



FLEX AMERICAS SA DE CV, MEXICO

*Wholly Owned Subsidiary Company of
UPET (Singapore) Pte. Ltd.*



**FINANCIAL STATEMENTS
2015 - 2016**

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF
FLEX AMERICAS SA DE CV

We have audited the accompanying balance sheet of FLEX AMERICAS SA DE CV as of March 31, 2016 and 2015, and the related statements of income and changes in shareholders' equity for the years then ended, and cash flows and changes in financial position statements for the years ended as of March 31, 2016 and 2015, respectively. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FLEX AMERICAS SA DE CV. as of March 31, 2016 and 2015, and the results of their operations and changes in their shareholders' equity for the years then ended and cash flows and the changes in their financial position for the years ended as of March 31, 2016 and 2015, respectively, in accordance with Mexican financial reporting standards.

TAMPICO, TAMAULIPAS
A 28 DE ABRIL DE 2016

CPA. VICTOR MANUEL GUTIERREZ SALDIVAR
VICTOR M. GUTIERREZ SALDIVAR Y ASOCIADOS

BALANCE SHEET AS AT 31ST MARCH 2016

(Amount in MXP)

	Notes	As At 31st March 2016	As At 31st March 2015
ASSETS			
Non-current assets			
Property, plant & equipment	4	878,046,479.19	919,979,478.28
		878,046,479.19	919,979,478.28
Current assets			
Inventories	5	103,550,682.76	91,850,599.55
Trade & other receivables	6	518,799,221.82	427,106,608.78
Prepayments		-	-
Cash & bank balances	7	21,228,920.80	33,211,089.38
Total current assets		643,578,825.38	552,168,297.71
Total assets		1,521,625,304.57	1,472,147,775.99
EQUITY AND LIABILITIES			
Capital and reserve			
Shareholder's funds			
Share capital	8	419,201,000.00	419,201,000.00
Share application money		15,487.31	15,487.31
Retained earnings		207,953,058.53	147,809,991.00
Legal & Other Reserve		47,257,232.00	40,574,668.00
Total shareholder's funds		674,426,777.84	607,601,146.31
Non current liabilities	9	187,288,363.04	305,862,732.28
Current liabilities			
Trade & other payables	10	605,597,201.69	533,649,920.10
Accounts payable-capital expenditure	11	-	1,378,371.30
Total current liabilities		605,597,201.69	535,028,291.40
Deferred Tax Liability (Net)		54,312,962.00	23,655,606.00
Total equity and liabilities		1,521,625,304.57	1,472,147,775.99

The accompanying notes 1 to 27 form an integral part of these financial statements.

Approved by the Shareholder Company on 25th April 2016 and signed on its behalf by:

Pradeep Tyle
Director

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	For The Year Ended 31st March 2016	(Amount in MXP) For the Period Ended 31st March 2015
A. Revenue			
Sales	12(a)	1,504,118,924.35	1,416,882,686.46
Other Operating Income	12(b)	5,891,809.24	73,635,313.33
Increase / (Decrease) in Stock of Finished Goods / Wrok in Progress	13	10,929,956.41	(18,488,253.79)
Total (A)		1,520,940,690.00	1,472,029,746.00
B. Expenditure			
Cost of materials	14	789,607,308.08	826,435,095.51
Other manufacturing expenses	15	187,714,222.91	179,473,442.22
Payments & benefits to employees		80,649,014.19	72,167,778.21
Administrative & selling expenses	16	330,564,415.41	269,563,213.38
Finance cost	17	34,922,741.88	31,268,219.54
Total (B)		1,423,457,702.47	1,378,907,748.86
Net (Loss) / Profit for the year before Taxation (A-B)		97,482,987.53	93,121,997.14
Add/ (Less): Provision for Taxation:			
- Current Income Tax		-	-
- Excess Provision of Income Tax for earlier years Written Back		-	-
- Deferred Income Asset / (Liability)		(30,657,356.00)	(27,936,600.00)
Profit / (Loss) after Tax		66,825,631.53	65,185,397.14

The accompanying notes 1 to 27 form an integral part of these financial statements.

Approved by the Shareholder Company on 25th April 2016 and signed on its behalf by:

Pradeep Tyle
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(Amount in MXP)

	Notes	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
A Cash flows from operating activities			
Net profit for the year		66,825,631.53	65,185,397.14
Adjustments for:			
Depreciation	56,539,324.76	53,986,923.19	
Exchange Rate Fluctuation	70,233,732.95	28,129,385.49	
Finance cost	34,922,741.88	31,268,219.54	
Deferred Tax Asset / Liability	30,657,356.00	27,936,600.00	
Interest Received From Banks	(490,924.83)	(674,021.26)	140,647,106.96
Operating profit before working capital changes		258,687,862.29	205,832,504.10
(Increase)/Decrease in inventories	(11,700,083.21)	12,817,196.24	
(Increase)/Decrease in trade & other receivables	(91,692,613.04)	15,946,602.39	
Increase/(Decrease) in trade and other payables	71,947,281.59	(38,568,229.15)	
Increase/(Decrease) in capital creditors	(1,378,371.30)	1,378,371.30	(8,426,059.22)
Cash generated from/ (used in) operations		225,864,076.33	197,406,444.88
Exchange Rate Fluctuation	(70,233,732.95)	(70,233,732.95)	(28,129,385.49)
Net Cash from operating activities		155,630,343.38	169,277,059.39
B. Cash flows from investing activities			
Payments for purchase of fixed assets	(14,606,325.67)	(17,859,365.04)	
Interest Received From Banks	490,924.83	674,021.26	
Net Cash used in Investing Activities		(14,115,400.84)	(17,185,343.78)
C. Cash flows from financing activities			
Share capital & application money introduced	-	-	
Proceeds from term loan	(118,574,369.24)	(92,010,300.11)	
Finance cost paid	(34,922,741.88)	(31,268,219.54)	
Net cash from/ (used in) financing activities		(153,497,111.12)	(123,278,519.65)
Net increase/(decrease) in cash and cash equivalents		(11,982,168.58)	28,813,195.96
Cash and cash equivalents at beginning of year		33,211,089.38	4,397,893.42
Cash and cash equivalents at end of year	18	21,228,920.80	33,211,089.38

The accompanying notes 1 to 27 form an integral part of these financial statements.

Approved by the Shareholder Company on 25th April 2016 and signed on its behalf by:

Pradeep Tyle
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

(Amount in MXP)

	Share capital	Application money	Retained Earnings	Legal Reserve	General Reserve	Total
As at 31 March 2014	419,201,000.00	15,487.31	89,143,133.86	17,028,064.00	17,028,064.00	542,415,749.17
Proposed dividend	-	-	-	-	-	-
Addition During the Year	-	-	-	-	-	-
Net profit / (Loss) for the year	-	-	65,185,397.14	-	-	65,185,397.14
Less: Amount transferred to						
Legal Reserve			(3,259,270.00)	3,259,270.00		
General Reserve			(3,259,270.00)		3,259,270.00	
Dividend paid	-	-	-	-	-	-
As at 31 March 2015	419,201,000.00	15,487.31	147,809,991.00	20,287,334.00	20,287,334.00	607,601,146.31
Net Profit / (Loss) for the Year	-	-	66,825,631.53	-	-	66,825,631.53
Less: Amount transferred to						
Legal Reserve			(3,341,282.00)	3,341,282.00		
General Reserve	-	-	(3,341,282.00)		3,341,282.00	
Proposed dividend	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
As at 31 March 2016	419,201,000.00	15,487.31	207,953,058.53	23,628,616.00	23,628,616.00	674,426,777.84

The accompanying notes 1 to 27 form an integral part of these financial statements.

Approved by the Shareholder Company on 25th April 2016 and signed on its behalf by:

Pradeep Tyle
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

1. THE COMPANY'S BACKGROUND AND THE ITS ACTIVITIES

Flex Americas SA de CV is a Variable Capital Mexican Company incorporated under the provisions of Mexican Law and regulation there under.

The Company was incorporated on 12th November 2007.

The Company domicile is in Altamira, Tamaulipas, establishing branches or agencies in any place in Mexico or abroad.

The Company is engaged in the manufacturing of extrusion-printed films or polyethene polypropylene, polyester and vinyl poly-chloride blowing, coated or uncoated, materialized or un-materialized or in any other manner and also the import, export, distribution, purchase and sale of any kind of films and plastic artifacts and its application.

The term of the Company is of 99 years.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of compliance

These financial statements have been prepared in accordance with the Mexican Accounting Standards and relevant Mexican Law and regulations.

2.2. Basis of measurement

The financial statements are prepared on the historical cost convention.

2.3. Use of estimates an judgments

The preparation of the financial statements in conformity with Mexican Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount 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 judgments about the carrying values of assets and liabilities that are making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

- The estimates and underlying assumptions are reviewed on a going basis.
- Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently by the company to all periods presented in these financial statements.

3.1. FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Mexican Pesos at the foreign exchange rate in effect at that date. Foreign exchange differences arising on translations are recognized in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of the transaction.

3.2. Property, plant, equipment and depreciation

Recognition and measurement

Property and equipment are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment. Depreciation is charged to the income statement over the estimated useful-life of each asset using the straight-line method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**3.3. Trade and other Receivables**

Trade receivables are recognized and carried at original invoice amount less and allowance for any uncollectible amounts. An estimate of doubtful debts is made when collections of the full amount is no longer probable. Bad debts are written off when identified. Other receivables are stated at cost less impairment losses.

3.4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank current accounts and call deposits. Bank overdrafts that are repayable on demand and from an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows

Cash Flow statement is being prepared using the indirect method.

3.5. Inventory

Inventories are stated lower of cost and net realizable value. Cost are expenses incurred in bringing each product to its present location and condition, as follows:

- Raw Materials and Consumable are stated at cost including direct expenses using first in first out method.
- Finished Goods/work in progress is valued at cost of direct materials and labor plus attributable overheads based on normal level of activities.
- Net realizable value is based on estimated selling price less any further costs expected to be incurred on competition and disposal.

3.6. Impairment**A Financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of and available-for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in income statement. Any cumulative loss in respect of and available-for-sale financial asset recognized previously in equity is transferred income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial that are debt securities, the reversal is recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

B Non-financial assets

The carrying amounts of the Company's non-financial assets, other than, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount if an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement.

The recoverable amount of and asset or cash –generating unit is greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discontinued to their present value. Using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.7. Trade and other payable

The balance of the creditors are recorded with their cost value, liability (accruals) were recognized and recorded with the value expected to be paid in the future in return of goods & services received.

3.8. Related parties transaction

During the year and in ordinary course of business, the company dealt with related parties in compliance with the terms and rules applied in dealing with others.

3.9. Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, and it is probable that a flow of economic benefits will be required to settle the obligation, a reliable estimation of the obligation amount can be performed. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. The Provisions balances are reviewed on an ongoing basis at the reporting date to disclose the best estimation on the current year.

3.10. Deferred Tax

Deferred Tax assets & liabilities are measured using the current tax rates. When there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty of realization of deferred tax assets. Other deferred tax assets are recognized to the extent, there is reasonable certainty of realization of deferred tax assets. Such deferred tax assets & other unrecognized deferred tax assets at each balance sheet date and the carrying value of the same are adjusted recognizing the change in the value of each deferred tax assets.

4 PROPERTY, PLANT & EQUIPMENT

(Amount in MXP)

	Opening Balance	Additions	Transfer/ Disposals	Closing Balance
Cost				
Capital work in progress and advances :				
Machinery and equipment	12,290,057.94	-	12,290,057.94	-
Assets :				
Land	27,190,620.00	-	-	27,190,620.00
Building	212,920,083.07	992,051.66	-	213,912,134.73
Machinery & equipment	830,871,228.84	24,586,807.33	-	855,458,036.17
Electrical Installation	81,725,281.54	768,224.85	-	82,493,506.39
Furniture, fixtures & office equipment	3,490,056.21	376,283.52	-	3,866,339.73
Vehicles	1,726,514.40	173,017.25	119,304.35	1,780,227.30
Total Cost	1,170,213,842.00	26,896,384.61	12,409,362.29	1,184,700,864.32
Depreciation				
Capital work in progress and advances:				
Building	33,333,301.53	7,185,197.09	-	40,518,498.62
Machinery & equipment	192,803,238.66	45,059,458.95	-	237,862,697.61
Electrical Installation	20,128,221.05	3,899,014.62	-	24,027,235.67
Furniture, fixtures & office equipment	2,445,949.87	274,628.52	-	2,720,578.39
Vehicles	1,523,652.61	121,025.58	119,303.35	1,525,374.84
Total Depreciation	250,234,363.72	56,539,324.76	119,303.35	306,654,385.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

(Amount in MXP)

	Opening Balance	Additions	Transfer/ Disposals	Closing Balance
Net book value				
Capital work in progress and advances:				
Machinery and equipment	12,290,057.94	-	12,290,057.94	-
Assets :				
Land	27,190,620.00	-	-	27,190,620.00
Building	179,586,781.54	(6,193,145.43)	-	173,393,636.11
Machinery & equipment	638,067,990.18	(20,472,651.62)	-	617,595,338.56
Electrical Installation	61,597,060.49	(3,130,789.77)	-	58,466,270.72
Furniture, fixtures & office equipment	1,044,106.34	101,655.00	-	1,145,761.34
Vehicles	202,861.79	51,991.67	1.00	254,852.46
Total Net book value	919,979,478.28	(29,642,940.15)	12,290,058.94	878,046,479.19

(Amount in MXP)

	As At 31st March 2015	As At 31st March 2014
5 INVENTORIES		
Raw materials	24,678,497.22	20,146,984.98
Materials in transit	15,023,571.44	10,849,824.13
Trade materials	-	-
	39,702,068.66	30,996,809.11
Consumables	3,508,128.83	11,443,261.58
Work in process	45,638,169.67	39,437,783.84
Finished goods	14,702,315.60	9,972,745.02
Total	103,550,682.76	91,850,599.55
6 TRADE AND OTHER RECEIVABLES		
Trade receivables (refer note 20 & 21) ^@	414,483,112.34	301,998,807.14
Less: Provision for doubtful debts	-	-
	414,483,112.34	301,998,807.14
Advance to suppliers #	17,066,790.43	29,214,201.52
Advances to staff	-	-
Other Current Assets	16,002,365.81	34,417,454.54
Security Deposits	71,246,953.24	61,476,145.58
Total	518,799,221.82	427,106,608.78
^ includes MXP 208,377,358.16 (P.Y MXP 121,659,237.82) due from related parties.		
@ 0-180 days MXP 350,580,099.21, > 180 days MXP 63,903,013.13 (P.Y MXP 296,095,189.74 & 5,903,617.40).		
# Includes MXP NIL (previous year MXP 16,021,385.37) given to related parties.		
7 CASH AND BANK BALANCES		
Cash on hand	43,953.10	54,639.62
Bank balances in:		
Current accounts	21,184,967.70	33,156,449.76
Total	21,228,920.80	33,211,089.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

(Amount in MXP)

	As At 31st March 2015	As At 31st March 2014
8 SHARE CAPITAL		
Opening balance	419,201,000.00	419,201,000.00
Introduced during the year	-	-
Closing balance #	<u>419,201,000.00</u>	<u>419,201,000.00</u>
# 419201 shares of MXP 1000/- each (previous year 419201 shares of MXP 1000/- each).		
9 NON CURRENT LIABILITIES		
Term loan(refer note 24) *	339,595,179.94	436,348,731.94
Provision for staff end-of-benefits	-	-
Capital creditors-retentions (refer note 11)	-	-
	<u>339,595,179.94</u>	<u>436,348,731.94</u>
Less: Current Portion of Term Loan	<u>152,306,816.90</u>	<u>130,485,999.66</u>
Total	<u>187,288,363.04</u>	<u>305,862,732.28</u>
10 TRADE AND OTHER PAYABLES		
Trade payables (refer note 19 & 20) @#	143,953,325.38	146,537,611.74
SBI Short Term Loan	253,588,230.00	224,067,690.00
Advance from customers	2,761,386.61	1,704,466.77
Current Portion of Term Loan	152,306,816.90	130,485,999.66
Provision for Income Tax	-	-
Other Liabilities	<u>52,987,442.80</u>	<u>30,854,151.93</u>
Total	<u>605,597,201.69</u>	<u>533,649,920.10</u>
@ Includes MXP 11,705,626.31 (previous year MXP 10,764,144.00) payable to related parties.		
11 ACCOUNTS PAYABLE-CAPITAL EXPENDITURE		
This represents amount payables to the consultants and suppliers of machinery, consultants & contractors for construction of building in progress per below:		
Capital creditors-Retentions:		
Total amount outstanding	-	1,378,371.30
Less: Non-current portion-payable after next 12 months (refer note 9)	-	-
Current portion-payable within next 12 month	<u>-</u>	<u>1,378,371.30</u>
		(Amount in MXP)
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
12 REVENUE		
a. Sales		
Manufactured Goods	1,504,118,924.35	1,416,882,686.46
Trading sales	-	-
	<u>1,504,118,924.35</u>	<u>1,416,882,686.46</u>
b. Other Operating Income		
Scrap Sales	5,400,884.41	13,012,892.07
Technical Service Fees	-	59,948,400.00
Other Income	<u>490,924.83</u>	<u>674,021.26</u>
	<u>5,891,809.24</u>	<u>73,635,313.33</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

	(Amount in MXP)	
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
13 INCREASE / DECREASE IN FINISHED GOODS & WORK-IN-PROGRESS		
Closing Stock		
Finished Goods	14,702,315.60	9,972,745.02
Work in Progress	45,638,169.67	39,437,783.84
	<u>60,340,485.27</u>	<u>49,410,528.86</u>
Less: Opening Stock		
Finished Goods	9,972,745.02	7,201,677.00
Work in Progress	39,437,783.84	60,697,105.65
	<u>49,410,528.86</u>	<u>67,898,782.65</u>
Increase / Decrease in Finished Goods & Work-in-Progress	<u>10,929,956.41</u>	<u>(18,488,253.79)</u>
14 COST OF MATERIAL		
Raw Material Consumed		
Opening stock RM	20,146,984.98	18,289,798.18
Purchases	794,138,820.32	828,292,282.31
Closing stock RM	24,678,497.22	20,146,984.98
Raw Material Consumed	<u>789,607,308.08</u>	<u>826,435,095.51</u>
Traded Goods		
Opening stock Trade Purchase	-	-
Trading purchase	-	-
Closing stock Trade Purchase	-	-
Cost of Traded Goods Sold	<u>-</u>	<u>-</u>
Cost of Material Consumed	<u>789,607,308.08</u>	<u>826,435,095.51</u>
15 OTHER MANUFACTURING EXPENSES		
Power & fuel consumed	72,110,306.65	96,864,084.08
Stores consumed	10,891,099.27	7,887,521.58
Packing materials consumed	55,144,020.62	49,651,663.14
Spares consumed	37,173,613.31	14,484,039.17
Other Manufacturing Expense	12,395,183.06	10,586,134.25
Total	<u>187,714,222.91</u>	<u>179,473,442.22</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

	(Amount in MXP)	
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
16 ADMINISTRATIVE & SELLING EXPENSES		
Rent	1,129,704.77	1,130,962.92
Other administration expenses	28,874,490.72	22,780,498.06
Exchange Rate Fluctuation	70,233,732.95	28,129,385.49
Selling expenses	173,787,162.21	163,535,443.72
Depreciation (per below)	56,539,324.76	53,986,923.19
Total	330,564,415.41	269,563,213.38
17 FINANCE COST		
Interest on term loan	8,959,448.75	11,302,357.24
Interest on Revolving Loan	15,639,007.72	10,578,411.38
Bank charges & commission	10,324,285.41	9,387,450.92
Total	34,922,741.88	31,268,219.54
18 CASH AND CASH EQUIVALENTS		
Cash on hand	43,953.10	54,639.62
Bank balance:		
In current accounts	21,184,967.70	33,156,449.76
In Transit	-	-
Total	21,228,920.80	33,211,089.38

19 FINANCIAL INSTRUMENTS: CREDIT, INTEREST RATE AND EXCHANGE RATE RISK EXPOSURES
Credit risk

The establishment seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

Interest rate risk

The Company has taken a loan from banks designated in Euro / USD. The Facilities in Euro are linked with the Ebour and in USD are linked with the Lbour. The Company is at risk to the extent of the fluctuation in the Libour/ Euribor.

Exchange rate risk

The Company is at the Exchange risk to the extent of the outstanding exposure in the Foreign Currency. The details of the outstanding foreign currency exposure as on the balance sheet date is as under:

	Current Year Equivalent MXP	Previous Year Equivalent MXP
Foreign currency Financial assets:		
USD	452,156,269.46	334,921,949.90
Euro	50,159,009.20	42,365,964.14
Foreign Currency Financial Liabilities:		
USD	518,297,853.31	530,475,677.72
Euro	219,300,777.01	265,248,568.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

20 FINANCIAL INSTRUMENTS: FAIR VALUES

The fair values of the establishment's financial assets, comprising of trade & other receivables and cash & bank balances and financial liabilities, comprising of trade & other payables and accounts payable for capital expenditure approximate to their carrying values

21 RELATED PARTY TRANSACTIONS

The Company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party contained in the International Accounting Standard - 24. Related parties are the entities under common ownership and/or common management control and associates.

The related parties and their outstanding balances at the balance sheet date are as under:

Name of related parties	Current Year	Previous Year
	MXP	MXP
	Dr/(Cr)	Dr/(Cr)
Uflex Limited	(5,354,364.19)	16,021,385.37
Flex Middle East FZE	(39,244,704.48)	(54,155,483.85)
Flex P. Films Egypt S.A.E	(45,071.43)	-
Flex Films (USA) Inc.	208,377,358.16	117,101,749.02
Flex Films Europa Sp. z.o.o.	(1,563,286.22)	1,902,385.90

The nature of significant related party transactions during the year and the amounts involved are as under:

	Current Year	Previous Year
	MXP	MXP
Uflex Limited - Purchases at normal price	52,001,784.41	33,714,584.69
Uflex Limited - Guarantee Commission	3,197,510.18	3,280,722.03
Uflex Limited - Expenses Reimbursement	7,914,578.86	3,113,139.11
Uflex Limited - Sales at Normal Price	-	-
Flex Middle East Fze- Sales at Normal Price	-	3,145,073.62
Flex Middle East Fze- Purchases at Normal Price	5,450,516.44	12,081,821.82
Flex Films (USA) Inc.- Sales at Normal price	866,159,057.11	877,822,262.15
Flex Films (USA) Inc.- Purchases at Normal price	7,017,577.04	6,315,614.64
Flex Films Europa Sp.z.o.o- Sales at Normal Price	46,287,341.55	6,113,828.34
Flex Films Europa Sp.z.o.o- Purchases at Normal Price	1,947,307.34	12,936,018.95
Flex P. Films Egypt S.A.E- Purchases at Normal Price	1,170,493.25	3,095,064.47

22 CONTINGENT LIABILITIES

Letters of credit

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016
23 CAPITAL COMMITMENTS

The estimated amount of contracts including under letters of credit remaining to be executed on capital account (net of advances) and not provided for NIL (Previous year NIL).

24 BANK FACILITIES

- a. The Company avails the sanctioned Term Loan facility of Euro 39.00 Million (For Phase-I ; Euro 19.50 Million & For Phase-II; Euro 19.50 Million) from KFW IpeX-Bank GmbH. Out of the same the company has utilized Euro 36.78 Million (P:Y Euro 36.78 Million) till 31st March 2016 and the outstanding balance as on 31st March 2016 is Euro 11.20 Million (P:Y Euro 16.06 Million). The same is secured by way of hypothecation of Specific Plant & Equipments and pari pasu mortgage of Land & Building of the Company and are guaranteed by the UFLEX LIMITED, the Parent company .
- b. The Company avails the sanctioned Term Loan facility of USD 20.00 Million for expansion in Phase-II from the State Bank of India, New York . Out of the same the company has utilized USD 20.00 Million (P:Y USD 20.00 Million) as on 31st March 2016 and the outstanding balance as on 31st March 2016 is USD 5.00 Million (P:Y USD 8.33 Million). The same is secured by way of hypothecation of Specific Plant & Equipments and pari pasu mortgage of Land & Building of the Company and are guaranteed by the UFLEX LIMITED, the Parent company .
- c. The Company avails the sanctioned Working Capital Facilities of USD 23.20 Million from the State Bank of India, New York. The outstanding balance of the same as on 31st March 2016 is USD 14.70 Million (P:Y USD 14.70 Million). The same is secured by way of hypothecation of current assets of the Company and are guaranteed by the UFLEX LIMITED, the Parent company .

25 DEFERRED TAX ASSETS / (LIABILITIES)

The item is represented as follows:

	Opening Balance	For the Year	Closing Balance
A Deferred Tax Assets			
Tax Losses	21,333,847.00	19,479,280.00	40,813,127.00
Total	21,333,847.00	19,479,280.00	40,813,127.00
B Deferred Tax Liabilities			
Excess of Book WDV over Tax WDV of Assets	44,989,453.00	50,136,636.00	95,126,089.00
Tax Deferred under Project	-	-	-
Total	44,989,453.00	50,136,636.00	95,126,089.00
Net Deferred Tax Asset / (Liability) [A-B]	(23,655,606.00)	(30,657,356.00)	(54,312,962.00)

26 QUANTITATIVE INFORMATION

a) Information in respect of class of goods manufactured and annual capacity:	Unit	Current Year	Previous Year
		60,000	60,000
Class of Goods			
Polyester Films/Metalized Films	MT	60,000	60,000

Previous year figures have been given in brackets.

b) Information in respect of production, sales & stock of goods manufactured:

Unit	Production	Sales		Op.Stock		Cl. Stock	
	Qty(MT)	Qty (MT)	Value MXP	Qty (MT)	Value MXP	Qty (MT)	Value MXP
MT	35,622	35,484	1,504,118,924.35	371	9,972,745.02	509	14,702,315.60
	(37,977)	(37,847)	(1,416,882,686.46)	(241)	(7,201,677.00)	(371)	(9,972,745.02)

Previous year figures have been given in brackets.

c) Information in respect of raw materials consumed:

Description	Current Year		Previous Year	
	Qty (MT)	Value (MXP)	Qty (MT)	Value (MXP)
Polyster Chips	38,063	770,600,541.90	39,058	813,697,957.55
Chemicals	78	12,277,295.05	47	6,400,091.42
Others	51	6,729,471.13	56	6,337,046.54
		789,607,308.08		826,435,095.51

d) Information in respect of purchase, sales & stock of goods Traded:

Op. Stock		Purchase		Sales		Cl. Stock	
Qty (MT)	Value MXP	Qty (MT)	Value MXP	Qty (MT)	Value MXP	Qty (MT)	Value MXP
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Previous year figures have been given in brackets.

27 COMPARATIVE FIGURES

Previous year's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.



FLEX AMERICAS SA DE CV, MEXICO

Wholly Owned Subsidiary Company of UPET (Singapore) Pte. Ltd.