be charged, from the date of fire.
- Gross Block includes Rs. 5.08 lacs (Previous Year same), added on revaluation of following assets:
  - Rs. 2.27 Lacs (Previous Year same), towards for Building revalued as at 31st December 1987.
  - Rs. 2.81 lacs (Previous Year same), towards for Land revalued as at 31st December 1987.
- Adjustments in Gross Block & Depreciation Block represents exchange rate fluctuations, arising on translation of Foreign subsidiaries / Joint Venture.

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

PARTICULARS	(Rs. in Lacs)	
	As At 31.03.2014	As At 31.03.2013
<b>14. INVESTMENTS</b>		
<b>1. NON-CURRENT INVESTMENTS (LONG TERM INVESTMENTS)</b>		
i) <b>INVESTMENT IN ASSOCIATES</b>		
In Equity Shares-Quoted, fully paid up		
Carrying Value of Investment	443.73	443.73
Add : Share in Post acquisition Profits	3027.81	2539.84
	<u>3471.54</u>	<u>2983.57</u>
Less : Dividend received upto the year end	(704.40)	(587.00)
<b>Carrying Amount of Investment</b>	<b>2767.14</b>	<b>2396.57</b>
ii) <b>INVESTMENT IN OTHERS</b>		
a) Quoted Fully Paid-up Equity Shares	5208.02	5208.02
b) Un-Quoted Fully Paid-up Equity Shares	4610.99	2383.90
	<u>9819.01</u>	<u>7591.92</u>
<b>TOTAL :</b>	<b>12586.15</b>	<b>9988.49</b>
<b>2. CURRENT INVESTMENTS</b>		
Trust Securities & Mutual Fund	-	200.00
	<u>-</u>	<u>200.00</u>
<b>TOTAL :</b>	<b>12586.15</b>	<b>10188.49</b>
<b>15. LONG-TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Capital Advances	3365.04	2835.98
Security Deposits	2004.30	1677.88
Security Deposits with lender banks	8035.21	4666.02
<b>Loans to :</b>		
- Employees	180.26	215.43
- Others	1434.47	7.00
<b>Deposits :</b>		
- With Excise Authority	326.68	299.12
- Others	132.90	166.20
Share Application Money (Pending Allotment)	-	117.92
MAT Credit Entitlement	134.79	1077.79
Deposits / Advances with Income Tax Authorities	873.33	927.94
<b>TOTAL :</b>	<b>16486.98</b>	<b>11991.28</b>



**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	<b>As At 31.03.2014</b>	<b>(Rs. in Lacs) As At 31.03.2013</b>
<b>16. OTHER NON-CURRENT ASSETS</b>		
Long Term Trade Receivable	-	260.42
Advances recoverable in cash or in kind or value to be received	<b>428.47</b>	410.15
Other Receivables	<b>272.06</b>	638.03
<b>TOTAL :</b>	<b><u>700.53</u></b>	<b><u>1308.60</u></b>
<b>17. INVENTORIES</b>		
Raw Materials	<b>21803.66</b>	15771.35
Work-in-Progress	<b>13077.85</b>	12932.25
Finished Goods	<b>12555.37</b>	11327.72
Stock - in - Trade	<b>5901.88</b>	36.68
Material-in-Transit :-		
- Raw Materials	<b>2317.97</b>	504.49
- Raw Materials (Intra Group)	<b>703.46</b>	2112.21
- Finished Goods (Intra Group)	<b>2506.06</b>	1935.73
- Stores, Packing Material & Fuel	<b>2207.69</b>	2399.84
<b>TOTAL :</b>	<b><u>61073.94</u></b>	<b><u>47020.27</u></b>
<b>18. TRADE RECEIVABLES</b> (Unsecured, Considered Good)		
A. Trade receivables outstanding for a period exceeding six months	<b>31685.64</b>	28469.58
B. Other trade receivables	<b>120119.72</b>	100235.33
	<b>151805.36</b>	128704.91
Less : Provision for Bad & Doubtful Debts	<b>1287.61</b>	1102.42
<b>TOTAL : #</b>	<b><u>150517.75</u></b>	<b><u>127602.49</u></b>
# Includes dues from Related Parties	<b>1824.21</b>	836.99
<b>19. CASH &amp; BANK BALANCES</b>		
<b>a) Cash &amp; Cash Equivalents</b>		
Cash in hand	<b>73.07</b>	84.07
<b>Balances with Bank</b>		
- On Current Accounts	<b>7079.64</b>	7419.02
- On Cash Credits Accounts	<b>1113.95</b>	411.80
- On Fixed Deposits Accounts	<b>9523.11</b>	4522.27
	<b>17789.77</b>	12437.16
<b>b) Remittance in Transit</b>	<b>137.79</b>	1765.24
<b>c) Other Bank Balances</b>		
- On Fixed Deposits Accounts*	<b>1027.24</b>	744.34
- On Fixed Deposits Accounts a period for more than 12 Months*	<b>43.35</b>	124.67
- On Unclaimed Dividend Account	<b>159.65</b>	145.89
- In Margin Money Accounts	<b>1584.69</b>	1004.78
<b>TOTAL :</b>	<b><u>20742.49</u></b>	<b><u>16222.08</u></b>

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

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	<b>As At</b>	<b>(Rs. in Lacs)</b>	
	<b>31.03.2014</b>	<b>As At</b>	<b>31.03.2013</b>
<b>20. SHORT-TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good)			
Advances recoverable in cash or in kind or for value to be received	<b>42776.59</b>		33261.53
Advances to Related Parties	-		17.77
Balances with Excise Authorities	<b>3275.03</b>		2791.23
Loans to Employees and others	<b>0.30</b>		5.72
Loans to Body Corporates	<b>4519.53</b>		6145.00
<b>TOTAL :</b>	<b>50571.45</b>		<b>42221.25</b>
<b>21. OTHER CURRENT ASSETS</b>			
Interest accrued on :			
- Loans to Others	<b>201.74</b>		948.86
- Deposits with Banks	<b>66.44</b>		30.44
Other Receivables	<b>1292.75</b>		1137.46
<b>TOTAL :</b>	<b>1560.93</b>		<b>2116.76</b>
<b>22. REVENUE FROM OPERATIONS</b>			
<b>A. i) REVENUE FROM SALE OF PRODUCTS</b>			
Gross Sales	<b>620820.15</b>		552352.07
Less : Inter Unit Sales	<b>32631.22</b>		30716.36
	<b>588188.93</b>		521635.71
Less : Excise Duty / Cess	<b>29941.05</b>	<b>558247.88</b>	29549.13
			492086.58
<b>ii) REVENUE FROM SALE OF SERVICES</b>			
Gross Job work	<b>5733.24</b>		7662.81
Less : Inter Unit Job Work	<b>3448.03</b>		3934.19
	<b>2285.21</b>		3728.62
Less : Excise Duty / Service Tax / Cess	<b>198.56</b>	<b>2086.65</b>	171.89
			3556.73
<b>TOTAL (A) :</b>		<b>560334.53</b>	495643.31
<b>B. OTHER OPERATING REVENUES</b>			
Scrap Sales	<b>3962.13</b>		3682.17
Less : Excise Duty / Cess	<b>219.77</b>		207.92
	<b>3742.36</b>		3474.25
Packing, Forwarding and Insurance Recoveries	<b>430.80</b>		365.60
Export Incentive	<b>6830.09</b>		4924.22
Excise Duty Refund	<b>1803.62</b>		999.50
Miscellaneous Operating Income	<b>2457.57</b>		277.75
Licence fees	-		24.00
Technical & Support Fees	<b>10726.16</b>		10399.19
<b>TOTAL (B) :</b>		<b>25990.60</b>	20464.51
<b>TOTAL (A+B) :</b>		<b>586325.13</b>	516107.82

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	<b>For the Year Ended 31.03.2014</b>	<b>(Rs. in Lacs) For the Year Ended 31.03.2013</b>
<b>23. OTHER INCOME</b>		
Rent Received	211.71	204.01
<b>Profit on sale of Investments (Net)</b>		
- Non Current Investments	-	17.27
- Current Investments	-	3.01
Profit on sale of assets (Net)	-	1.34
Miscellaneous Income	1378.81	399.68
<b>Interest :</b>		
- from Banks	470.75	343.94
- from Others	757.38	903.92
<b>Investment Income:</b>		
- Dividend received on Non-Trade Investments	44.71	34.75
<b>TOTAL :</b>	<u>2863.36</u>	<u>1907.92</u>
<b>24. COST OF MATERIALS CONSUMED</b>		
Opening Stock	17883.56	19216.19
Add : Purchases	394785.95	328958.17
	<u>412669.51</u>	<u>348174.36</u>
Less : Inter Unit Purchases	31709.08	31377.55
	<u>380960.43</u>	<u>316796.81</u>
Less : Closing Stock	22507.12	17883.56
<b>TOTAL :</b>	<u>358453.31</u>	<u>298913.25</u>
<b>25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Stock-in-Trade	36.68	20.21
Finished Goods	13347.35	11064.28
Work-in-Progress	12932.25	9950.03
	<u>26316.28</u>	<u>21034.52</u>
<b>Less : Closing Stock :</b>		
Stock-in-Trade	5939.47	36.68
Finished Goods	15061.43	13347.35
Work-in-Progress	13077.85	12932.25
	<u>34078.75</u>	<u>26316.28</u>
<b>TOTAL :</b>	<u>(7762.47)</u>	<u>(5281.76)</u>
<b>26. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries,Wages,Bonus,Benefits and Amenities	35269.27	25500.50
Contribution to Provident Fund and Other Funds	2481.25	1330.97
Employees Welfare Expenses	1276.30	933.57
<b>TOTAL :</b>	<u>39026.82</u>	<u>27765.04</u>

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
<b>27. FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	<b>14292.96</b>	14741.94
- On Other Loans / Liabilities	<b>5299.83</b>	4988.52
- On Shortfall in payment of Advance Tax	<b>113.00</b>	106.00
Short / (Excess) Provision of interest on Income Tax for earlier years	<b>182.29</b>	19836.46
Discounting & Financial Charges	<b>3443.22</b>	3159.17
<b>TOTAL :</b>	<b>23331.30</b>	22969.30
<b>28. OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	<b>32672.73</b>	30221.35
Repair & Maintenance-Machinery	<b>4824.32</b>	4703.55
Stores Consumed	<b>4279.75</b>	4520.47
Tools, Jigs & Dies	<b>265.62</b>	315.71
Packing Material Consumed	<b>15998.65</b>	13153.59
Cylinders / Processing Charges for Cylinders	<b>1958.57</b>	1120.59
Less : Inter Unit Charges	<b>1735.04</b>	851.23
	<b>223.53</b>	269.36
Design & Development Charges	<b>20.53</b>	9.50
Excise Duty	<b>3.24</b>	46.57
Job Work Charges	<b>1649.20</b>	1384.09
Royalty Expenses	<b>839.11</b>	565.00
Other Direct Charges	<b>353.62</b>	219.74
R & D Charges	<b>56.42</b>	42.87
<b>TOTAL (A) :</b>	<b>61186.72</b>	55451.80
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	<b>1496.78</b>	1459.30
Rates & Taxes	<b>542.01</b>	248.76
Insurance charges	<b>1674.75</b>	1253.74
Electricity & Water charges	<b>370.58</b>	334.08
Printing & Stationery	<b>274.42</b>	230.46
Postage, Telephone & Fax Expenses	<b>1236.16</b>	1242.46
Vehicle Running & Maintenance Expenses	<b>561.44</b>	491.52
Lease Rent -Vehicles	<b>531.37</b>	506.10
Conveyance & Travelling Expenses	<b>4214.07</b>	3645.01
Repair & Maintenance :		
- Building	<b>388.42</b>	462.03
- Others	<b>3059.52</b>	1967.05
Legal & Professional Charges	<b>3407.51</b>	2285.58
Directors' sitting fees	<b>7.60</b>	9.02
General Expenses	<b>2610.71</b>	2158.33
Commission on Sales	<b>1887.84</b>	1426.83
Advertisement & Publicity	<b>546.90</b>	744.86
Entertainment Expenses	<b>423.27</b>	649.47

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	<b>For the Year Ended 31.03.2014</b>	<b>(Rs. in Lacs) For the Year Ended 31.03.2013</b>
Charity & Donation	<b>236.46</b>	121.15
Rebate & Discount	<b>3775.31</b>	2373.41
Freight & Forwarding charges	<b>20042.98</b>	19149.73
Loss on Settlement of Fire Claim	<b>202.13</b>	-
Fixed Assets Written -off	<b>18.62</b>	3.20
Loss on assets sold (Net)	<b>449.19</b>	-
Exchange Rate Fluctuations (Net)	<b>316.80</b>	3985.87
Provision for Doubtful Debts Written Back	<b>(14.06)</b>	(1190.17)
Bad & Doubtful Debts (Provision)	<b>690.01</b>	1068.45
Sundry balances written-off (Net)	<b>1267.26</b>	1279.18
Claim (Exports)	<b>297.77</b>	388.80
Marketing Expenses	<b>43.71</b>	97.47
Preliminary Expenses written-off	<b>0.80</b>	-
<b>TOTAL (B) :</b>	<b>50560.33</b>	46391.69
<b>TOTAL :</b>	<b>111747.05</b>	101843.49

**29. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS**

Cost of Material Consumed	<b>666.66</b>	1954.92
Employee Benefits Expense	<b>387.54</b>	476.79
Finance Costs	<b>3.94</b>	5.03
Depreciation and amortisation expense	<b>124.27</b>	194.93
Other Expenses	<b>411.31</b>	566.44
<b>TOTAL :</b>	<b>1593.72</b>	3198.11

	<b>As At 31.03.2014</b>	<b>As At 31.03.2013</b>
<b>30. A. Contingent liabilities not provided for in respect of :</b>		
i) Guarantees issued by Banks	<b>2124.05</b>	1340.38
ii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	<b>2264.64</b>	2854.16
iii) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	<b>6368.49</b>	15210.08
iv) Show cause notices / demands of Excise Authorities in respect of Excise Duty & Service Tax not acknowledged by the Holding Company and are contested / appealed / replied.	<b>8038.09</b>	6384.20
v) Additional demands raised by the Income Tax Department, which are under rectification & appeal	<b>530.90</b>	492.57
vi) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	<b>791.91</b>	204.63

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

	<b>As At 31.03.2014</b>	<b>(Rs. in Lacs) As At 31.03.2013</b>
vii) Demand raised by PF authority for alleged lower contribution of PF and is under appeal	<b>27.73</b>	27.73
viii) Amount demanded by the erstwhile workers of the Holding Company and are pending in labour Court	<b>10.48</b>	9.77
ix) Claims against the Company/disputed liabilities not acknowledged as debt.	<b>415.86</b>	419.67
<b>B. The share in the aggregate contingent liability of the Associate</b>	<b>351.39</b>	172.72

**31. Capital Commitments :**

a) The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	<b>11051.11</b>	9803.69
b) The share in the aggregate capital commitments of the Associate	<b>11.96</b>	265.91

- 32. a)** Rupees have been rounded off to the nearest thousand.  
**b)** Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.  
**c)** The results for the current year are not strictly comparable with that of the previous year as the current year figures includes/excludes the results of the followings:

Name of the Company	Nature of Relationship	% of ownership Interest	Investment / Divestment
USC Hologram (P) Ltd.	Wholly owned Subsidiary	68%	Investment
Qcell Limited	Joint Venture of Wholly owned Subsidiary	40%	Divestment

**33. EARNING PER SHARE**

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

	<b>Current Year</b>	<b>Previous Year</b>
(A) Profit for the year, after Adjustments, for computation of Basic Earning & Diluted Earning Per Share (Rs. In lacs);	<b>20163.70</b>	19036.87
(B) (i) Weighted Average Number of Equity Shares (viz.denominator) for Basic Earning Per Share	<b>72211486</b>	72211486
(ii) Opening Balance of Equity Shares (Numbers)	<b>72211486</b>	72211486
Add : Weighted Average Factor of outstanding Equity Warrants (Numbers)	-	1506849
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>72211486</b>	73718335
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) <b>Earning Per Share</b>		
(a) Basic (A/B(i)) (Rs.)	<b>27.92</b>	26.36
(b) Diluted (A/B(ii)) (Rs.)	<b>27.92</b>	25.82



**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****34. ADDITIONAL DISCLOSURE FOR JOINT VENTURE**

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

	<u>Current Year</u>	(Rs.in Lacs)	
		<u>Previous Year</u>	
Reserve & Surplus	-	(2110.26)	
<b>Fixed Assets</b>			
Tangible	-	1470.37	
Intangible	-	42.34	1512.71
<b>Current Assets, Loans and Advances</b>			
Long Term Loans and Advances	-	149.80	
Inventories	-	35.17	
Sundry Debtors	-	497.47	
Cash & Bank Balances	-	417.16	
Loans & Advances	-	197.76	1297.36
<b>Current Liabilities &amp; Provisions</b>			
Current Liabilities	-	579.72	579.72
Total Income	<b>2297.60</b>		3500.89
Total Expenses	<b>2301.19</b>		3578.63

- ii) Due to strategic reasons, U Tech Developers Ltd., wholly owned subsidiary, had entered into Share sale and purchase Agreement (Agreement) on 29th October 2013 for the sale and transfer of its entire holding of Equity in the Joint Venture Company Qcell Limited for a total consideration of US\$16.07 millions, to its Joint Venture partner. Out of the Total consideration an amount of US\$0.67 millions (Equivalent to Rs.594.63 lacs), was received by U Tech Developers Ltd. upto date of Balance Sheet, which is included in the Notes No.11- " Other Current Liabilities". However due to non payment of further sum by Joint Venture Partner in accordance with the said Agreement, the Company has contested and filed civil and criminal cases against the Joint Venture Partner in the Honourable Courts of Delhi.

As per the agreement, U Tech Developers Ltd. has transferred the management and control of its Joint Venture to the Joint Venture Partner and accordingly the operating results of the Joint Venture of U Tech Developers Ltd., are incorporated by taking 30th September, 2013 as cut-off date for this purpose & net assets as on the date are adjusted in the carrying value of the Investment in Qcell Limited.

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

- 35.** Due to strategic reasons, U Tech Developers Ltd., wholly owned subsidiary, had entered into Share sale and purchase Agreement on 21st May 2010 for the sale and transfer of its entire shareholding of Equity Shares and Preference Shares of its subsidiary (which was in Joint Venture for handling municipal solid waste processing) at a total consideration of Rs. 7416.85 lacs to its Joint Venture partner. Out of the Total consideration an amount of Rs. 4600.00 lacs was received by U Tech Developers Ltd. upto date of Balance Sheet, which is included in the Notes No.11- " Other Current Liabilities".

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

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

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

- a) List of Related Parties:

- i) **Associate** : Flex Foods Limited

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

- ii) Key Management Personnel & their relatives / HUF (also exercising significant influence over the Company):** Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi), Mr. Ashok Chaturvedi (HUF), Mr. S.K. Kaushik, Whole-time Director, Mr. Pradeep Tyle (Director of Flex Middle East FZE), Mr. R.K.Jain (Director of Flex Middle East FZE), Mr. P.L.Sirsamkar (Director of Flex Middle East FZE), Mr. Pradeep Srivastava (Director of UFlex Europe Ltd.) and Mr. S.K.Sharma (Manager of U Tech Developers Limited).
- iii) Enterprises in which the persons referred in (ii) along with their relatives exercise significant influence:** Flex International (P) Ltd., Anshika Investments (P) Ltd., Ultimate Flexipack Ltd., A.R.Infrastructure & Projects Pvt.Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshika Consultants (P) Ltd., A.R. Leasing (P) Limited, Cinflex Infotech (P) Ltd., Ultimate Enterprises (P) Ltd., AR Aerotech (P) Ltd., AR Airways (P) Ltd., Kaya Kalpa Medical Services (P) Ltd., AC Infrastructures (P) Ltd., Club One Airways (P) Ltd., Flex Industries (P) Ltd., AC Infratech (P) Ltd., RC Properties (P) Ltd., A to Z Infratech (P) Ltd., Ultimate Infratech (P) Ltd., AKC Investments (P) Ltd., Ganadhipati Investments (P) Ltd., Ultimate Prepress LLP, AKC Retailers Ltd., Niksar Finvest (P) Ltd., Refex Energy (Rajasthan) (P) Ltd., A-One Infratech (P) Ltd., Ganadhipati Infraproject (P) Ltd., Nirman Overseas (P) Ltd., Holofix Urban Infrastructures (P) Ltd., Laurel Real Estates (P) Ltd., Sungrace Products (India) (P) Ltd., Virgin Infrastructures (P) Ltd., Vendee Builders (P) Ltd., Ultimate Energy Ltd., Modern Info Technology (P) Ltd., Liberal Advisory Services (P) Ltd., Saga Realtors (P) Ltd., Genius Infratech (P) Ltd. and Naveli Collections (P) Ltd.
- b) The Group has entered into transactions with certain parties listed above during the year under consideration. Details of these transactions are as follows :

(Rs.in Lacs)

	Transactions	Associates	Key Management Personal & their Relatives / HUF	Enterprises as referred to in 'a (iii)' above	Total
<b>i)</b>	<b>Trade Transactions</b>				
	Sale of Goods/Services (Net)	<b>36.05</b>	-	<b>7771.39</b>	<b>7807.44</b>
		18.13	-	2775.76	2793.89
	Purchase of Goods/Services (Net)	-	-	<b>19475.96</b>	<b>19475.96</b>
		-	-	16817.91	16817.91
	Purchase of Fixed Assets	-	-	<b>26.70</b>	<b>26.70</b>
		-	-	-	-
	Sale of Fixed Assets	-	-	<b>1114.19</b>	<b>1114.19</b>
		-	-	-	-
	Lease Charges Received	-	-	<b>140.00</b>	<b>140.00</b>
		-	-	210.00	210.00
	Rent Received	-	<b>36.00</b>	<b>4.08</b>	<b>40.08</b>
		-	36.00	4.08	40.08
	Rent Paid	-	<b>207.00</b>	<b>149.67</b>	<b>356.67</b>
		-	207.00	123.60	330.60
	Royalty Expenses	-	<b>770.00</b>	-	<b>770.00</b>
		-	565.00	-	565.00
	Interest Paid on Loans	1.96	-	<b>92.02</b>	<b>93.98</b>
		-	-	155.00	155.00
	Dividend Income	<b>117.40</b>	-	-	<b>117.40</b>
		117.40	-	-	117.40
	Consultancy Charges	-	<b>144.77</b>	-	<b>144.77</b>
		-	129.70	-	129.70
	Remuneration	-	<b>1157.62</b>	-	<b>1157.62</b>
		-	1056.07	-	1056.07
	Recovery towards Excess Remuneration paid in past	-	<b>1184.79</b>	-	<b>1184.79</b>
		-	-	-	-

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

(Rs.in Lacs)

	Transactions	Associates	Key Management Personal & their Relatives / HUF	Enterprises as referred to in 'a (iii)' above	Total
<b>ii)</b>	<b>Non Trade Transactions</b>				
	Loan Taken	<b>500.00</b>	-	<b>4600.00</b>	<b>5100.00</b>
		-	-	8064.00	8064.00
	Repayment of Loan Taken	<b>500.00</b>	-	<b>4600.00</b>	<b>5100.00</b>
		-	-	8060.00	8060.00
	Forfeiture of amount received on allotment of warrants	-	-	-	-
		-	2250.00	5250.00	7500.00
	Dividend Paid	-	<b>16.95</b>	<b>736.33</b>	<b>753.28</b>
		-	14.13	613.61	627.74
	<b>Total</b>	<b>1155.41</b>	<b>3517.13</b>	<b>38710.34</b>	<b>43382.88</b>
		135.53	4257.90	42073.96	46467.39
	<b>Balance as on 31.03.2014</b>				
	Debit	<b>7.50</b>	-	<b>1816.71</b>	<b>1824.21</b>
		1.68	-	853.08	854.76
	Credit	-	<b>110.02</b>	<b>4790.84</b>	<b>4900.86</b>
		-	168.05	6142.66	6310.71

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

Previous Year figures have been given in Italic.

Signatories to Notes 1 to 36

For and on behalf of the Board of Directors

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

**S. K. Kaushik**  
Whole-time Director

**Ravi Kathpalia**  
Director

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

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2014

**S.V. Sehgal**  
Partner

## DETAILS OF SUBSIDIARIES COMPANIES FOR THE FINANCIAL YEAR 2013-2014

Name of the Subsidiary Company	Value	Capital (Note No. 1)	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision For Taxation	Profit after Tax
Flex America Inc.	USD MN	0.10	1.54	14.06	12.42	-	62.36	0.10	0.05	0.05
	Rs in Lac	59.65	918.61	8,386.79	7,408.53	-	37,197.74	59.65	29.83	29.82
Uflex Packaging Inc.	USD MN	3.68	(4.07)	4.94	5.33	-	11.79	0.12	0.01	0.11
	Rs in Lac	2,195.12	(2,427.76)	2,946.71	3,179.35	-	7,032.74	71.58	5.97	65.61
Uflex Europe Ltd.	GBP MN	0.99	(1.38)	4.57	4.96	-	10.54	0.44	-	0.44
	Rs in Lac	981.39	(1,367.99)	4,530.24	4,916.84	-	10,448.30	436.17	-	436.17
Flex Middle East FZE	USD MN	29.16	170.91	280.63	80.56	106.94	106.69	11.29	-	11.29
	Rs in Lac	17,393.94	1,01,947.82	1,67,395.80	48,054.04	63,789.71	63,640.59	6,734.49	-	6,734.49
Flex P. Films (Egypt) S.A.E.	USD MN	47.91	3.06	156.87	105.90	-	129.26	5.40	2.64	2.76
	Rs in Lac	28,578.32	1,825.29	93,572.96	63,169.35	-	77,103.59	3,221.10	1,574.76	1,646.34
Flex Films Europa Sp Z.o.o.	PLN MN	101.47	14.76	296.08	179.85	-	256.57	18.37	(2.47)	20.84
	Rs in Lac	20,263.56	2,947.57	59,127.18	35,916.05	-	51,237.03	3,668.49	(493.26)	4,161.75
Upet Holdings Limited	USD MN	38.40	(0.09)	38.31	0.00	38.20	-	(0.01)	-	(0.01)
	Rs in Lac	22,905.60	(53.69)	22,851.92	0.01	22,786.30	-	(5.97)	-	(5.97)
Upet (Singapore) Pte Ltd.	USD MN	38.20	(0.03)	38.18	0.01	38.05	-	-	-	-
	Rs in Lac	22,786.30	(17.90)	22,774.37	5.97	22,696.83	-	-	-	-
Flex Americas S.A. de C.V.	MXN MN	419.21	123.20	1,508.22	965.81	-	1,248.02	(111.04)	(34.20)	(76.84)
	Rs in Lac	19,115.98	5,617.92	68,774.83	44,040.93	-	56,909.71	(5,063.42)	(1,559.52)	(3,503.90)
Flex Films (USA) Inc.	USD MN	32.00	(3.79)	83.89	55.68	1.60	53.36	(3.94)	(1.43)	(2.51)
	Rs in Lac	19,088.00	(2,260.74)	50,040.39	33,213.13	954.40	31,829.24	(2,350.21)	(853.00)	(1,497.21)
Flex P Films (Brasil) Comercio De Filmes Plasticos Ltda.	BLR MN	0.80	-	0.80	-	-	-	-	-	-
	Rs in Lac	211.52	-	211.52	-	-	-	-	-	-
Utech Developers Ltd.	Rs in Lac	10,000.00	970.82	32,232.43	21,261.61	6,573.45	20.00	(329.22)	(122.67)	(206.55)
SD Buildwell Pvt. Ltd	Rs in Lac	201.00	(64.15)	3,252.56	3,115.71	-	12.89	(25.58)	-	(25.58)
USC Holograms Pvt. Ltd.	Rs in Lac	6.00	(2.95)	52.31	49.26	-	4.67	(2.95)	-	(2.95)

1. Including Share Application Money, if any.
2. Following Rates are used for conversion of the Amount:
  - a. 1 USD Equivalent to Rs. 59.65
  - b. 1 GBP Equivalent to Rs.99.13
  - c. 1 MXP Equivalent to Rs.4.56
  - d. 1 PLN Equivalent to Rs.19.97
  - e. 1 BLR Equivalent to Rs.26.44



# UFLEX LIMITED

CIN: L74899DL1988PLC032166

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

## ATTENDANCE SLIP

25<sup>th</sup> Annual General Meeting

Reg. Folio/DP & Client No:..... No .of Shares Held:.....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 25th Annual General Meeting of the Company being held on **Friday, the 8<sup>th</sup> day of August, 2014 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 25th Annual General Meeting of the Company to be held on **Friday, the 8<sup>th</sup> day of August, 2014 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 Results for the year ended 31st March, 2014		
2	To declare the dividend		
3	To appoint a Director in place of Shri S.K. Kaushik who retires by rotation and being eligible offers himself for re-appointment		
4	To re-appoint M/s. Vijay Sehgal & Co., Chartered Accountants as Statutory Auditors of the Company and fixing their Remuneration		
	<b>Special Business</b>		
5	Re-appointment of Shri S.K. Kaushik as Whole-time Director of the Company for a further period of three years w.e.f. 1st August 2014		
6	Appointment of Shri Ravi Kathpalia as an independent Director of the Company for five consecutive years for a term up to 31st March, 2019		
7	Appointment of Shri M.G. Gupta as an independent Director of the Company for five consecutive years for a term up to 31st March, 2019		
8	Appointment of Shri A. Karati as an independent Director of the Company for five consecutive years for a term up to 31st March, 2019		
9	To pass a Special Resolution for exercising the borrowing power of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013		
10	To pass a Special Resolution under Section 186 of the Companies Act, 2013		

Signed this.....day of.....2014

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 25th 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.

