

*Twenty Fourth*

ANNUAL REPORT  
2012 - 2013



**UFLEX LIMITED**



## UFLEX LIMITED

### TWENTY FOURTH ANNUAL REPORT 2012-2013

#### BOARD OF DIRECTORS

ASHOK CHATURVEDI  
*Chairman & Managing Director*  
RAVI KATHPALIA  
M. G. GUPTA  
ACHINTYA KARATI  
SHIVENDRA TOMAR  
*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

#### REGISTERED OFFICE

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

#### CORPORATE OFFICE

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

#### SUBSIDIARY COMPANIES

Flex America Inc., USA  
Uflex Packaging Inc., USA  
TFlex Americas LLC, USA\*  
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.

#### BANKERS

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

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

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

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

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

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

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

KFW IPEX Bank, Germany  
National Societe Generale Bank, Egypt  
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-2/2A, 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. Bhind (M.P.)  
L-1, Industrial Area, Ghirongi (Malanpur),  
Distt. Bhind (M.P.)  
Unit-I, Lane No. 3, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu  
Unit-II, Lane No. 2, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu  
Unit-III, Lane No. 3, Phase-I, SIDCO  
Industrial Complex, Bari Brahmana,  
Jammu

##### Dubai

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

##### Mexico

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

##### Egypt

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

##### Poland

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

##### USA

1221, North Black Branch Road,  
Elizabethtown, KY 42701

#### ZONAL OFFICES

##### Mumbai

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

##### Kolkata

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

##### Bangalore

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

\* Merged with Uflex Packaging Inc. w.e.f. 31st March, 2013

## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of UFLEX Limited will be held on Saturday, the 7<sup>th</sup> day of September, 2013 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2013 and the Statement of Profit & Loss for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To declare the dividend for the year 2012-2013 on the equity shares of the Company.
3. To appoint a Director in place of Shri Ravi Kathpalia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri S.K. Kaushik, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors, (M/s. Vijay Sehgal & Co., Chartered Accountants, Delhi retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.)

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following as an **Ordinary Resolution**:

“RESOLVED THAT Shri Achintya Karati, who was appointed as an Additional Director of the Company w.e.f. 30<sup>th</sup> May, 2013 and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 141 of the Article of Association of the Company and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board

**AJAY KRISHNA**

Sr. Vice President (Legal) &  
Company Secretary

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2013

### Regd. Office:

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

### NOTES:

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **02.09.2013** to **07.09.2013** (both days inclusive).
5. Members holding shares in physical form are requested to notify change in address, if any, to the Company's **Registrar and Share Transfer Agents (RTA), Beetal Financial & Computer Services Pvt. Ltd., BEETAL House, 3<sup>rd</sup> Floor, 99, Madangir, Near Dada Harsukh Dass Mandir, Behind Local Shopping Centre, New Delhi – 110062** quoting correct Folio Number(s) and in case of shares held in dematerialized form to the concerned Depository Participant.
6. In the case of joint holders, if more than one holder intend to attend the meeting, they must obtain additional admission slips from the Registered Office of the Company. In such circumstances, only one such joint holder who is higher in the order of names will be entitled to vote.
7. Members, who are holding shares in identical order of names in more than One Folios are requested to write to the Company/RTA for consolidating their holdings into One Folio.
8. Members seeking further information on the accounts are requested to write to the Company **at least one week before the date of the Annual General Meeting** giving details of the information required.
9. Members/Proxies should bring the Attendance Slips duly filled in for attending the meeting along with their copy of the Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting.
10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
11. The Company has paid the Annual Listing fees for the year 2013-2014 to the following Stock Exchanges, viz., BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.

12. Investors holding shares in physical form should provide the National Electronic Clearing Services (NECS) mandate to the company and investors holding shares in demat form should ensure that correct and updated particulars are available with the DP.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form 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/Registrar and Transfer Agent, Beetel Financial & Computer Services Pvt. Ltd.
14. **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:

**Status of Unclaimed Suspense Account**

Sl. No.	Particulars	No. of shareholders	No. of equity shares held
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account	663	55742

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO.6**

Shri Achintya Karati was earlier appointed as a Nominee Director of ICICI Bank Limited and he has resigned as a Nominee Director of ICICI Bank Limited w.e.f. 30<sup>th</sup> May, 2013. The Board of Directors of the Company appointed him as an Additional Director of the Company on the same date.

Shri Achintya Karati is a Law Graduate having wide and varied experience in the field of Banking and Finance. He has held several prestigious assignments/positions in the ICICI Bank Limited. Presently he is associated with Ratnakar Bank Limited.

In accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company he holds office upto the date of this Annual General Meeting.

The Company has received a notice from a member of the Company along with requisite fee under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri Achintya Karati to the office of Director.

Your Directors recommend the appointment of Shri Achintya Karati as Director of the Company. Except Shri Achintya Karati, no other Director is in anyway concerned or interested in this Resolution.

By Order of the Board

**AJAY KRISHNA**

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2013

Sr. Vice President (Legal) &  
Company Secretary

**Regd. Office:**

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

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

Name of Director	Shri Ravi Kathpalia	Shri S.K. Kaushik	Shri Achintya Karati
<b>Date of Birth</b>	18.08.1937	20.11.1939	23.03.1946
<b>Date of Appointment</b>	22.03.2002	31.07.2005	30.05.2013
<b>Experience in specific Functional areas</b>	A Retd. Govt. Officer with expertise in the fields of Audit & Accounts.	A professional having more than 48 years of experience particularly in the field of Finance, Marketing and Production Planning.	He has held several important positions in ICICI Bank Limited.
<b>Qualification</b>	M.A., M.Phil. (Retd. I.A & A.S)	FCA	B.Com., LL.B.
<b>Directorship in other Public Limited Companies</b>	Fair Field Atlas Ltd. Alchemist Asset Reconstruction Co. Ltd. UTech Developers Ltd.	Flex Foods Limited UTech Developers Limited	J.K. Cement Limited Jay Bharat Maruti Limited Shyam Telecom Limited Sangam (India) Limited Delton Cables Limited TechProcess Payment Services 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>Remuneration Committee</b> - UFLEX Limited  <b>Shareholders'/Investors' Grievance Committee</b> - UFLEX Limited (Chairman)	<b>Audit Committee</b> - UFLEX Limited  <b>Remuneration Committee</b> - Nil  <b>Shareholders'/Investors' Grievances Committee</b> - UFLEX Limited - Flex Foods Limited	<b>Audit Committee</b> - UFLEX Limited - Sangam (India) Limited - Shyam Telecom Limited - J.K. Cement Limited - TechProcess Payment Services Limited - Jay Bharat Maruti Limited  <b>Remuneration Committee</b> - UFLEX Limited - J.K. Cement Limited  <b>Shareholders'/Investors' Grievances Committee</b> - Sangam (India) Limited

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

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

## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting this Twenty-fourth Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2013.

### WORKING RESULTS

The summarized financial results for the year ended 31<sup>st</sup> March, 2013 and for the previous year ended 31<sup>st</sup> March, 2012 are as follows:

[Rs. in lacs]

	Consolidated Year Ended		Standalone Year Ended	
	2013	2012	2013	2012
<b>Gross Sales &amp; Job Work</b>	<b>560015</b>	500816	<b>367278</b>	357708
<b>Net Sales &amp; Job Work</b>	<b>495643</b>	438711	<b>302906</b>	295654
<b>Revenue from Operations</b>	<b>516108</b>	451584	<b>315637</b>	307894
Other Income	<b>1908</b>	2514	<b>2403</b>	2771
<b>Profit before Finance Cost, Depreciation &amp; Tax</b>	<b>67468</b>	68239	<b>49693</b>	47259
Finance Cost	<b>22969</b>	19925	<b>17478</b>	15999
Depreciation	<b>23599</b>	17829	<b>14683</b>	12365
<b>Profit before Tax</b>	<b>20900</b>	30485	<b>17532</b>	18895
Less: Tax Expenses	<b>1863</b>	5035	<b>3685</b>	3936
Add: Minority Interest	--	52	--	--
<b>Profit for the year</b>	<b>19037</b>	25502	<b>13847</b>	14959

### YEAR IN RETROSPECT

During the year under review, your Company achieved on consolidated basis total revenue of Rs. 518279 lacs including other income of Rs.1908 lacs as against total revenue of Rs.454295 lacs including other income of Rs.2514 lacs of the previous financial year ended 31<sup>st</sup> March, 2012. The profit for the year ended 31<sup>st</sup> March, 2013 at Rs.19037 lacs was lower than the previous financial year ended March, 2012 at Rs.25502 lacs.

Further, your Company achieved on standalone basis total revenue of Rs. 318040 lacs including other income of Rs. 2403 lacs as against total revenue of Rs.310,665 lacs including other income of Rs.2771 lacs of the previous financial year ended 31<sup>st</sup> March, 2012. The profit for the year ended 31<sup>st</sup> March, 2013 at Rs. 13847 lacs was lower than the previous financial year ended March, 2012 at Rs.14959 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 expansions & growth of the Company and also the overall sluggish economic

environment, your Directors are pleased to recommend a dividend @ Rs.2.40 per share for the financial year ended March 31, 2013. 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 1<sup>st</sup> September, 2013. 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 1<sup>st</sup> September, 2013.

### FIXED DEPOSITS

No fresh/renewal of deposits were accepted during the financial year 2012-2013. There were no unclaimed deposits as at March 31, 2013.

### DIRECTORS

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

During the year IFCI withdrew the nomination of Shri N.K. Duggal and Smt. Manju Jain from the Board of the Company and nominated Shri Shivendra Tomar as their new nominee on the Board of the Company. Your Directors while welcoming Shri Tomar on the Board of the Company also took the opportunity to place on record their appreciation for the valuable services rendered by Shri N.K. Duggal and Smt. Manju Jain during their tenure as Directors of the Company.

Shri Achintya Karati has resigned as Nominee Director of ICICI Bank Limited. However, the Board of Directors of the Company has appointed him as an Additional Director w.e.f. 30<sup>th</sup> May, 2013.

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, 2013 the applicable accounting standards have been followed and that there has been no material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year

and of the profit of the Company for the year under review.

- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the Annual Accounts on a going concern basis.

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

#### AUDITORS & AUDIT

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

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

#### COST AUDITORS

M/s. Jitender, Navneet & Co., Delhi, Cost Auditors were appointed as Cost Auditors of the Company for the financial year 2012-2013. Further the Board of Directors has appointed them as Cost Auditors for the financial year 2013-2014.

#### SUBSIDIARY COMPANIES

Pursuant to Section 212 of the Companies Act, 1956, Flex America Inc., USA, Flex Middle East FZE, UAE, UFlex Europe Limited, UK, Flex Films (USA) Inc., USA, Uflex Packaging Inc., USA, Flex P Films (Brasil) Comercio De Films Plasticos Ltda, Brazil, 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, TFlex America LLC (USA), Flex Films Europa Sp Z o.o., Poland & SD Buildwell Pvt. Ltd., India are subsidiaries of the Company in terms of Section 4(1)(c) of the Companies Act, 1956.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, 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.

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

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

#### PERSONNEL

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

#### ACKNOWLEDGEMENT

The Directors express their gratitude and thanks to the domestic and international Financial Institutions & Banks, Government Authorities 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), Shareholders, GDR holders, customers, suppliers and other business associates for their continued co-operation and patronage.

For & On behalf of the Board

Place : NOIDA

Dated : 30<sup>th</sup> May, 2013

**ASHOK CHATURVEDI**

Chairman & Managing Director

## ANNEXURE `A` TO DIRECTORS' REPORT

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

### A. EMPLOYED FOR THE FULL YEAR

Sl. No.	Name	Age	Designation/ Nature of Service	Remuneration (Rs.)	Qualifications	Experience (Yrs.)	Date of Appointment	Last Employment (Position Held)
01.	Shri Chaturvedi Ashok	56	Chairman & Managing Director	71870503	B.Sc.	35	01.08.1988	Flex Laminators Ltd. (Chairman & Managing Director)
02.	Shri Tyle Pradeep	52	Sr. President (Films)	23667662	B.E.(Hons) Chem., P.G.D.B.M.	30	01.08.1988	Flex Laminators Ltd. (General Manager (Operations))
03.	Shri Jain R.K.	58	President (Corp. F&A)	15768385	F.C.A.	33	01.08.1988	Flex Laminators Ltd. (Financial Controller)
04.	Shri Ray Amitava	67	President (Packaging Division)	15864346	B.A. (Hons) , PGDM	48	06.06.2001	India Foils Limited (Managing Director & CEO)
05.	Shri Sirsamkar P.L.	55	President (Films)	14412721	B.E.	32	01.01.1993	Polyplex Corpn. Limited (Dy. General Manager)
06.	Shri Chattraj Chandan	49	Exe. Jt. President (Global HR & Corporate Affairs)	10412200	B.Com, PGDM (IR&PM)	25	01.02.2012	Aircel Limited (Chief Human Resource Officer)
07.	Shri Jain Dinesh	59	Jt. President (HR)	9703862	B.Sc., LLB, LLM, DBA	34	20.07.1990	Usha Shri Ram Limited (Factory Manager)
08.	Shri Tandon Ajay	57	Jt. President (Operations)	9195492	B.E. (Mechanical Engineering)	35	04.12.2006	FCL Technologies & Products Limited (Exe. Vice President)
09.	Shri Agarwal P.K.	55	Jt. President (Cylinder Division)	8320907	M.Sc. (Chem.)	32	01.08.1988	Flex Laminators Ltd. (Manager - Production)
10.	Shri Sachdeva Anup	49	Jt. President (Export Marketing)	8386679	B.A.	27	10.11.1997	Sharp Industries Limited (Sr. General Manager)
11.	Shri Mongia J.M.	57	Jt. President (Domestic Marketing)	8265325	B.Com	35	08.08.1994	Garware Paints Ltd. (Divisional Manager)
12.	Shri Singh Anant Pal	67	Jt. President (Malanpur Marketing)	7682054	B.Pharma	42	26.02.1996	Burroughs Wellcome (India) Limited I/C - Gujarat State (Sales & Marketing)
13.	Shri Dosi Dilip Kumar	58	Jt. President (Film Division)	6469973	B.E., MBA	33	18.10.2010	Ester Industries Limited (Exe. Director)
14.	Shri Pillai J.G.	52	Exe. Vice President (Packaging Division)	6352571	B.E. (Mechanical Engineering), MBA	28	18.11.1996	Lippi Systems Limited (Director)

### B. EMPLOYED FOR PART OF THE YEAR

NIL

1. Remuneration includes Salary, Bonus, Contribution to Provident Fund and all other perquisites taxable or non-taxable.
2. All appointments are contractual.
3. Information about qualification and last employment is based on particulars furnished by the concerned employee.
4. None of the above employees holds by himself or alongwith his spouse and dependent children 2% or more of equity shares of the Company.
5. None of the above employees is relative of any Director of the Company.



## ANNEXURE 'B' TO DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

Energy is one of the most important ingredients in any industrial activity. However, its availability is not infinite. Global Energy crisis, as well as high cost of fuels resulted in more activities to conserve energy to maximum extent. The need of energy conservation has assumed paramount importance due to the rapid growth of process industries causing substantial energy consumptions in manufacturing of Films & other related operations. This has made pathway to conservation of energy which can be affected through process and machinery modifications and implementation of technological advancements relating to process optimization as well as development of newer methods to meet the challenge of substantial energy saving in manufacturing of films. Thus, there is a necessity for replacing the conventional methods by the latest processes which will lead to considerable savings in terms of energy, money and time. At our Company, there is continuous process of upgrading the process by increasing the productivity there by bringing down the energy consumption per unit of finished product produced.

Energy conservation is one of our key focus areas. A number of best practices, studies and improvement projects have been implemented last year to suit our needs. We regularly benchmark our energy consumption levels with global standards, and consistently work towards improving efficiencies further.

#### (a) Energy conservation measures taken

The below mentioned are some of the steps which have been undertaken during 2012-2013.

- 1) We have increased our electrical demand from 1500 MVA to 6000 MVA on State Grid (UPPCL), the aim is to shift our non-critical load from the Gas-Genset to Grid Power. This has resulted in annual saving of around INR 1000 lacs.
- 2) We have started replacing the existing lamps with CFL/LED in phased manner, resulting into reduction of lighting load which will give savings upto Rs.15 lacs per annum.
- 3) We have modified the chilled water and cooling water circuit resulting into saving of around 90 KW power amounting to Rs.50 lacs annually.
- 4) We have modified and plugged the pneumatic air leakages, resulting into stoppage of one air compressor of 30 KW amounting to Rs.17 lacs annually.
- 5) Induced draft exhaust ventilators put at various places in place of convention exhaust fans giving us a saving

of 15 KW amounting to Rs.8 lacs annually.

- 6) A variable frequency drive of 110 KW was installed on the air compressor which has reduced power consumption by 50000 Kwh/year. Company saves Rs.6 lacs.
- 7) Increased operational control on Utilities which has reduction PNG Gas consumption by 50000 SCM/year. Company saves Rs.20 lacs.
- 8) High efficiency pumps and chillers have been installed for chillers which delivered energy saving of 25000 Kwh/year. Company saves Rs.3 lacs.
- 9) Effective load monitoring and rationalization of operational timings of air conditioning chillers, air handling units.
- 10) Installation of Smart Lighting Energy Savings Device to regulate feeding voltage to illumination system.
- 11) Use of Grid Power in place of DG Power.

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 have planned further to shift around 300 KW of process load on UPPCI, which would give us a saving of Rs.84 lacs annually.
- 2) We are also exploring the possibilities of setting up a 1.00 M.W. solar power station.
- 3) We are planning to introduce 2<sup>nd</sup> phase of replacing existing lamps with LED which have a potential saving of Rs.15-20 lacs annually.
- 4) We plan to install day light panels on the roofs of FGS etc. which would give us savings in electrical energy to the tune of Rs.10 lacs annually.
- 5) Installation of Air Boosting System to back up Pneumatic Pressure at time of Grid power failure and subsequent change over to DG power.
- 6) Installation of Rotary UPS to back up at time of Grid power failure and subsequent change over to DG power.

#### (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.39.34 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 added one new software named as "ACCU PROOF TM PRINT CHECK" designed by Plus Tek North America.

### C. GLOBAL BUSINESS STRATEGIES

In order to serve our global base of customers, we have started expanding globally into different regions in order to get closer to the customers. This enables us to serve our customers with better & quick deliveries as well as with reduced shipping times. This also reduces the freight cost.

Currently we are exporting to our customers present in around 120 countries across the globe. Our endeavour is to add couple of more countries during this year.

### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports:

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

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

2. During the year under review:

(Rs. in Lacs)

a) Earnings in Foreign Exchange	
i) F.O.B. value of export of manufactured/ Stock-in-Trade	55112
ii) Sales of Services	216
iii) Technical & Support Fees	6482
iv) Interest	159
v) Commission for Extension of Corporate Guarantee for Subsidiaries	515
b) Expenditure	
i) CIF Value of Imports	59695
ii) Expenditure in Foreign Currency	1057

For & On behalf of the Board

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2013

**ASHOK CHATURVEDI**  
Chairman & Managing Director

## 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

Flexible Packaging has gained popularity worldwide for its benefits over rigid packaging. With benefits such as functional convenience in handling & transportation, cost effectiveness and brand protection, flexible packaging industry world wide is led by a strong growth.

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.

Technology advancements have redefined the functionality of packaging from beyond the traditional need for mere product protection. Upgradations and modernization have offered huge potential for the growth of flexible packaging (including both converted and unconverted materials) at the expense of conventional semi-rigid and rigid packaging. Standup pouches, for instance, are replacing multi-wall bags in packaging of baked goods and snacks.

Polypropylene and polyethylene dominate the global converted flexible packaging market owing to their cost advantages over foil and paper. World market for converted flexible packaging holds mixed potential for growth, with developed and mature markets such as U.S., Europe and Japan posting sedate year on year growth patterns, and developing Asian markets such as India and China registering robust sales gains. Lucrative opportunities also exist in Eastern European, Latin American and Middle East markets.

The global flexible packaging market (at \$71 billion in 2011) will grow by around 5.0% a year, reaching \$90 billion in 2016. Flexible packaging is an industry relatively immune from global economic downturns. In 2016, 42% of the industry will be in Asian markets, which are growing at about 7% a year – the fastest growing region is Southeast Asia and Oceania, driven by high demand in India with 15-20% annual

increases. The global arena remains "local" with regional converters supplying the vast proportion of local packaged-goods customers' needs. Only 4% of flex-pack production is traded outside the region in which it is manufactured (sources - PCI Films Consulting).

#### 2. Business Review

##### Plastic Film Business

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

The Company's OPP films comprising of BOPP and CPP films are highly cost effective and functionally efficient 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 confectionery, biscuits, bakery, pasta, dried foods, meats and others. The technologically superior and highly dependable BOPP film produced by the Company in its state-of-the-art ISO 9001-2000 certified plants can be structured in up to three layers and tailored for almost any machine requirements and is capable of meeting both rotogravure and flexographic printing standards. The Company produces BOPP film from its Indian plant which largely caters to the captive & domestic market and Egypt plant which caters to the international market.

World demand for BOPP films will continue to grow by an average of 6.6% per annum to reach 8.3 million tones by 2016. Growth in Asia demand is expected to account for a vast majority of the predicted world growth over the next five years (source – PCI).

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.

The Company's BOPET film is one of the main products of the Company. It has not only succeeded in retaining its market share but also continues to expand its markets in today's dynamic & rapidly changing packaging scenario. Biaxially Oriented PET film (BOPET) is used successfully in a wide range of applications, due to its excellent combination of optical, physical, mechanical, thermal, and chemical properties, as well as its unique versatility. BOPET Films, produced in state-of-the-art ISO 9001-2000 certified plants in different range of microns, have the capacity to sustain the high fidelity graphics and meet the requirements of both rotogravure as well as flexographic printing standards besides having other properties like optically brilliant, clear

appearance, unequalled mechanical strength and toughness, excellent dielectric properties good flatness and coefficient of friction (COF), tear-resistant and puncture-resistant characteristics, wide range of thickness as thin as 8 micron up to 50 micron, excellent dimensional stability over a wide range of temperatures, good resistance to most common solvents, moisture, oil, and grease, excellent barrier against a wide range of gases. BOPET film is produced from India, Dubai, Mexico, Poland, Egypt & USA. Indian plant meets captive & Indian market requirements whereas overseas plants serve overseas customers.

World demand for BOPET films will continue to grow by an average of 6.8% per annum to reach 4.4 million tones by 2017. Growth in Asian demand is expected to account for almost 80% of world growth over the next five years (source – PCI).

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 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.

#### **Major innovations in plastic films business includes:**

**Green PET Films** – are made from PTA produced by the oxidation of paraxylene and Green MEG, manufactured from ethanol produced from agro-based sources. These films are approved by the USFDA and also meet all EU guidelines for food compliance and food contact.

**rPET Films** – This is another range of 'green' films. They contain up to 30% post consumer recycle PET (rPET) resins that are obtained by a tertiary chemical glycolysis process.

**Direct Embossable PET Film** - coextruded with a special surface layer that can be embossed directly without any off-line coating, an expensive process. The embossing can be carried out at lower temperatures (lower energy costs) and leaves deep and sharp impressions. The surface can be metalized with excellent metal adhesion and is ideal for holographic applications.

**Antistatic Twistable PET Film** – This USFDA and EU food compliant film has been developed for highly

exacting twist wrapping applications. It is available as a high-transparency or metalized film with zero memory and retains twist perfectly.

**Special Heat-sealable PET Film** – A special range of films (12 to 50 microns), one side of which is printable and the other side seals to itself, APET and CPET over a wide sealing temperature range with high seal strength. The film has superior oxygen and aroma barrier and is approved for direct food contact.

**Liquid Packaging PET Film** – is barrier metalized (optical density of 2.3) on a surface specially modified for high metal bond strength and enhanced laminate adhesion strength, it is UV resistant and approved for food contact, specially suitable for packaging of liquids and industrial bulk packaging.

**Alox Coated BOPET Film** – are transparent films with higher barrier properties i.e. moisture barrier values are over 13 times & oxygen barrier are over 33 times than plain uncoated films. It bears thin & highly transparent coating of aluminium oxide that gives extremely high moisture & gas barrier properties.

#### **Flexible Packaging Business**

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

The Company 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.

The Company client list includes Unilever, Pepsi, Wrigley, Procter & Gamble, Colgate, Palmolive, Nestle, Gillette, Ranbaxy, Perfetti, Joyco, Monsanto, ITC, Godrej Pillsbury, Tata Tea, Hindustan Petroleum, Indian Oil, Britannia, Dabur, Haldiram, Wockhardt, HUL, Parle Biscuit and Birla 3M, among others.

The Company remained ahead in introducing newer and innovative, environmental friendly packaging products & solutions, which are well acknowledged and accepted not only in the domestic market, but also in international market. It had introduced the unit pack concept in India as early as in 1985, which was initially accepted by the Gutka/pan masala manufacturers and subsequently introduced in every segment such as food items, soaps, detergents, shampoo etc. In fact, the introduction of unit concept in India revolutionized the Indian Flexible Packaging Industry, which is now an important contributor under manufacturing segment of Indian GDP. The Company has developed many innovative new products in the last couple of years; some of the major innovations are as under:

**Major innovation in value added flexible packaging business includes:**

- Bag with Slider Zipper and Diaphragm
- WPP Bag for Pet foods
- 3D Bags/Pouches
- Spot Hologram Pouches/Bags
- Eco friendly flexi tube for packing cosmetic products, tooth paste and other semi liquid products
- Non-plastic based feed stock laminates for mouth freshener industry
- Special new laminate for the packaging of drinking water fortified with minerals. This is the world's first flexible laminates that is suitable for packaging drinking water fortified with health-enhancing minerals like zinc, calcium and copper and provides extended shelf-life.

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

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

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

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

*Solvent Recovery Plant*: Recycling of used solvent can be recovered by 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 incinerator, 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. Being a leading manufacturer of Holographic Films, the Company provides its global customers with many value added 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)				
	2012-13		2011-12	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Total Revenue	<b>518279</b>	<b>318040</b>	454295	310665
Profit before Finance Cost, Depreciation & Tax	<b>67468</b>	<b>49693</b>	68239	47259
Profit before Tax	<b>20900</b>	<b>17532</b>	30485	18895
Profit for the year	<b>19037</b>	<b>13847</b>	25502	14959

**4. Expansion projects**

The status of Company's following expansion plans are narrated below:

**Project at Poland**

Flex Film Europa Sp.z.o.o. set up as a 100% subsidiary of Flex Middle East FZE, Dubai, has set up facilities in Wrzesnia under Walbrzych Special Economic Zone "Invest Park" in Poland to produce 30000 TPA of PET film with an estimated total capital outlay of US\$ 75 million. The project has been successfully commissioned in during second quarter of financial year 2012.

**Project at USA**

Flex Films (USA) Inc., 100% Subsidiary of the Company has set up facilities in Elizabeth Town, Kentucky, USA to Produce 30000 TPA of BOPET film with an estimated cost of US\$ 75.00 million. The Project has been successfully completed and commenced production during last quarter of financial year 2013.

**5. Opportunities & Threats**

**Opportunities**

Flexible packaging has been among the most rapidly growing sectors of the overall packaging market over the last decade. The industry presently is witnessing tremendous opportunities for innovation and development of new products. The players in the flexible packaging industry worldwide are increasingly coming up with innovative and effective flexible packaging products and solutions. The key elements

in the growth of flexible packaging are as under:

- Global personal disposable incomes are rising, encouraging consumers to buy more packaged goods of all types.
- Standup pouches, the dominant format in Western Europe, are a vanguard of positive environmental and consumer-convenience trends for flexi-pack.
- High oxygen and moisture-barrier, metalized laminates and co-extrusions are likely to extend to the value-added sector.
- Flexible packaging inherently brings with it a number of environmental advantages when compared to other packaging types.
- Saving packaging cost as well as material waste by reducing packaging weight for development of retail packaging.
- Extending food shelf-life, keeping products fresh, particularly poultry products, appealing to consumers for longer period is a constant consideration in the food retail world, and it is an area in which flexible packaging has major potential.
- The recent move of the Government of India to allow 51% FDI in multi brand and to increase the FDI limit to 100% in single brand retail will boost the organized retailing. This will augment the opportunity of flexible packaging in India and abroad.

**Threats**

The Company operates in the flexible packaging industry susceptible to external risk factors such as international and domestic policies of the governments of respective countries. Adverse or sudden changes in policies of environmental protection affecting use of plastics in packaging, international market conditions for petrochemicals affecting raw material prices and unstable demand scenario affecting export volumes and realizations are risk factors which can impact growth and profitability of the industry and your company. Further, the company faces stiff competition both from the international as well as domestic manufacturers. However, since the market is growing at a high rate and because of the company's inherent strength, these factors are not worrisome.

**6. Future Outlook**

The global flexible packaging market is expected to grow by an average of 5% annually from 2012 to 2017 to reach close to US\$ 100 billion. The retail market is a key driver of demand. The increasing demand for packaged foods, driven by the development of retail infrastructure in the emerging economies, is eroding the traditional markets for many products sold in loose or semi-packed formats. Industrial markets too in addition to consumer goods such as agricultural products and building materials are seeing an increasing utilization of bulk storage, transportation and distribution methods, which is leading the growth in demand for flexible packaging in these sectors.

Equally in India, flexible packaging industry is expected to witness a minimum growth of 18-20% annually due to rising demand for consumer goods, setting up of organized supply chain system, improved demographic and standard of living of the people due to high economic growth.

#### 7. Internal Control Systems And Their Adequacy

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

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

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

#### 8. Corporate Social Responsibility

The Company is a socially responsible corporate citizen committed to deliver a positive impact across social, economic and environmental parameters. The Company acknowledges its responsibility 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.

#### 9. Risk Management

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

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

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

### A. Fixed Assets

The composition and growth of assets are as under:

(Rs. in Lacs)

Particulars	March 31, 2013	March 31, 2012
<b>A. TANGIBLE ASSETS</b>		
Freehold Land	256	256
Leasehold Land	4139	4139
Buildings	28942	27446
Plant & Machinery	188291	182171
Electrical Installations	5249	5103
Office Equipments	4711	4369
Furniture & Fixtures	5005	4875
Vehicles	1950	2203
Aircraft (on Lease)	3585	3585
<b>Sub-Total (A)</b>	<b>242128</b>	<b>234146</b>
<b>B. INTANGIBLE ASSETS</b>		
Software	1087	924
Patent	500	500
Technical Know-how	266	255
<b>Sub-Total (B)</b>	<b>1852</b>	<b>1678</b>
Less: Accumulated Depreciation	104240	90971
Add: CWIP & Intangible Assets Under Development	1445	881
<b>Net Fixed Assets (A+B)</b>	<b>141186</b>	<b>145734</b>

### B. Results of operations

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

(Rs. in Lacs)

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Amount	%	Amount	%
<b>INCOME</b>				
Revenue from Operations	315637	99	307894	99
Other Income	2403	1	2771	1
<b>Total Revenue</b>	<b>318040</b>	<b>100</b>	<b>310665</b>	<b>100</b>
<b>EXPENDITURE</b>				
Cost of Materials consumed	172292	54	177733	57
Purchase of Stock-in-trade	28606	9	26204	8
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	(1972)	-	(329)	-
Employee benefit expenses	18447	6	15759	5
Finance costs	17478	5	15999	5
Depreciation and amortization expense	14683	5	12365	4
Other expenses	54172	17	47233	15
Expenses Allocated to Self Constructed Assets	(3198)	-	(3194)	-
<b>Total Expenses</b>	<b>300508</b>	<b>94</b>	<b>291769</b>	<b>94</b>
<b>Profit Before Tax</b>	<b>17532</b>	<b>6</b>	<b>18895</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 5032 employees as on 31<sup>st</sup> March, 2013. 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, 2013)

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 31.03.2013 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. Achintya Karati	Director (*)	Independent, Non-Executive
Mr. Shivendra Tomar	Nominee Director – IFCI Limited	Independent, Non-Executive

(\*) *Mr. Achintya Karati has resigned as Nominee Director of ICICI Bank Limited w.e.f. 30<sup>th</sup> May, 2013 and the Board of Directors of the Company has appointed him as an Additional Director on the same date.*

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

Six Board Meetings were held during the financial year 2012-2013. The dates on which the meetings were held are 14.05.2012, 23.05.2012, 11.07.2012, 25.07.2012, 27.10.2012 & 07.02.2013 and the gap between the two meetings were not more than four months.

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

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

(\*) IFCI has appointed Mr. Shivendra Tomar as its Nominee Director on the Board of the Company w.e.f. 07.02.2013.

(#) IFCI has appointed Mrs. Manju Jain as its Nominee Director on the Board of the Company w.e.f. 27.10.2012 and withdrawn her nomination w.e.f. 07.02.2013. Mr. V. Subramanian, Observer of IFCI attended the meeting on 27.10.2012 on behalf of Mrs. Manju Jain.

(\$) IFCI has withdrawn the nomination of Mr. N.K. Duggal w.e.f. 18.09.2012.

(\*\*) 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. Achintya 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. S.K. Kaushik was appointed as a Member of Audit Committee on 27.10.2012. Mr. Ravi Kathpalia is the Chairman of the Audit Committee. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 04.09.2012. All the Members of the Audit Committee have accounting and financial management expertise.

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

**Role of Audit Committee**

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

**Powers of Audit Committee**

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

### Details of Meetings and Attendance

During the year, the Audit Committee had met six times on 14.05.2012, 11.07.2012, 23.07.2012, 25.07.2012, 27.10.2012 & 07.02.2013. The attendance of each Committee members is as under:

Name of Member	No. of Meetings held	Meetings Attended
Mr. Ravi Kathpalia	6	6
Mr. M.G. Gupta	6	5
Mr. Achintya Karati	6	6
Mr. S.K. Kaushik	6	1 (*)

(\*) Mr. S.K. Kaushik was appointed as a Member of Audit Committee only on 27.10.2012.

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

#### 4. Remuneration Committee

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

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

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

Details of Remuneration paid to Managing/Whole-time Directors for the year ended 31.03.2013 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	63300000	8570503	--	71870503	01.04.2009	5 years
Mr. S.K. Kaushik	NIL	3678400	524584	--	4202984	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	1,20,000.00	1,80,000.00	3,00,000.00
Mr. M.G. Gupta	1,00,000.00	1,40,000.00	2,40,000.00
Mr. Achintya Karati Nominee – ICICI Bank Limited**	1,20,000.00	1,20,000.00	2,40,000.00
Mr. N.K. Duggal (*) Nominee – IFCI Limited	80,000.00	--	80,000.00
Mr. Shivendra Tomar Nominee – IFCI Limited	20,000.00	--	20,000.00

(\*) IFCI has withdrawn the nomination of Mr. N.K. Duggal w.e.f. 18.09.2012.

(\*\*) Mr Achintya Karati has resigned as Nominee Director of ICICI Bank Limited w.e.f. 30th May, 2013 and the Board of Director of the Company has appointed him as an Additional Director on the same date.

#### 5. Shareholders'/Investors' Grievance Committee

The Board of Directors of the Company has constituted a Shareholders'/Investors' Grievance Committee comprising of Mr. Ravi Kathpalia (Chairman), Mr. M.G. Gupta and Mr. S.K. Kaushik. The Committee, *inter-alia*, approves issue of duplicate certificates, oversees and reviews all matters connected with the securities transfers. The Committee also

looks into redressal of shareholders'/investors' complaints. The Committee oversees the performance of the Registrar and 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 Shareholders'/Investors' Grievance Committee of Directors.

During the year, the Shareholders'/Investors' Grievance Committee had met on 29.09.2012 & 30.03.2013.

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 13. Outstanding complaints as on 31.03.2013 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. Subsidiary Companies

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

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

The Company has non-listed Indian Subsidiary Company and Step-down Indian Subsidiary Company, i.e. UTech Developers Limited and SD Buildwell Pvt. Ltd. respectively. Both the companies do not fall under the category of 'material unlisted company' under Clause 49(III) of Listing Agreement.

## 7. Board Procedure

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

## 8. Compliance Certificate

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

## 9. General Body Meetings

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

AGM	Day, Date & Time	Venue	Special Resolution Passed
21 <sup>st</sup>	Saturday, September 4, 2010 at 10:00 A.M.	Air Force Auditorium Subroto Park New Delhi – 110010	Revision in the remuneration of Mr. S.K. Kaushik, Whole-time Director of the Company w.e.f. 01.06.2010.
22 <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

- Whether Special Resolutions were put through Postal Ballot last year?

No.

- Are Special Resolutions proposed to be put through Postal Ballot this year?

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

## 10. Disclosures

### a) Related Party Transactions

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

### b) Disclosure of Accounting Treatment

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

### c) Disclosures of Risk Management

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

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

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

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

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

### f) Management Discussion and Analysis

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

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

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

### h) Code of conduct

The Company has adopted the code of conduct and ethics for Directors and Senior Management. The code has been circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website [www.uflexltd.com](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, 2013 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## 11. CEO/CFO Certifications

Mr. Ashok Chaturvedi, Chairman & Managing Director and Mr. R.K. Jain, President (Corporate Finance & Accounts), who are carrying responsibility of CEO 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, 2013.

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

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

### (i) The Board

The Chairman of the Company is the Executive Chairman.

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

**(ii) Remuneration Committee**

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

**(iii) Shareholders' Rights**

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

**(iv) Audit Qualifications**

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

**(v) Training of Board Members**

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

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

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

**(vii) Whistle Blower Policy**

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

**13. Means of Communication**

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

**14. SEBI Complaints Redress System (SCORES)**

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

**15. General Shareholders Information****(a) Annual General Meeting to be held**

Date : 07.09.2013  
 Day : Saturday  
 Time : 10:00 A.M.  
 Venue : Air Force Auditorium, Subroto Park, New Delhi – 110010

**(b) Tentative Financial Calendar**

- Results for quarter ending 30.06.2013	: 2 <sup>nd</sup> week of August, 2013
- Results for quarter ending 30.09.2013	: 2 <sup>nd</sup> week of November, 2013
- Results for quarter ending 31.12.2013	: 2 <sup>nd</sup> week of February, 2014
- Results for year ending 31.03.2014	: 4 <sup>th</sup> week of May, 2014

**(c) Book Closure date**

02.09.2013 to 07.09.2013 (both days inclusive)

**(d) Dividend payment date**

Dividend for the financial year 2012-2013, if declared will be paid/credited to the account of the shareholders on or after 7<sup>th</sup> September, 2013.

**(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 2013-2014 have been duly paid to all the above Stock Exchanges.

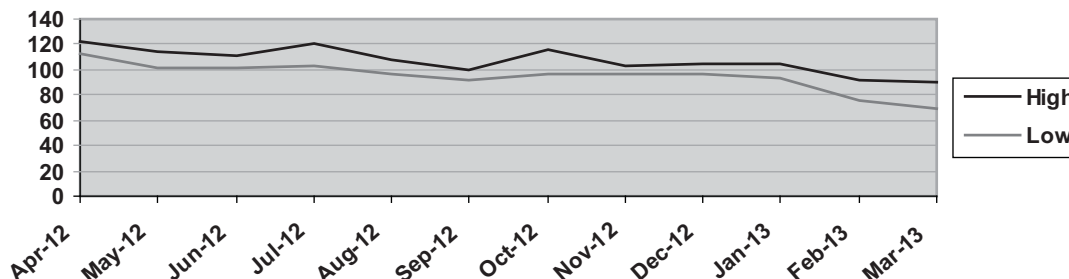
- (f) **Stock Code** - Trading symbol – National Stock Exchange Ltd. : 'UFLEX'
- (Equity shares)** - Trading symbol – BSE Limited : 500148
- (g) **Demat ISIN Number in NSDL & CDSL** : INE516A01017
- (h) **Stock Market Price for the year 2012-2013:**

Closing Share prices on National Stock Exchange are as under:

(In Rs.)

Month	High	Low
April, 2012	121.85	113.00
May, 2012	114.35	101.20
June, 2012	110.30	101.80
July, 2012	120.10	103.50
August, 2012	107.60	95.75
September, 2012	99.05	91.55
October, 2012	116.60	97.05
November, 2012	103.40	97.25
December, 2012	103.80	96.85
January, 2013	104.30	93.10
February, 2013	92.10	76.00
March, 2013	89.90	69.25

**Share Price movement**



- (i) **Performance in comparison to broad base in indices such as BSE sensex, 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 31.03.2013**

Range in Numbers	No. of Shareholders	No. of shares	% of total equity
1 - 500	56365	5958864	8.25
501 - 1000	2566	2042269	2.83
1001 - 2000	1165	1756391	2.43
2001 - 3000	379	964356	1.34
3001 - 4000	167	593451	0.82
4001 - 5000	142	664932	0.92
5001 - 10000	254	1876024	2.60
10001 & above	289	57978357	80.29
Transit shares *		376842	0.52
<b>TOTAL</b>	<b>61327</b>	<b>72211486</b>	<b>100.00</b>

\* As on March 31, 2013 these shares lying in pool account of NSDL/CDSL since buyers identity are not established.

**(m) Categories of Shareholders as on 31.03.2013**

Category	No. of shares held	% of shareholding
Promoters & Associates	31386975	43.47
Financial Institutions, Mutual Funds & Banks	153224	0.21
Foreign Institutional Investors	6308482	8.74
NRIs	761351	1.05
GDRs	5465840	7.57
Other Bodies Corporate	9019397	12.49
General Public	18739375	25.95
Shares in transit (Demat) *	376842	0.52
<b>Total</b>	<b>72211486</b>	<b>100.00</b>

\* As on March 31, 2013 these shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

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

Nearly 98.756% of total equity share capital is held in dematerialized form upto 31.03.2013 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 31.03.2013, 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-2/2A, 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. Bhand (M.P.)
6. L-1, Industrial Area, Ghirongi (Malanpur), Distt. Bhand (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, 2013 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, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

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

Membership No. 080329

Place : NOIDA  
Dated : 30th May, 2013

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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, 2013 pursuant to the requirements of Clause 49 of the Listing Agreement.

For **UFLEX LIMITED**

**ASHOK CHATURVEDI**  
Chairman & Managing Director

Place : NOIDA  
Dated : 30th May, 2013

## 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, 2013, 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 principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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.

### Auditors' 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. 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: -

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2013;
- b) In the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003, ("the Order") 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.
2. As required by section 227(3) of the Act, we report that:
  - a) 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;
  - b) 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;
  - c) 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;
  - d) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Act;
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of directors is disqualified as at 31<sup>st</sup> March, 2013, 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 Regn. No.: 000374N

**CA. S.V.SEHGAL**

Partner

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2013

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 has 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. 8060.00 Lacs, from ten 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, as comparable prices could not be ascertained, we are unable to comment whether the transactions were made at prevailing market prices at relevant times.
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. 204.63 lacs, pending before (a) Gwalior High Court (Rs. 152.89 lacs), (b) Tribunal (Rs. 41.61 lacs) & (c) Assessing Authorities (Rs. 10.13 lacs).
- (ii) Income Tax of Rs. 480.71 Lacs, pending before (a) Delhi High Court (Rs. 145.51 lacs) & (b) CIT (Appeals) (Rs. 335.20 lacs)
- (iii) Aggregate Excise duty of Rs. 4592.54 lacs, pending before (a) Supreme Court

- (Rs. 135.56 lacs), (b) Various High Courts (Rs. 72.56 lacs), (c) Tribunal (Rs. 1494.72 Lacs) (d) Commissioner (Appeals) (Rs. 2838.26 lacs) & (e) Assessing Authorities (Rs. 51.44 lacs).
- (iv) Aggregate Service Tax of Rs. 1791.66 lacs, pending before (a) Tribunal (Rs. 1573.76 lacs), (b) Commissioner (Appeals) (Rs. 54.86 lacs) & (c) Assessing Authorities (Rs. 163.04 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. However the Company has maintained adequate records in respect of advance, by way of security deposit, granted to one party, in earlier years and outstanding as at the year-end, against the pledge of shares.
  13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
  14. The Company has not dealt or traded in shares, securities, debentures and other investments during the year. However, it has maintained proper records in respect of shares, investments in mutual funds and other investments and are held in the name of the Company.
  15. According to the information and explanations given to us, and the records examined by us, the Company has given 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 (Auditors' Report) Order, 2003 is not applicable to the Company.
  20. The Company has not raised any money by public issue during the year.
  21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

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

**CA. S.V.SEHGAL**

Partner

Membership No. 080329

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2013

## BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs in Lacs)

Particulars	Note No.	As At	
		31st March 2013	31st March 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	2	7221.15	7221.15
b) Reserves and Surplus	3	141327.06	122007.65
c) Money received against share warrants	4	-	7500.00
		<b>148548.21</b>	<b>136728.80</b>
<b>(2) Non-Current Liabilities</b>			
a) Long-term borrowings	5	55147.44	63020.15
b) Deferred tax liabilities (Net)	6	15932.38	13392.38
c) Other Long term liabilities	7	372.73	338.57
d) Long-term provisions	8	874.13	658.88
		<b>72326.68</b>	<b>77409.98</b>
<b>(3) Current Liabilities</b>			
a) Short-term borrowings	9	28252.09	30985.81
b) Trade payables	10	44102.25	35480.49
c) Other current liabilities	11	43502.79	45980.89
d) Short-term provisions	12	6201.91	6867.23
		<b>122059.04</b>	<b>119314.42</b>
<b>TOTAL :</b>		<b><u>342933.93</u></b>	<b><u>333453.20</u></b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed assets	13		
i) Tangible assets		138791.45	143800.73
ii) Intangible assets		949.58	1052.16
iii) Capital work-in-progress		1444.67	871.03
iv) Intangible assets under development		-	10.30
b) Non-current investments	14(1)	65800.94	49048.21
c) Long-term loans and advances	15	8446.75	12923.79
d) Other non-current assets	16	1236.95	3977.13
		<b>216670.34</b>	<b>211683.35</b>
<b>(2) Current assets</b>			
a) Current investments	14 (2)	200.00	-
b) Inventories	17	21857.52	21524.92
c) Trade receivables	18	71241.69	62183.25
d) Cash and Bank Balances	19	9034.07	8715.05
e) Short-term loans and advances	20	21556.66	27896.63
f) Other current assets	21	2373.65	1450.00
		<b>126263.59</b>	<b>121769.85</b>
<b>TOTAL :</b>		<b><u>342933.93</u></b>	<b><u>333453.20</u></b>

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

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
Chairman & Managing 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, 2013

**S.V. Sehgal**  
Partner

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31st March 2013	For the Year Ended 31st March 2012
<b>REVENUE FROM OPERATIONS</b>			
Gross Sales & Job Work	22 (A)	367277.87	357707.62
Less : Inter unit Sales & Job Work		34650.55	35673.69
Less : Excise Duty		29721.02	26379.44
Net Sales & Job Work		302906.30	295654.49
Other Operating Income	22 (B)	12730.26	12239.19
<b>Revenue from Operations</b>		<b>315636.56</b>	<b>307893.68</b>
<b>Other Income</b>	<b>23</b>	<b>2403.00</b>	<b>2771.00</b>
<b>Total Revenue</b>		<b>318039.56</b>	<b>310664.68</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	172291.64	177732.69
Purchase of Stock-in-Trade	25	28606.14	26204.01
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1972.40)	(328.93)
Employee benefits expense	27	18447.31	15759.05
Finance costs	28	17478.46	15998.62
Depreciation and amortization expense		14682.60	12364.70
Other expenses	29	54172.09	47232.79
Expenses Allocated to Self Constructed Assets	30	(3198.11)	(3193.57)
<b>Total Expenses</b>		<b>300507.73</b>	<b>291769.36</b>
Profit before tax		17531.83	18895.32
<b>Less : Tax expense:</b>			
- Current tax		3870.00	4851.00
- Deferred tax		2540.00	(956.00)
- (Excess) / Short Provision of Income Tax for earlier years		(2725.20)	41.12
Profit for the year		<b>13847.03</b>	<b>14959.20</b>
<b>EARNING PER SHARE</b>			
a) Basic (Rs.)		19.18	20.72
b) Diluted (Rs.)		18.78	17.78

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

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
Chairman & Managing 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, 2013

**S.V. Sehgal**  
Partner

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	(Rs. in Lacs)	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	17531.83	18895.32
<b>Adjustment for :</b>		
Depreciation & amortisation expense	14682.60	12364.70
Exchange rate fluctuations (Net)	3541.59	2614.43
Loss / (Profit) on assets sold (Net)	42.55	629.88
Fixed Assets written Off	3.20	2.61
Finance Cost	17478.46	15998.62
Interest received from Banks / others	(1300.28)	(2126.79)
Dividend received on Trade Investments	(117.40)	(117.40)
Dividend received on Non- Trade Investments	(34.75)	(50.82)
Profit on sale of Investments (Net)	(20.28)	(222.20)
Provision for Doubtful Debt Written Back	(1190.17)	(1026.07)
Bad & Doubtful Debts (Provision)	563.75	638.06
Sundry Balances written off (Net)	1183.80	(941.31)
<b>Operating Profit before Working Capital changes</b>	<b>52364.90</b>	<b>46659.03</b>
<b>Adjustment for :</b>		
Trade and other receivables	(1787.36)	(18761.45)
Inventories	(332.60)	(4301.98)
Trade and other payables	5378.65	37941.55
<b>Cash generated from operations</b>	<b>55623.59</b>	<b>61537.15</b>
Income Tax	(1144.80)	(4892.12)
Exchange rate fluctuations	(3541.59)	(2614.43)
<b>Net Cash from operating activities (A)</b>	<b>50937.20</b>	<b>54030.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(10297.96)	(44837.80)
Sale proceeds of Fixed Assets	118.13	2976.39
Inflow / (Outflow) on Investments (Net)	(16932.45)	470.57
Loans to bodies corporate (Net)	4805.08	(3917.83)
Interest received from Banks / others	1300.28	2126.79
Dividend received on Trade Investments	117.40	117.40
Dividend received on Non- Trade Investments	34.75	50.82
<b>Net Cash used in Investing Activities (B)</b>	<b>(20854.77)</b>	<b>(43013.66)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt of Securities Premium Reserve	-	41.37
Premium on Redemption of FCCB's	-	(1131.66)
Share Capital Received	-	3.07
Dividend Paid	(1444.23)	(5415.86)
Dividend Distribution Tax	(234.29)	(878.59)
Finance Cost	(17478.46)	(15998.62)
Borrowings (Net)	(10606.43)	10833.89
<b>Net Cash used in Financing Activities (C)</b>	<b>(29763.41)</b>	<b>(12546.40)</b>
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	319.02	(1529.46)
Opening Cash and Cash equivalents	8715.05	10244.51
Closing Cash and Cash equivalents #	9034.07	8715.05

# Includes Rs. 1031.22 lacs (Previous Year Rs. 1164.41 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

**Ashok Chaturvedi**  
Chairman & Managing 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, 2013

**S.V. Sehgal**  
Partner



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****1: GENERAL****A. COMPANY AND ITS BACKGROUND**

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

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

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

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**

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

**b. Use of Estimates and Judgements**

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

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

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

**c. Classification Of Expenditure / Income**

Except otherwise indicated:

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

**d. Valuation****i) Fixed Assets**

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

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

**ii) Finished Goods**

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

**iii) Work-in-Progress**

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

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.

**i. Depreciation**

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

ii) No depreciation is provided on leasehold land.

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

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

**j. Turnover**

i) Gross sales are inclusive of inter-unit sale value and excise duty/cess recoveries and exclusive of sales tax.

ii) Sales returns / rate difference are adjusted from the sales of the year in which the returns take place / rate difference accepted.

iii) Gross job work is inclusive of inter-unit job work value and excise duty/cess recoveries.

iv) Consignment Sales are considered as Sales when goods are sold to Ultimate customer.

**k. Purchases**

i) Purchases are inclusive of inter-unit purchase value and net of CENVAT credits and materials consumed during trial run.

ii) Purchases returns / rebates are adjusted from the purchases of the year in which the returns take place / rebates allowed.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****I. Investments**

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

**m. Employee Benefits**

- i) Defined Long Term benefit 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 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.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

- 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 Fully Paid up capital of the Company as at 31st March 2013 is of Rs.7221.15 Lacs, represented by the 7,22,11,486 Equity Shares of Rs. 10/- Each as at 31st March 2013. 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 2011	72180775	<b>7218.08</b>	72180775	<b>7218.08</b>	-	-
<b>Addition during the year</b>						
On Conversion of FCCB's	30711	<b>3.07</b>	30711	<b>3.07</b>		
Balance as At 31st March 2012	72211486	<b>7221.15</b>	72211486	<b>7221.15</b>	-	-
Balance as at 31st March 2013	<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:

	As At 31 <sup>st</sup> March 2013		As At 31 <sup>st</sup> March 2012	
	Number	%	Number	%
	a) Promoter & Promoter Group	31386975	<b>43.47</b>	<b>31386975</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.	5415141	7.50	5415141	7.50
Anshikha Investments Pvt. Ltd.	5271092	7.30	5271092	7.30
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92
b) Public Shareholding *	<b>40824511</b>	<b>56.53</b>	<b>40824511</b>	<b>56.53</b>
i) Institution	6461706	8.95	7418912	10.27
ii) Non- Institution	28896965	40.01	27939759	38.69
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.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**
**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 2011	2877.76	58200.92	3.31	12572.90	36162.37	109817.26
Profit for the Year					14959.20	14959.20
<b>(Less): Appropriations</b>						
Proposed Dividend					(1444.23)	(1444.23)
Dividend Distribution Tax					(234.29)	(234.29)
Amount transferred to General Reserve					(1495.92)	(1495.92)
Additions on Conversion of FCCB's		41.37				41.37
Adjusted against the Premium Paid on redemption of FCCB's		(1131.66)				(1131.66)
Amount Transferred from Statement of Profit & Loss				1495.92		1495.92
Amount Transferred from Revaluation Reserve to General Reserve*			(0.08)	0.08		-
Balance as at 31st March 2012	2877.76	57110.63	3.23	14068.90	47947.13	122007.65
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>

@ Represent warrant application money forfeited on 100 lacs warrants on 25th May 2012, due to failure of the warrant holders to exercise the right to convert warrants into Equity Shares within 18 months from the date of allotment.

\* 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.

(Rs. in Lacs)

**4. MONEY RECEIVED AGAINST SHARE WARRANTS**

	As At 31.03.2013	As At 31.03.2012
Amount received @ Rs.75.00 each on allotment of 1,00,00,000 (Previous Year 1,00,00,000) Warrants	7500.00	7500.00
Less : Amount forfeited & transferred to Capital Reserve	7500.00	-
<b>TOTAL :</b>	<b>-</b>	<b>7500.00</b>

In terms of the Resolution passed through Postal Ballot declared on 19th November 2010, the Company had allotted 135 Lacs Warrants at a price of Rs.300/- per warrant (inclusive of premium of Rs.290/- per warrant), which gives holders the right to convert warrant into equal number of equity shares of the company at any time within 18 Months from the date of allotment viz 25th November 2010. However, due to failure of the warrant holders holding 100 lacs warrants to exercise the right to convert the warrants into Equity Shares within the due date, outstanding amount has been forfeited on 25th May 2012 and transferred to capital reserve.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>5. LONG TERM BORROWINGS</b>		
<b>A. Secured</b>		
<b>Term Loans :</b>		
From Banks	57199.91	63997.30
From Financial Institution	19900.87	18387.92
	<b>77100.78</b>	82385.22
<b>B Unsecured</b>		
From Bodies Corporate	1126.74	3099.10
<b>Sub- Total</b>	<b>78227.52</b>	85484.32
Less: Current portion	23080.08	22464.17
<b>TOTAL :</b>	<b>55147.44</b>	<b>63020.15</b>

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

(Rs. in Lacs)					
Name of the Financial Institution / Banks	Sanctioned Amount	O/s As At 31/03/2013	Current Portion	Long Term	Repayment Terms
ICICI BANK LTD *	16000.00	7000.00 (11000.00)	4000.00 (4000.00)	3000.00 (7000.00)	Repayable in 16 Equal Quarterly Installments of Rs.1000.00 Lacs each commencing from Jan 2011
UCO Bank *	25000.00	17498.23 (22482.74)	5000.00 (5000.00)	12498.23 (17482.74)	Repayable in 20 Equal Quarterly Installments of Rs. 1250.00 Lacs each commencing from December 2011.
IFCI Limited *	20000.00	16150.87 (18387.92)	4210.53 (3157.89)	11940.34 (15230.03)	Repayable in 19 Equal Quarterly Installments of Rs. 1052.63 lacs each commencing from September 2012.
Allahabad Bank *	24000.00	17993.74 (22798.91)	4800.00 (4800.00)	13193.74 (17998.91)	Repayable in 20 Equal Quarterly Installments of Rs. 1200.00 Lacs each commencing from Feb 2012.
Allahabad Bank **	2800.00	544.82 (865.39)	311.12 (311.12)	233.70 (554.27)	Repayable in 36 Equal Quarterly Installments of Rs. 77.78 Lacs each commencing from Jan 2006
Bank of India @	10000.00	4374.67 (6850.26)	2500.00 (2500.00)	1874.67 (4350.26)	Repayable in 16 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jan 2011.
IFCI Limited *	5000.00	3750.00 (-)	- (-)	3750.00 (-)	Repayable in 16 Equal Quarterly Installments of Rs. 312.50 Lacs each commencing from Jun 2014.
Jammu & Kashmir Bank Ltd. *	5000.00	4998.45 (-)	1250.00 (-)	3748.45 (-)	Repayable in 8 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Dec 2013.
Canara Bank *	12500.00	4790.00 (-)	- (-)	4790.00 (-)	Repayable in 20 Equal Quarterly Installments of Rs. 625.00 Lacs each commencing from Jun 2014.
<b>Total</b>		<b>77100.78</b>	<b>22071.65</b>	<b>55029.13</b>	
Previous Year		(82385.22)	(19769.01)	(62616.21)	

Previous Year figures have been given in brackets.

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

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

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

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance	13392.38	14348.38
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year	2540.00	(956.00)
<b>TOTAL :</b>	<b>15932.38</b>	<b>13392.38</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 :

(Rs. in Lacs)

	Deferred Tax Assets / (Liabilities) As At 01.04.2012	Current Year (Charge) / Credit	Deferred Tax Assets / (Liabilities) As At 31.03.2013
<b>Deferred Tax Assets</b>			
Other than unabsorbed depreciation & carry forward of losses.	747.51	(227.00)	520.51
<b>Total (A)</b>	<b>747.51</b>	<b>(227.00)</b>	<b>520.51</b>
<b>Deferred Tax Liabilities</b>			
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	(14139.89)	(2313.00)	(16452.89)
<b>Total (B)</b>	<b>(14139.89)</b>	<b>(2313.00)</b>	<b>(16452.89)</b>
<b>Net Deferred Tax (Liabilities) (A-B)</b>	<b>(13392.38)</b>	<b>(2540.00)</b>	<b>(15932.38)</b>

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>7. OTHER LONG TERM LIABILITIES</b>		
Securities Received	293.87	266.19
Retention Money	66.98	60.50
Lease Security Deposit	11.88	11.88
<b>TOTAL :</b>	<b>372.73</b>	<b>338.57</b>
<b>8. LONG-TERM PROVISIONS</b>		
Provision for Leave Encashment	874.13	658.88
<b>TOTAL :</b>	<b>874.13</b>	<b>658.88</b>
<b>9. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Facilities From Banks	23982.82	22585.53
<b>Unsecured</b>		
From Others *	4269.27	8400.28
<b>TOTAL :</b>	<b>28252.09</b>	<b>30985.81</b>

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

2 \* Include Rs.1759.27 lacs (Previous Year Rs.1900.28 Lacs) Guaranteed by Chairman & Managing Director of the Company.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>10. TRADE PAYABLES</b>		
Suppliers	37071.84	28782.66
Due to Suppliers under MSMEDA*	468.71	395.81
Due to Related Parties	6561.70	6302.02
<b>TOTAL :</b>	<b>44102.25</b>	<b>35480.49</b>

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

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2013	As at 31.03.2012
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

**11. OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings	23080.08	22464.17
Capital Creditors	578.37	2776.64
Due to Employees	1067.41	883.04
Interest Accrued but not due on Loans	190.46	247.03
Unclaimed Matured Deposits & Interest thereon*	-	0.09
Unclaimed Matured Debentures & Interest thereon*	-	37.39
Unclaimed Dividend*	145.89	134.04
Advances from Customers	2026.47	2117.74
Advances from Subsidiaries	10116.06	15599.02
Statutory Dues	767.73	1152.68
Others Payable	5530.32	569.05
<b>TOTAL :</b>	<b>43502.79</b>	<b>45980.89</b>

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

**12. SHORT-TERM PROVISIONS**

Income Tax (Net)	2364.00	3099.32
Wealth Tax	101.52	104.23
Proposed Dividend	1733.08	1444.23
Proposed Dividend Distribution Tax	294.54	234.29
Leave Encashment	27.70	566.28
Staff Benefits	268.98	239.21
Warranty	16.07	8.86
Interest on Deferred Liabilities	1396.02	1170.81
<b>TOTAL :</b>	<b>6201.91</b>	<b>6867.23</b>





**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

PARTICULARS	Description	Face Value	As At 31.03.2013		As At 31.03.2012	
			Number	Amount (Rs.In Lacs)	Number	Amount (Rs.In Lacs)
<b>B. UNQUOTED</b>						
<b>Fully Paid Up</b>						
<b>In Wholly owned Subsidiaries</b>						
Flex America Inc,USA	Equity	US\$ 1	100000	44.72	100000	44.72
Flex Middle East FZE,Dubai	Equity	AED 1 Million	107	12672.08	107	12672.08
Uflex Europe Ltd.,UK	Equity	GBP 1	995000	726.92	995000	726.92
Uflex Packaging Inc,USA	Equity	US\$ 10	367500	1690.92	367500	1690.92
Utech Developers Ltd.	Equity	Rs.10/-	100000000	10000.00	100000000	10000.00
Upet Holding Ltd.	Equity	US\$ 1	38400001	17480.80	38400001	17480.80
Flex Films (USA) Inc	Equity	US\$ 5000	6400	16862.59	230	522.75
Flex P Films (Brasil) Comercio De Filmes Plasticos Ltda	Equity	BLR 1/-	800000*	215.72	-	-
<b>Trust Securities and Mutual Funds</b>						
Reliance Dual Advantage Fixed Future Plan [Repurchase value Rs. Nil lacs (Previous Year Rs.111.95 lacs)]	Units	Rs.10/-	-	-	1000000	100.00
<b>TRADE :</b>						
<b>IN SHARES</b>						
Malanpur Captive Power Ltd.	Equity	Rs.10/-	635650	297.17	-	-
<b>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>60005.92</b>		<b>43253.19</b>
<b>TOTAL (1)</b>				<b>65800.94</b>		<b>49048.21</b>
<b>2 CURRENT INVESTMENTS</b>						
Reliance Money Manager Fund Daily Dividend Plan [Repurchase value Rs. 200.15 lacs (Previous Year Rs.Nil lacs)]	Units	Rs.1000/-	19972.608	200.00	-	-
<b>TOTAL (1)+(2)</b>				<b>66000.94</b>		<b>49048.21</b>

Aggregate Market Value of Quoted Investment is Rs.3723.86 lacs (Previous Year Rs.4118.00 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.

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>15. LONG-TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Capital Advances	2252.76	2050.42
Security Deposits	1114.01	1063.13
<b>Loans to :</b>		
- Subsidiary (Uflex Packaging Inc)	2617.55	2467.68
- Employees	186.21	135.53
- Others	7.00	8.50
<b>Deposits :</b>		
- With Excise Authority	299.12	274.83
- Others	166.20	202.80
<b>Share Application Money (Pending Allotment) to :</b>		
- Subsidiary	-	5646.06
- Other	-	215.72
MAT Credit Entitlement	943.00	-
Deposits / Advances with Income Tax Authorities	860.90	859.12
<b>TOTAL :</b>	<b>8446.75</b>	<b>12923.79</b>

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>16. OTHER NON-CURRENT ASSETS</b>		
Long Term Trade Receivable	260.42	1916.67
Advances recoverable in cash or in kind or value to be received	410.15	519.10
Other Receivable	566.38	1541.36
<b>TOTAL :</b>	<u>1236.95</u>	<u>3977.13</u>
<b>17. INVENTORIES</b>		
Raw Materials	11093.46	12509.15
Work-in-Progress	6881.23	5363.08
Finished Goods	2257.08	1802.83
Material-in-Transit (Raw Materials)	912.32	1229.23
Stores, Packing Material & Fuel	713.43	620.63
<b>TOTAL :</b>	<u>21857.52</u>	<u>21524.92</u>
<b>18. TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
A. Trade receivable outstanding for a period exceeding six months	18258.59	9191.02
B. Other trade receivable	53546.85	54182.40
	<u>71805.44</u>	<u>63373.42</u>
Less : Provision for Bad & Doubtful Debts	563.75	1190.17
<b>TOTAL : #</b>	<u>71241.69</u>	<u>62183.25</u>
# Includes due from :		
- Subsidiaries	8551.97	5354.88
- Related Party	836.99	502.94
<b>19. CASH &amp; BANK BALANCES</b>		
<b>a) Cash &amp; Cash Equivalents</b>		
Cash in hand	68.09	90.76
Balances with Scheduled Banks:		
- On Current Accounts	3000.69	3226.21
- On Cash Credits Accounts	411.80	2286.58
- On Fixed Deposits Accounts	4522.27	1947.09
	<u>8002.85</u>	<u>7550.64</u>
<b>b) Other Bank Balances</b>		
- On Fixed Deposits Accounts*	744.34	884.25
- On Fixed Deposits Accounts for a period more than 12 Months*	70.26	2.92
- On Unclaimed Dividend Account	145.89	134.04
- In Margin Money Accounts	70.73	143.20
<b>TOTAL :</b>	<u>9034.07</u>	<u>8715.05</u>

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>20. SHORT-TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	4395.36	5811.95
Advances to Related Parties	68.52	62.13
Balances with Excise Authorities	2791.23	2769.64
Loans to Employees and others	5.72	2.13
Loans to Subsidiaries*	8450.83	10480.78
Loans to Other Bodies Corporate	5845.00	8770.00
<b>TOTAL :</b>	<b>21556.66</b>	<b>27896.63</b>
* Represents loans given to followings :		
U Tech Developers Ltd.	8410.00	8930.00
Flex Middle East FZE	-	1526.40
Uflex Europe Ltd.(UK)	40.83	24.38
<b>TOTAL :</b>	<b>8450.83</b>	<b>10480.78</b>
<i>Loan to foreign subsidiary is for one year and carry interest rate of 4% p.a.</i>		

**21. OTHER CURRENT ASSETS**

Interest accrued on :

- Loan to Subsidiaries	298.44	153.97
- Loans to Others	911.84	272.26
- Deposits with Banks	25.91	47.51
Other Receivables	1137.46	976.26
<b>TOTAL :</b>	<b>2373.65</b>	<b>1450.00</b>

(Rs. in Lacs)

**22. REVENUE FROM OPERATIONS**
**A. i) REVENUE FROM SALE OF PRODUCTS**

	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Gross Sales	354365.06	353281.40
Less : Inter Unit Sales	30716.36	32259.67
	<b>323648.70</b>	321021.73
Less : Excise Duty / Cess	29549.13	26300.00
	<b>294099.57</b>	294721.73

**ii) REVENUE FROM SALE OF SERVICES**

Gross Job work	12912.81	4426.22
Less : Inter Unit Job Work	3934.19	3414.02
	<b>8978.62</b>	1012.20
Less : Excise Duty / Service Tax / Cess	171.89	79.44
	<b>8806.73</b>	932.76

**TOTAL (A) :** **302906.30** **295654.49**
**B. OTHER OPERATING REVENUES**

Scrap Sales	2720.45	3137.06
Less : Excise Duty / Cess	207.92	226.28
	<b>2512.53</b>	2910.78
Packing, Forwarding and Insurance Recoveries	132.38	152.74
Export Incentive	2324.37	2040.97

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	<b>For the Year Ended 31.03.2013</b>	<b>For the Year Ended 31.03.2012</b>
Excise Duty Refund	<b>999.50</b>	845.79
Miscellaneous Operating Income	<b>255.94</b>	192.72
Licence fees	<b>24.00</b>	105.00
Technical & Support Fees	<b>6481.54</b>	5991.19
<b>TOTAL (B) :</b>	<b>12730.26</b>	12239.19
<b>TOTAL (A+B) :</b>	<b>315636.56</b>	307893.68
<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	<b>212803.41</b>	228512.21
Packaging & Converting Machines	<b>40125.53</b>	24072.90
Printing Ink	<b>14761.71</b>	15130.36
Adhesive	<b>13703.47</b>	11222.98
Others	<b>18630.96</b>	13585.35
<b>TOTAL :</b>	<b>300025.08</b>	292523.80
<b>PRODUCT WISE DETAILS OF REVENUE FROM SALE OF STOCK-IN-TRADE</b>		
Paper	<b>10981.49</b>	19117.70
Adhesive	<b>6618.23</b>	6206.49
Aluminium	<b>14189.21</b>	3136.86
Others	<b>813.31</b>	1049.08
<b>TOTAL :</b>	<b>32602.24</b>	29510.13
<b>GROSS REVENUE FROM SALE OF PRODUCTS &amp; SERVICES</b>	<b>332627.32</b>	322033.93
Less : Excise Duty / Service Tax / Cess	<b>29721.02</b>	26379.44
<b>REVENUE FROM SALE OF PRODUCTS / SERVICES</b>	<b>302906.30</b>	295654.49
<b>23. OTHER INCOME</b>		
Rent Received	<b>204.01</b>	181.90
<b>Profit on sale of Investments (Net)</b>		
- Non Current Investments	<b>17.27</b>	76.20
- Current Investments	<b>3.01</b>	146.00
Miscellaneous Income	<b>726.28</b>	71.89
<b>Interest :</b>		
- from Banks	<b>299.46</b>	1101.04
- from Others	<b>1000.82</b>	1025.75
<b>Investment Income:</b>		
- Dividend received on Trade Investments	<b>117.40</b>	117.40
- Dividend received on Non-Trade Investments	<b>34.75</b>	50.82
<b>TOTAL :</b>	<b>2403.00</b>	2771.00

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<b>24. COST OF MATERIALS CONSUMED</b>		
Opening Stock	12509.15	8744.04
Add : Purchases	<u>202253.50</u>	<u>214468.32</u>
	<b>214762.65</b>	<b>223212.36</b>
Less : Inter Unit Purchases	<u>31377.55</u>	<u>32970.52</u>
	<b>183385.10</b>	<b>190241.84</b>
Less : Closing Stock	<u>11093.46</u>	<u>12509.15</u>
<b>TOTAL :</b>	<u><b>172291.64</b></u>	<u><b>177732.69</b></u>
<b>PRODUCT WISE DETAILS OF COST OF MATERIALS CONSUMED :</b>		
Fibre Chemicals	45722.00	42544.88
Plastic Granules	32365.17	30813.31
Plastic Films	21953.62	20351.15
Aluminium Foils	7731.99	18827.39
Paper	6199.47	14316.11
Solvents	12264.38	12415.46
Others	<u>46055.01</u>	<u>40765.29</u>
<b>TOTAL :</b>	<u><b>172291.64</b></u>	<u><b>180033.59</b></u>
Less : Materials Consumed during trial runs	-	2300.90
<b>TOTAL :</b>	<u><b>172291.64</b></u>	<u><b>177732.69</b></u>
<b>25. PURCHASE OF STOCK IN TRADE</b>	<u><b>28606.14</b></u>	<u><b>26204.01</b></u>
<b>PRODUCT WISE DETAILS OF PURCHASE OF STOCK IN TRADE :</b>		
Paper	9654.00	17020.68
Adhesive	5819.67	5492.16
Aluminium	12465.56	2772.86
Others	<u>666.91</u>	<u>918.31</u>
<b>TOTAL :</b>	<u><b>28606.14</b></u>	<u><b>26204.01</b></u>
<b>26. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Closing Stock :</b>		
<b>Finished Goods</b>	<u><b>2257.08</b></u>	<u><b>1802.83</b></u>
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Plastic Films and Hologrammed Stricker Sheets	<u><b>1124.89</b></u>	<u><b>644.67</b></u>
Printing Ink	<b>205.70</b>	213.51
Adhesive	<b>241.06</b>	181.64
Others	<b>685.43</b>	763.01
<b>Work-in-Progress</b>	<u><b>6881.23</b></u>	<u><b>5363.08</b></u>
Printed, Laminated, Metalised, Co-extruded, Coated, Embossed, Plain Plastic Films and Hologrammed Sticker Sheets	<u><b>3410.60</b></u>	<u><b>4168.44</b></u>
Packaging & Converting Machines	<b>3154.46</b>	920.09

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	<b>For the Year Ended 31.03.2013</b>	<b>For the Year Ended 31.03.2012</b>
Printing Ink	<b>125.06</b>	86.55
Adhesive	<b>69.42</b>	52.46
Others	<b>121.69</b>	135.54
	<b>9138.31</b>	7165.91
<b>Less : Opening Stock :</b>		
Finished Goods	<b>1802.83</b>	1075.35
Work-in-Progress	<b>5363.08</b>	5761.63
	<b>7165.91</b>	6836.98
<b>TOTAL :</b>	<b>1972.40</b>	<b>328.93</b>
<b>27. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries,Wages,Bonus,Benefits and Amenities	<b>17040.06</b>	14274.32
Contribution to Provident Fund and Other Funds	<b>834.65</b>	882.51
Employee Welfare Expenses	<b>572.60</b>	602.22
<b>TOTAL :</b>	<b>18447.31</b>	<b>15759.05</b>
<b>28. FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	<b>11603.18</b>	11029.63
- On Other Loans / Liabilities	<b>4308.43</b>	3211.93
- On Shortfall in payment of Advance Tax	<b>106.00</b>	483.64
Excess Provision of interest on Income Tax for earlier years	<b>(31.07)</b>	-
Discounting & Financial Charges	<b>1491.92</b>	1273.42
<b>TOTAL :</b>	<b>17478.46</b>	<b>15998.62</b>
<b>29. OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	<b>18199.93</b>	14126.86
Repair & Maintenance-Machinery	<b>2543.69</b>	2963.41
Stores Consumed	<b>3000.89</b>	2997.30
Tools, Jigs & Dies	<b>285.56</b>	291.63
Packing Material Consumed	<b>5026.73</b>	4794.80
Cylinders / Processing Charges for Cylinders	<b>1120.59</b>	924.78
Less : Inter Unit Charges	<b>851.23</b>	586.98
	<b>269.36</b>	337.80
Design & Development Charges	<b>9.50</b>	13.29
Excise Duty	<b>46.57</b>	(9.13)
Job Work Charges	<b>1260.20</b>	1722.13
Royalty Expenses	<b>565.00</b>	-
R & D Charges	<b>39.34</b>	29.43
<b>TOTAL (A) :</b>	<b>31246.77</b>	<b>27267.52</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	498.64	583.49
Rates & Taxes	124.83	218.80
Insurance charges	544.17	317.04
Electricity & Water charges	255.71	299.79
Printing & Stationery	197.10	195.68
Postage, Telegram, Telephone & Fax Expenses	384.87	408.68
Vehicle Running & Maintenance Expenses	365.93	285.34
Lease Rent -Vehicles	506.10	400.76
Conveyance & Travelling Expenses	2464.70	1923.80
Repair & Maintenance :		
- Building	334.75	409.68
- Others	923.63	719.53
Legal & Professional Charges	1180.22	954.60
Directors' sitting fees	9.02	7.00
General Expenses	1513.31	1635.20
Commission on Sales	314.67	298.71
Advertisement & Publicity	538.33	224.89
Entertainment Expenses	460.24	364.24
Charity & Donation	111.85	87.41
Rebate & Discount	855.39	1339.69
Freight & Forwarding charges	7194.48	7355.36
Fixed Assets Written -off	3.20	2.61
Loss on assets sold (Net)	42.55	629.88
Exchange Rate Fluctuations (Net)	3541.59	2614.43
Provision for Doubtful Debt Written Back	(1190.17)	(1026.07)
Bad & Doubtful Debts (Provision)	563.75	638.06
Sundry Balances written-off (Net)	1183.80	(941.31)
Claim (Exports)	2.66	17.98
<b>TOTAL (B) :</b>	<b>22925.32</b>	<b>19965.27</b>
<b>TOTAL :</b>	<b>54172.09</b>	<b>47232.79</b>

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

Cost of Material Consumed	1954.92	1635.19
Employee Benefits Expense	476.79	634.74
Finance Costs	5.03	11.38
Depreciation and amortisation expense	194.93	167.07
Other Expenses	566.44	745.19
<b>TOTAL :</b>	<b>3198.11</b>	<b>3193.57</b>



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	<b>As At</b>	<b>(Rs. in Lacs)</b>
	<b>31.03.2013</b>	<b>As At</b>
		<b>31.03.2012</b>
<b>31. Contingent liabilities not provided for in respect of :</b>		
i) Guarantees issued by Banks	<b>1286.41</b>	938.76
ii) Corporate Guarantees issued for facilities taken by foreign subsidiaries / step down subsidiaries from Banks	<b>175904.20</b>	131367.50
iii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	<b>2854.16</b>	5970.34
iv) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	<b>6355.77</b>	13095.90
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.	<b>6384.20</b>	5370.58
vi) Additional demands raised by the Income Tax Department, which are under rectification & appeal	<b>480.71</b>	371.35
vii) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	<b>204.63</b>	377.72
viii) Demand raised by PF authority for alleged lower contribution of PF and are under appeal	<b>27.73</b>	27.73
ix) Amount demanded by the erstwhile workers of the Company and are pending in Labour Court	<b>9.77</b>	13.60
x) Claims against the Company/disputed liabilities not acknowledged as debt.	<b>419.67</b>	452.05

	<b>As At</b>	<b>(Rs. in Lacs)</b>
	<b>31.03.2013</b>	<b>As At</b>
		<b>31.03.2012</b>
<b>32. Capital Commitments :</b>		
The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	<b>9803.69</b>	9943.48

**33. Disclosures for Assets under Operating Leases**

The Company has given an aircraft on operating lease (Refer Note No.13 "Fixed Assets"). The Company has also taken certain vehicles on operating Lease.

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

<b>a) In respect of an asset given on operating lease :</b>	<b>Current Year</b>	<b>(Rs. in Lacs)</b>
		<b>Previous Year</b>
i) Gross Carrying Amount	<b>3584.70</b>	3584.70
ii) Accumulated Depreciation	<b>1437.65</b>	1236.91
iii) Depreciation for the Year	<b>200.74</b>	200.74

<b>b) Minimum future Lease Rentals on assets under Operating Leases both given / taken:</b>				<b>(Rs. in Lacs)</b>
	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	<b>481.63</b>	<b>514.41</b>	-	<b>996.04</b>
	<i>583.63</i>	<i>922.97</i>	-	<i>1506.60</i>
Receivables	<b>240.00</b>	<b>760.00</b>	-	<b>1000.00</b>
	<i>45.00</i>	-	-	<i>45.00</i>

Previous Year figures have been given in Italic.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

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

35. Auditors Remuneration, as included in "Legal & Professional charges" under Note No."29(B)", is as under:-

	<u>Current Year</u>	<u>(Rs. in Lacs)</u> Previous Year
a) Audit Fees	<b>68.00</b>	58.00
b) Taxation Matters	<b>20.50</b>	17.50
c) Company Law Matters	<b>1.58</b>	1.55
d) Management Service	<b>3.00</b>	-
e) Other Services	<b>23.81</b>	15.69
f) Out of Pocket Expenses	<b>4.13</b>	2.43

36. 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.

**37. 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> Previous Year
<b>a. Reconciliation of opening and closing balances of obligation</b>		
<b>Obligations at period beginning</b>	<b>1385.83</b>	1095.48
Service cost	<b>247.05</b>	214.33
Past Service Cost	-	-
Interest cost	<b>108.14</b>	84.66
Actuarial (gain) / loss	<b>(97.61)</b>	65.90
Benefits paid	<b>(68.27)</b>	(74.54)
Obligations at period end	<b>1575.14</b>	1385.83
<b>b. Reconciliation of opening and closing balances of fair value assets</b>		
Plan assets at period beginning, at fair value	<b>1343.83</b>	1062.61
Expected return on plan assets	<b>117.69</b>	96.25
Actuarial gain / (loss)	<b>14.66</b>	(10.60)
Contributions	<b>190.44</b>	270.10
Benefits paid	<b>(68.27)</b>	(74.54)
Plan assets at period end, at fair value	<b>1598.35</b>	1343.82
<b>c. Amount Recognized in Balance Sheet</b>		
Present value of the defined benefit obligations at the end of the period	<b>1575.14</b>	1385.83
Fair value of plan assets at the end of the period	<b>(1598.35)</b>	(1343.82)
Liability recognized in the balance sheet	<b>(23.21)</b>	42.01
<b>Assumptions</b>		
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.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	<u>Current Year</u>	<u>(Rs. in Lacs)</u> <u>Previous Year</u>
<b>d. Gratuity cost for the period</b>		
Service cost	<b>247.05</b>	214.33
Interest cost	<b>108.14</b>	84.66
Expected return on plan assets	<b>(117.69)</b>	(96.25)
Actuarial (gain) / loss	<b>(112.27)</b>	76.50
Past Service Cost	-	-
<b>Net gratuity cost #</b>	<b>125.23</b>	279.24

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

**b) Leave Encashment**

Upto Previous year end, Company has provided for the Leave Encashment Liability based on the unutilised leaves outstanding as at Balance Sheet Date & salary prevailing on that date. From the current year, the Company has provided for the same based on the actuarial valuation, disclosure where of are given as under :

	<u>(Rs. in Lacs)</u>
<b>a. Reconciliation of opening and closing balances of obligation</b>	
<b>Obligations as at 31/03/2012 (Book Balance)</b>	<b>1211.69</b>
Service cost	<b>465.86</b>
Past Service Cost*	<b>(537.26)</b>
Interest cost	<b>50.85</b>
Actuarial (gain) / loss	<b>(136.86)</b>
Benefits paid	<b>(152.45)</b>
Obligations as at 31/03/2013	<b>901.83</b>
<b>c. Amount Recognized in Balance Sheet</b>	
Present value of the defined benefit obligations at the end of the period	<b>901.83</b>
Liability recognized in the balance sheet	<b>901.83</b>
Assumptions	
Interest rate	<b>8.5% P.A.</b>
<b>d. Leave Encashment cost for the period</b>	
Service cost	<b>465.86</b>
Interest cost	<b>50.85</b>
Actuarial (gain) / loss	<b>(136.86)</b>
Past Service Cost	<b>(537.26)</b>
<b>Net Leave Encashment cost for the period</b>	<b>(157.41)</b>

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

(ii) Since this is first year of presentation of leave encashment as per actuarial valuation, previous year figures have not been reported above.

**38.** Aggregate claim bill of Rs.2893.38 lacs, was filed during the year ended 31st March,2012, with insurance company, out of which Rs.2541.54 lacs is covered on re-instatement basis, towards machines, buildings, cables etc. destroyed during outbreak of fires in factory premises of the Company, situated at Jammu & Sector 60, NOIDA and balance of Rs.351.84 lacs towards stock of materials, to be recovered from the insurance company. During the year the Company has received interim claim of Rs.445.18 lacs from the Insurance Company and has placed the orders on the supplier for acquisition of machine.

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

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

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

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**
**41. Earning Per Share**

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

	<u>Current Year</u>	<u>Previous Year</u>
(A) Profit for the year, after Adjustments, for computation of ; (viz. Numerator) (Rs. in Lacs)		
a) Basic Earning	<b>13847.03</b>	14959.20
Add : Interest on FCCB (Net of Tax)	-	131.55
b) Diluted Earning	<b>13847.03</b>	15090.75
(B) (i) Opening Balance of Equity Shares	<b>72211486</b>	72180775
Add / (Less) :		
Weighted Average Factor of FCCB's converted into Equity shares	-	24921
Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<b>72211486</b>	72205696
(ii) Opening Balance of Equity Shares	<b>72211486</b>	72180775
Add / (Less) :		
Weighted Average Factor of outstanding FCCB's	-	2676711
Weighted Average Factor of outstanding Equity Warrants	<b>1506849</b>	10000000
Weighted Average Factor of FCCB's converted into Equity shares	-	24921
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>73718335</b>	84882407
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) <b>Earning Per Share</b>		
(a) Basic (A(a)/B(i)) (Rs.)	<b>19.18</b>	20.72
(b) Diluted (A(b)/B(ii)) (Rs.)	<b>18.78</b>	17.78

**42. Segment Disclosure**

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

	<u>Current Year</u>	<u>Previous Year</u>
Domestic Revenue	<b>277202.70</b>	284216.09
<b>Export Revenue :</b>		
USA	<b>21934.15</b>	13923.54
Europe	<b>15798.27</b>	7147.54
Asia	<b>10619.75</b>	9762.77
Africa	<b>9760.36</b>	8363.06
Others	<b>32.54</b>	1757.99
Total Export Revenue	<b>58145.07</b>	40954.90
<b>Total Revenue*</b>	<b>335347.77</b>	325170.99

\*Includes Scrap Sales shown under the head "Other Operating Revenue " - Note No.-22B.

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

- i) **Wholly Owned Subsidiaries** : Flex America Inc., Flex Middle East FZE , Uflex Europe Ltd., UFlex Packaging Inc., Upet Holdings Ltd., UTech Developers Ltd., Flex Films (USA) Inc. and Flex P Films (Brasil) Comercio De Films Plasticos Ltda.
- ii) **Fellow Subsidiaries** : Flex Films Europa Sp z o.o., Flex P Films (Egypt) S.A.E., UPET (Singapore) Pte. Ltd., Flex Americas S.A. de C.V., SD Buildwell Pvt.Ltd. and TFlex Americas LLC (upto 30.03.2013).
- iii) **Associate** : Flex Foods Limited
- iv) **Joint Venture** : Qcell Limited

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

- v) **Key Management Personnel & their relatives (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director (relative Mrs. Rashmi Chaturvedi) and Mr. S.K. Kaushik, 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.Infastructure & Projects (P) Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshikha 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. and Saga Realtors (P) Ltd.,
- (b) The Company has entered into transactions with certain parties listed above during the year under consideration. Details of these transactions are as follows :

(Rs. in Lacs)

Transactions	Wholly owned Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives	Enterprises as referred to in 'a (vi)' above	Total
<b>i) Trade Transactions</b>						
Sale of Goods/Services (Net)	<b>16246.19</b>	<b>12070.39</b>	<b>18.13</b>	-	<b>2775.76</b>	<b>31110.47</b>
	12043.85	4122.93	15.71	-	3628.26	19810.75
Purchase of Goods/Services (Net )	<b>2.72</b>	<b>640.01</b>	-	-	<b>16549.15</b>	<b>17191.88</b>
	346.02	130.37	-	-	15737.78	16214.17
Royalty	-	-	-	<b>565.00</b>	-	<b>565.00</b>
Purchase of Fixed Assets	-	<b>164.95</b>	-	-	-	<b>164.95</b>
Bad Debts Written -off	-	-	-	-	-	-
	11.08	-	-	-	-	11.08
Provision for Bad & Doubtful Debt	-	-	-	-	-	-
	474.81	-	-	-	-	474.81
Dividend Income	-	-	<b>117.40</b>	-	-	<b>117.40</b>
	-	-	117.40	-	-	117.40
Patent	-	-	-	-	-	-
	-	-	-	500.00	-	500.00
Lease Charges Received	-	-	-	-	<b>210.00</b>	<b>210.00</b>
	-	-	-	-	71.16	71.16
Licence & Support fees Received	<b>196.45</b>	<b>3586.60</b>	-	-	-	<b>3783.05</b>
	54.50	5936.69	-	-	-	5991.19
Rent Received	-	-	-	<b>36.00</b>	<b>4.08</b>	<b>40.08</b>
	0.65	-	-	30.00	4.08	34.73
Rent Paid	-	-	-	<b>207.00</b>	<b>123.60</b>	<b>330.60</b>
	-	-	-	207.00	123.60	330.60
Interest Paid on Loans	-	-	-	-	<b>155.00</b>	<b>155.00</b>
	-	-	-	-	0.77	0.77
Interest Received on Loans	<b>158.68</b>	-	-	-	-	<b>158.68</b>
	147.56	-	-	-	-	147.56
Commission Received on extension of Corporate Guarantee	<b>97.36</b>	<b>417.16</b>	-	-	-	<b>514.52</b>
Remuneration	-	-	-	<b>760.73</b>	-	<b>760.73</b>
	-	-	-	717.68	-	717.68

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

Transactions	Wholly owned Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel & their Relatives	Enterprises as referred to in 'a (vi)' above	Total
<b>ii) Non Trade Transactions</b>						
Investment in Shares / Share application money	<b>10693.78</b>	-	-	-	-	<b>10693.78</b>
	<i>6697.68</i>	-	-	-	-	<i>6697.68</i>
Forfeiture of amount received on allotment of warrants	-	-	-	<b>2250.00</b>	<b>5250.00</b>	<b>7500.00</b>
	-	-	-	-	-	-
Advance received against Supply of goods / Services (Net)	-	<b>8592.28</b>	-	-	-	<b>8592.28</b>
	<i>209.38</i>	<i>15389.64</i>	-	-	-	<i>15599.02</i>
Share Application Money received back	-	-	-	-	-	-
	<i>25.75</i>	-	-	-	-	<i>25.75</i>
Loan Taken	-	-	-	-	<b>8060.00</b>	<b>8060.00</b>
	-	-	-	-	<i>250.00</i>	<i>250.00</i>
Repayment of Loan Taken	-	-	-	-	<b>8060.00</b>	<b>8060.00</b>
	-	-	-	-	<i>250.00</i>	<i>250.00</i>
Loan Given	<b>653.86</b>	-	-	-	-	<b>653.86</b>
	<i>2323.59</i>	-	-	-	-	<i>2323.59</i>
Recovery of Loan Given	<b>2684.00</b>	-	-	-	-	<b>2684.00</b>
	<i>3749.20</i>	-	-	-	-	<i>3749.20</i>
<b>Total</b>	<b>30733.04</b>	<b>25471.39</b>	<b>135.53</b>	<b>3818.73</b>	<b>41187.59</b>	<b>101346.28</b>
	<i>26084.07</i>	<i>25579.63</i>	<i>133.11</i>	<i>1454.68</i>	<i>20065.65</i>	<i>73317.14</i>
<b>Balance as on 31.03.2013</b>						
Debit	<b>19374.99</b>	<b>592.93</b>	<b>1.68</b>	-	<b>853.08</b>	<b>20822.68</b>
	<i>17207.33</i>	<i>1291.12</i>	<i>4.90</i>	-	<i>520.71</i>	<i>19024.06</i>
Credit	<b>1911.44</b>	<b>8768.29</b>	-	<b>151.86</b>	<b>5844.54</b>	<b>16676.13</b>
	<i>219.07</i>	<i>15402.92</i>	-	<i>496.35</i>	<i>5782.70</i>	<i>21901.04</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 the Company has transferred the Management & ownership control under the agreement dated 21<sup>st</sup> May, 2010 with an understanding to transfer the entire Share Holding on payment of the amount due under the agreement.

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

(Rs. in Lacs)

Description	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
<b>a) Raw Material</b>				
Imported	<b>35978.51</b>	<b>20.88</b>	54574.57	30.31
Indigenous	<b>136313.13</b>	<b>79.12</b>	125459.02	69.69
<b>TOTAL :#</b>	<b>172291.64</b>	<b>100.00</b>	180033.59	100.00
# Includes Material Consumed during Trial Runs Rs. Nil lacs (Previous Year Rs.2300.90 lacs).				
<b>b) Stores, Spares, Tools, Jigs &amp; Dies Consumed</b>				
Imported *	<b>962.41</b>	<b>23.64</b>	1380.71	30.37
Indigenous	<b>3108.53</b>	<b>76.36</b>	3165.15	69.63
<b>TOTAL :</b>	<b>4070.94</b>	<b>100.00</b>	4545.86	100.00

\* Includes spares of Rs.792.80 lacs (Previous year Rs.1256.93 lacs) charged to Repair & Maintenance-Machinery.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

<b>45. Other Particulars</b>		<b>(Rs. in Lacs)</b>	
Description	Current Year	Previous Year	
<b>a) CIF Value of Imports</b>			
i) Raw Materials / Stock - in - Trade	<b>55877.27</b>	70889.71	
ii) Capital Goods	<b>2157.19</b>	20168.01	
iii) Stores & Spares	<b>1296.98</b>	1263.10	
iv) Material-in-Transit - Raw Materials	<b>364.02</b>	654.57	
<b>b) Expenditure in Foreign Currency</b>			
i) Travelling expenses	<b>260.95</b>	315.56	
ii) Advertisement & Publicity	<b>174.47</b>	39.10	
iii) General expenses	<b>34.87</b>	55.08	
iv) Commission on Sales	<b>15.24</b>	91.56	
v) Discounting & Bank charges	<b>53.91</b>	44.22	
vi) Entertainment Expenses	<b>151.57</b>	15.49	
vii) Legal & Professional Charges	<b>177.16</b>	43.97	
viii) Repair & Maint. -Others	<b>3.57</b>	10.51	
ix) Claim Exports	<b>2.66</b>	17.98	
x) Rent	<b>61.94</b>	54.93	
xi) Interest on FCCB's	-	194.73	
xii) Repair & Maint. -Machinery	<b>18.72</b>	48.65	
xiii) Job work	<b>62.82</b>	44.43	
xiv) Freight Charges	<b>39.34</b>	4.68	
xv) Royalty	-	2.91	
xvi) Premium on Redemption of FCCB's	-	1018.50	
<b>c) Earning in Foreign Exchange</b>			
i) F.O.B. value of Export of Manufactured / Stock - in - Trade	<b>55111.80</b>	36884.10	
ii) Sales of Services	<b>215.90</b>	87.71	
iii) Technical & Support Fees	<b>6481.54</b>	5991.19	
iv) Interest	<b>158.68</b>	147.56	
v) Misc. Operating Income	-	5.02	
vi) Commission for extension of Corporate Guarantee for Subsidiaries	<b>514.52</b>	-	

Signatories to Notes 1 to 45

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
*Chairman & Managing 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, 2013

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

**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 2013	Extent of interest of the holding Company as on 31st March 2013	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 America Inc.	3/31/2013	1,00,000 of Equity Shares of US\$1each	100%	US \$ 1,29,064 Equivalent to Rs. 69.66 Lacs	US \$13,59,590 equivalent to Rs. 733.77 Lacs	NIL	NIL
2	Flex Middle East FZE	3/31/2013	107 Equity Shares of AED 1 Million each	100%	US \$ 1,12,71,871 equivalent to Rs.6083.43 Lacs	US \$ 148,348,097 equivalent to Rs.80063.47 Lacs	NIL	NIL
3	UFlex Europe Limited	3/31/2013	9,95,000 Equity Shares of GBP 1 Each	100%	GBP (4,24,475) equivalent to Rs. (346.63) Lacs	GBP (13,97,295) equivalent to Rs. (1141.03) Lacs	NIL	NIL
4	UTech Developers Limited	3/31/2013	10,00,00,000 Equity Shares of Rs. 10 Each	100%	Rs. (49.21) Lacs	Rs.1226.58 Lacs	NIL	NIL
5	UFlex Packaging Inc.	3/31/2013	367,500 Equity Shares of US \$ 10 Each	100%	US \$ 283,155 Equivalent to Rs. 152.82 Lacs	Us \$ (44,67,094) equivalent to Rs. (2410.89) Lacs	NIL	NIL
6	UPET Holdings Limited	3/31/2013	3,84,00,001 Equity Shares of US \$ 1 Each	100%	US \$ (31,273) equivalent to Rs. (16.88) Lacs	US \$ (50,174) equivalent to Rs. (27.08) Lacs	NIL	NIL
7	Flex Films (USA) Inc.	3/31/2013	6400 Common Stock of US \$5000 each	100%	US \$ (11,03,545) Equivalent to Rs. (595.58) Lacs	US \$ (176,371) Equivalent to Rs. (95.19) Lacs	NIL	NIL
8	Flex P. Films (Brasil) Comercio De Films Plasticos Ltda	3/31/2013	800000 Equity Shares of BLR 1 Each	100%	BLR (4,765) Equivalent to Rs. (1.28) Lacs	NIL	NIL	NIL
<b>Subsidiary of U Tech Developers Limited</b>								
9	SD Buildwell Private Limited	3/31/2013	10,000 Equity Shares of Rs. 10 Each	54%	Rs. (22.93) Lacs	Rs. 2.10 Lacs	NIL	NIL
<b>Subsidiary of UPET Holdings Limited</b>								
10	UPET (Singapore) Pte. Limited	3/31/2013	3,82,00,100 Equity Shares of US \$ 1 Each	100%	US \$ (3,620) equivalent to Rs. (1.95) Lacs	US \$ (18,252) equivalent to Rs. (9.85) Lacs	NIL	NIL
<b>Subsidiary of UPET (Singapore) Limited</b>								
11	Flex Americas S.A. de C.V.	3/31/2013	4,19,201 Equity Shares of MXP 1000 Each	100%	MXP (1405.21) Lacs Equivalent to Rs. (6140.78) Lacs	MXP 3405.61 Lacs Equivalent to Rs.14882.53 Lacs	NIL	NIL
<b>Subsidiary of Flex Middle East FZE</b>								
12	Flex P. Films Egypt S.A.E.	3/31/2013	26,800,000 Equity Shares of 10/- Egyptian Pound Each Equivalent to USD 47,914,115	100%	US \$ 68,09,369 Equivalent to Rs.3675.02 Lacs	US \$ (7,45,743) Equivalent to Rs.(402.48) Lacs	NIL	NIL
13	Flex Films Europa Sp. Z o.o.	3/31/2013	2029441 Equity Shares of PLN 50 each	100%	PLN (2,652,830) Equivalent to Rs.(445.68) Lacs	PLN (27,50,952) Equivalent to Rs.(462.16) Lacs	NIL	NIL
<b>Subsidiary of UFlex Packaging Inc.</b>								
14	TFlex Americas LLC @	3/30/2013	3,000,000 Units of \$ 1 Each	100%	NIL	NIL	NIL	NIL

@ Merged with Uflex Packaging Inc. W.e.f. 31st March 2013, accordingly figures are merged with the Uflex Packaging Inc..

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

**Notes:**

- As the end of the Financial Year of the Subsidiaries ended 31st March, 2013 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. 53.97
- 1 GBP Equivalent to Rs.81.66
- 1 MXP Equivalent to Rs.4.37
- 1 PLN Equivalent to Rs.16.80
- 1 BLR Equivalent to Rs. 26.80

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
Chairman & Managing Director

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2013



**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 Filmes PlasticosLtda&Tflex Americas LLC (merged with Uflex Packaging Inc. with effect from 31<sup>st</sup> March, 2013), and Joint venture, Qcell Limited (collectively referred to as "the Uflex Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2013, 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 principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. 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 joint venture and its associate Flex Foods Limited, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India: -

- a) In the case of the Consolidated Balance Sheet, of the State of Affairs of the Uflex Group as at 31<sup>st</sup> March, 2013;
- b) 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
- c) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Uflex Group for the year ended on that date.

**Other Matters**

We did not audit the financial statements of the Subsidiaries and Joint Venture, whose financial statements reflect total assets of Rs. 4,65,444.93 lacs as at 31<sup>st</sup> March 2013, total revenues of Rs. 2,96,678.81 lacs and Net Cash Outflows amounting to Rs. 454.77 lacs, for the year then ended. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

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

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

Place : NOIDA  
Dated : 30<sup>th</sup> May, 2013

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

(Rs in Lacs)

Particulars	Note No.	As At	
		31st March 2013	As At 31st March 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	2	7221.15	7221.15
b) Reserves and Surplus	3	242639.27	211650.65
c) Money received against share warrants	4	-	7500.00
		<b>249860.42</b>	226371.80
(2) Minority Interest	5	-	-
<b>(3) Non-Current Liabilities</b>			
a) Long-term borrowings	6	130116.50	114616.88
b) Deferred tax liabilities (Net)	7	17199.06	15640.66
c) Other Long-term liabilities	8	372.73	338.57
d) Long-term provisions	9	874.13	658.88
		<b>148562.42</b>	131254.99
<b>(4) Current Liabilities</b>			
a) Short-term borrowings	10	51173.27	43678.60
b) Trade payables	11	72246.17	60375.56
c) Other current liabilities	12	68097.23	59277.99
d) Short-term provisions	13	6481.92	7903.24
		<b>197998.59</b>	171235.39
<b>Total:</b>		<b>596421.43</b>	<b>528862.18</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed assets	14		
i) Tangible assets		332904.35	265995.88
ii) Intangible assets		1011.95	1693.04
iii) Capital work-in-progress		3833.91	29117.51
iv) Intangible assets under development		-	10.30
b) Non-current investments	15(1)	9988.49	9645.53
c) Long-term loans and advances	16	11991.28	14854.36
d) Other non-current assets	17	1308.60	3977.13
		<b>361038.58</b>	325293.75
<b>(2) Current assets</b>			
a) Current investments	15 (2)	200.00	-
b) Inventories	18	47020.27	43363.30
c) Trade receivables	19	127602.49	99556.92
d) Cash and Bank Balances	20	16222.08	16808.11
e) Short-term loans and advances	21	42221.25	42522.59
f) Other current assets	22	2116.76	1317.51
		<b>235382.85</b>	203568.43
<b>Total:</b>		<b>596421.43</b>	<b>528862.18</b>

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

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
Chairman & Managing 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, 2013

**S.V. Sehgal**  
Partner

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs in Lacs)

Particulars	Note No.	For the Year Ended 31st March 2013	For the Year Ended 31st March 2012
<b>Revenue from Operations</b>			
Gross Sales & Job Work	23 (A)	560014.88	500815.56
Less : Inter unit Sales & Job Work		34650.55	35673.69
Less : Excise Duty		29721.02	26430.94
Net Sales & Job Work		495643.31	438710.93
Other Operating Income	23 (B)	20464.51	12873.30
<b>Revenue from Operations</b>		<b>516107.82</b>	<b>451584.23</b>
<b>Other Income</b>	<b>24</b>	<b>1907.92</b>	<b>2514.17</b>
<b>Share in Profit of Associate for the Year</b>		<b>263.19</b>	<b>196.89</b>
<b>Total Revenue</b>		<b>518278.93</b>	<b>454295.29</b>
<b>Expenses:</b>			
Cost of materials consumed	25	298829.35	264903.16
Purchase of Stock-in-Trade		30767.71	28081.79
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(5196.35)	(2580.09)
Employee benefits expense	27	27765.04	22513.35
Finance costs	28	22969.30	19925.31
Depreciation and amortization expense		23598.68	17828.83
Other expenses	29	101843.49	76331.76
Expenses Allocated to Self Constructed Assets	30	(3198.11)	(3193.57)
<b>Total Expenses</b>		<b>497379.11</b>	<b>423810.54</b>
Profit before tax		20899.82	30484.75
<b>Less : Tax expense:</b>			
- Current tax		3029.78	5305.88
- Deferred tax		1558.40	(332.95)
- (Excess) / Short Provision of Income Tax for earlier years		(2725.23)	61.99
Profit for the year before Minority Interest		19036.87	25449.83
Minority Interest (Share in Losses)		-	52.11
Profit for the year		<b>19036.87</b>	<b>25501.94</b>
<b>Earning Per Share</b>			
a) Basic (Rs.)		26.36	35.32
b) Diluted (Rs.)		25.82	30.20

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

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
Chairman & Managing 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, 2013

**S.V. Sehgal**  
Partner

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	(Rs. in Lacs)	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	20899.82	30484.75
<b>Adjustment for :</b>		
Depreciation & amortisation expense	23598.68	17828.83
Exchange rate fluctuations (Net)	3985.87	(1702.76)
Foreign Currency Translation Reserve	(1294.88)	3942.57
(Profit) / Loss on assets sold (Net)	(1.34)	631.54
Fixed Assets written Off	3.20	2.61
Finance Costs	22969.30	19925.31
Interest received from Banks / others	(1247.86)	(1958.28)
Dividend received on Non- Trade Investments	(34.75)	(50.82)
Profit on sale of Investments (Net)	(20.28)	(222.20)
Provision for Doubtful Debt Written Back	(1190.17)	(1026.07)
Bad & Doubtful Debts (Provision)	1068.45	638.06
Sundry Balances written off (Net)	1279.18	(899.81)
<b>Operating Profit before Working Capital changes</b>	<b>49115.40</b>	<b>37108.98</b>
<b>Adjustment for :</b>	<b>70015.22</b>	<b>67593.73</b>
Trade and other receivables	(27094.33)	(21097.88)
Inventories	(3656.97)	(6857.07)
Trade and other payables	19168.84	39366.74
<b>Cash generated from operations</b>	<b>58432.76</b>	<b>11411.79</b>
Income Tax	(304.55)	(5367.87)
Exchange rate fluctuations (Net)	(3985.87)	1702.76
<b>Net Cash from operating activities (A)</b>	<b>54142.34</b>	<b>79005.52</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(58509.57)	(100971.41)
Sale proceeds of Fixed Assets	1749.80	2996.04
Inflow / (Outflow) on Investments (Net)	(522.68)	1442.72
Loans to bodies corporate (Net)	2925.00	(4970.00)
Capital Reserve / (Goodwill) arising on acquisition	-	(250.85)
Interest received from Banks / others	1247.86	1958.28
Dividend received on Non- Trade Investments	34.75	50.82
<b>Net Cash used in Investing Activities (B)</b>	<b>(53074.84)</b>	<b>(99744.40)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt of Securities Premium Account	-	41.37
Premium on Redemption of FCCB's	-	(1131.66)
Share Capital Received	-	3.07
Addition / (deletion) in Minority Interest	-	(21.25)
Dividend Paid	(1444.23)	(5415.86)
Dividend Distribution Tax	(234.29)	(878.59)
Finance Costs	(22969.30)	(19925.31)
Borrowings (Net)	22994.29	40712.20
<b>Net Cash used in Financing Activities (C)</b>	<b>(1653.53)</b>	<b>13383.97</b>
Net (Decrease) in Cash and Cash equivalents (A+B+C)	<b>(586.03)</b>	<b>(11020.02)</b>
Opening Cash and Cash equivalents	<b>16808.11</b>	<b>27828.13</b>
Closing Cash and Cash equivalents #	<b>16222.08</b>	<b>16808.11</b>

# Includes Rs. 2019.68 lacs (Previous Year Rs. 2238.06 lacs) in respect of amount lying in unclaimed dividend account / margin money account / fixed deposits pledged with banks.

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
Chairman & Managing 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, 2013

**S.V. Sehgal**  
Partner

## NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS

#### a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

#### b) PRINCIPLES OF CONSOLIDATION

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

- I. The financial statements of the holding company and its subsidiaries, for the financial year ending 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 Venture have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India.
- III. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as that of holding company's financial statements.
- IV. The excess / shortfall of cost to the holding company of its investment over its share of equity in the respective subsidiary companies and joint venture companies is recognized in the financial statements as goodwill / capital reserve respectively as per the equity method of valuation.
- V. All the figures of assets, liabilities, revenue & expenses of subsidiaries, which are stated in foreign currency in its separate financial statements, are converted into Indian Rupees in accordance with the Accounting Standard (AS)-11 "The Effects of Changes in Foreign Exchange Rates", issued by the Institute of Chartered Accountants of India.
- VI. 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	TFlex Americas LLC #	USA	Subsidiary	100%
5	Flex Middle East FZE	Dubai-UAE	Subsidiary	100%
6	Flex P. Films (Egypt) S.A.E.	Egypt	Subsidiary	100%
7	Flex Films Europa Sp. Z o.o.	Polland	Subsidiary	100%
8	UPET Holdings Limited	Mauritius	Subsidiary	100%
9	UPET (Singapore) Pte. Ltd.	Singapore	Subsidiary	100%

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

Sr. No.	Name of the Company	Country of Incorporation	Relation	Ownership Interest
10	Flex Americas S.A.de C.V.	Mexico	Subsidiary	100%
11	Flex Films (USA) Inc.	USA	Subsidiary	100%
12	Flex P Films (Brasil) Comercio De Films Plasticos Ltda	Brasil	Subsidiary	100%
13	U Tech Developers Limited	India	Subsidiary	100%
14	SD Buildwell Private Limited	India	Subsidiary	54%
15	Qcell Limited	Gambia	Joint Venture	40%
16	Flex Foods Limited	India	Associate	47.15%

# Merged with Uflex Packaging Inc. w.e.f. 31<sup>st</sup> March, 2013

**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 fully Paid-up Capital of the Holding Company as at 31st March 2013 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 2011	72180775	7218.08	72180775	7218.08	-	-
<b>Addition during the year</b>						
On Conversion of FCCB's	30711	3.07	30711	3.07		
Balance as At 31st March 2012	72211486	7221.15	72211486	7221.15	-	-
<b>Balance as at 31st March 2013</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 31 <sup>st</sup> March 2013		As At 31 <sup>st</sup> March 2012	
	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.	5415141	7.50	5415141	7.50
Anshikha Investments Pvt. Ltd.	5271092	7.30	5271092	7.30
A.R. Leasing Pvt. Ltd.	4994891	6.92	4994891	6.92

**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

	As At 31 <sup>st</sup> March 2013		As At 31 <sup>st</sup> March 2012	
	Number	%	Number	%
b) <b>Public Shareholding*</b>	<b>40824511</b>	<b>56.53</b>	40824511	56.53
i) Institution	<b>6461706</b>	<b>8.95</b>	7418912	10.27
ii) Non-Institution	<b>28896965</b>	<b>40.01</b>	27939759	38.69
iii) GDRs (underlying shares)	<b>5465840</b>	<b>7.57</b>	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 2011	2895.85	58200.92	3.31	401.46	(6695.57)	12831.09	106496.01	174133.07
Profit for the Year							25501.94	25501.94
<b>(Less): Appropriations</b>								
Proposed Dividend							(1444.23)	(1444.23)
Dividend Distribution Tax							(234.29)	(234.29)
Amount transferred to Legal Reserve							(243.48)	(243.48)
Amount transferred to General Reserve							(1739.40)	(1739.40)
Additions on Conversion of FCCB's		41.37						41.37
Adjusted against the Premium Paid on redemption of FCCB's		(1131.66)						(1131.66)
Amount Transferred from Statement of Profit & Loss				243.48		1739.40		1982.88
Amount Transferred from Revaluation Reserve to General Reserve*			(0.08)			0.08		-
Addition during the year					14784.45			14784.45
Balance as at 31st March 2012	2895.85	57110.63	3.23	644.94	8088.88	14570.57	128336.55	211650.65
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)

## NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

(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
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
<b>Balance as at 31st March 2013</b>	<b>10395.85</b>	<b>57110.63</b>	<b>3.15</b>	<b>808.57</b>	<b>15149.97</b>	<b>15955.35</b>	<b>143215.75</b>	<b>242639.27</b>

@ Represent warrant application money forfeited on 100 lacs warrants on 25th May 2012, due to failure of the warrant holders to exercise the right to convert warrants into Equity Shares within 18 months from the date of allotment.

\$ Aggregate Goodwill of Rs. 581.72 Lacs, was recognised in terms of the Accounting Standard - 21 "Consolidated Financial Statements", issued by the ICAI, on acquisition of shares by UFLEX PACKAGING INC, USA in it's subsidiary, TFLEX AMERICAS LLC, USA. During the year TFLEX AMERICAS LLC was merged with the UFLEX PACKAGING INC, based on Pooling of Interest method and hence the amount of Goodwill recognised earlier is transferred to the accumulated balance Statement of Profit & Loss.

\* 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.

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>4. MONEY RECEIVED AGAINST SHARE WARRANTS</b>		
Amount received @Rs.75.00 each on allotment of 1,00,00,000 (Previous Year 1,00,00,000) Warrants	7500.00	7500.00
Less : Amount forfeited & transferred to Capital Reserve	7500.00	7500.00
<b>TOTAL :</b>	<b>-</b>	<b>7500.00</b>

In terms of the Resolution passed through Postal Ballot declared on 19th November 2010, the Holding Company had allotted 135 Lacs Warrants at a price of Rs.300/- per warrant (inclusive of premium of Rs.290/- per warrant), which gives holders the right to convert warrant into equal number of equity shares of the company at any time within 18 Months from the date of allotment viz 25th November 2010. However, due to failure of the warrant holders holding 100 lacs warrants to exercise the right to convert the warrants into Equity Shares within the due date, outstanding amount has been forfeited on 25th May 2012 and transferred to capital reserve.

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>5. MINORITY INTEREST</b>		
<b>Share Capital</b>		
Equity Share Capital	0.46	0.46
<b>Statement of Profit &amp; Loss</b>		
Balance on Acquisition	(0.35)	(82.72)
Add: Post acquisition profit / (loss) till year end	(0.11)	(168.59)
	(0.46)	(251.31)
Less: Amount Transferred to Goodwill on acquisition of Minority Interest	-	250.85
	(0.46)	(0.46)
	-	-



**NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>6. LONG-TERM BORROWINGS</b>		
<b>A. Secured</b>		
<b>Term Loans :</b>		
From Banks	152713.87	128348.74
From Financial Institution	19900.87	18387.92
	<u>172614.74</u>	146736.66
<b>B Unsecured</b>		
From Bodies Corporate	1126.74	3099.10
From Others	20.03	9.50
	<u>173761.51</u>	149845.26
Less: Current portion	43645.01	35228.38
<b>TOTAL :</b>	<u>130116.50</u>	<u>114616.88</u>
<b>7. DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance	15640.66	16064.97
Add / (Less) : Provision of Deferred Tax charge / (Credit) for the year *	1558.40	(424.31)
<b>TOTAL :</b>	<u>17199.06</u>	<u>15640.66</u>
* Includes NIL (Previous Year Rs. 37.75 Lacs ) adjusted against the expenses treated as Pre-operative expenses during the year.		
<b>8. OTHER LONG-TERM LIABILITIES</b>		
Securities Received	293.87	266.19
Retention Money	66.98	60.50
Lease Security Deposit	11.88	11.88
<b>TOTAL :</b>	<u>372.73</u>	<u>338.57</u>
<b>9. LONG-TERM PROVISIONS</b>		
Provision for Leave Encashment	874.13	658.88
<b>TOTAL :</b>	<u>874.13</u>	<u>658.88</u>
<b>10. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Facilities From Banks	46900.00	35278.32
<b>Unsecured</b>		
From Others	4269.27	8400.28
From Related Party	4.00	-
<b>TOTAL :</b>	<u>51173.27</u>	<u>43678.60</u>

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>11. TRADE PAYABLES</b>		
Suppliers	65486.94	53713.81
Due to Suppliers under MSMEDA	468.71	395.81
Due to Related Parties	6290.52	6265.94
<b>TOTAL :</b>	<b>72246.17</b>	<b>60375.56</b>
<b>12. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Borrowings	43645.01	35228.38
Capital Creditors	3569.06	9193.34
Due to Employees	1488.95	1069.94
Interest Accrued but not due on Loans	583.03	471.58
Unclaimed Matured Deposits & Interest thereon*	-	0.09
Unclaimed Matured Debentures & Interest Thereon*	-	37.39
Unclaimed Dividend*	145.89	134.04
Advances from Customers	3300.03	3423.99
Advances from Others	6557.00	6500.00
Statutory Dues	1157.45	1316.91
Others Payable	7650.81	1902.33
<b>TOTAL :</b>	<b>68097.23</b>	<b>59277.99</b>
*These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund.		
<b>13. SHORT-TERM PROVISIONS</b>		
Income Tax (Net)	2381.00	3935.46
Wealth Tax	101.52	104.23
Proposed Dividend	1733.08	1444.23
Proposed Dividend Distribution Tax	294.54	234.29
Leave Encashment	33.62	572.02
Staff Benefits	526.07	433.34
Warranty	16.07	8.86
Interest on Deferred Liabilities	1396.02	1170.81
<b>TOTAL :</b>	<b>6481.92</b>	<b>7903.24</b>

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

**14. FIXED ASSETS**

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK					NET BLOCK			
	Value/cost As At 01.04.2012	Additions during the year	Deductions during the year	Adjustments	Value/cost As At 31.03.2013	Upto 31.03.2012	For the year	Deductions	Adjustments	As At 31.03.2013	As At 31.03.2013	As At 31.03.2012	
<b>A. TANGIBLE ASSETS</b>													
Freehold Land	3363.61	-	-	215.61	3579.22	-	-	-	-	-	3579.22	3363.61	
Leasehold Land	12505.58	-	-	311.14	12816.72	-	-	-	-	-	12816.72	12505.58	
Building	46776.64	19396.66	-	1506.14	67679.44	9012.54	1875.89	-	140.19	11028.62	56650.82	37764.10	
Plant & Machinery	282841.48	60775.14	3073.38	7433.27	347976.51	89532.59	19491.51	1539.71	1468.11	108952.50	239024.01	193308.89	
Electrical Installation	11011.68	1774.76	56.67	497.49	13227.26	2850.64	553.59	7.62	52.08	3448.69	9778.57	8161.04	
Office Equipments	4793.71	1125.53	97.91	30.95	5852.28	1686.83	447.26	91.42	20.46	2063.13	3789.15	3106.88	
Furniture & Fixtures	5190.12	453.78	60.89	20.62	5603.63	1522.24	435.51	37.73	6.68	1926.70	3676.93	3667.88	
Vehicles	2799.52	67.11	307.27	55.66	2615.02	1029.41	292.62	172.76	23.87	1173.14	1441.88	1770.11	
Aircraft (on Lease)	3584.70	-	-	-	3584.70	1236.91	200.74	-	-	1437.65	2147.05	2347.79	
Sub-Total (A)	372867.04	83592.98	3596.12	10070.88	462934.78	106871.16	23297.12	1849.24	1711.39	130030.43	332904.35	265995.88	
Previous Year	(275346.05)	(101847.04)	(16520.66)	(12194.61)	(372867.04)	(100698.89)	(17717.56)	(12890.47)	(1345.18)	(106871.16)	(265995.88)	(174647.16)	
<b>B. INTANGIBLE ASSETS</b>													
Goodwill (Arising on Consolidation)	581.72	-	581.72	-	-	-	-	-	-	-	0.00	581.72	
Software	1028.49	199.50	13.61	17.36	1231.74	634.13	148.80	8.83	20.88	794.98	436.76	394.36	
Technical Know-How	254.56	10.99	-	-	265.55	15.74	52.76	-	-	68.50	197.05	238.82	
Patent	500.00	-	-	-	500.00	21.86	100.00	-	-	121.86	378.14	478.14	
Sub-Total (B)	2364.77	210.49	595.33	17.36	1997.29	671.73	301.56	8.83	20.88	985.34	1011.95	1693.04	
Previous Year	(1138.79)	(1233.41)	-	7.43	(2364.77)	(532.56)	(139.05)	-	(0.12)	(671.73)	(1693.04)	(606.23)	
<b>TOTAL</b>	375231.81	83803.47	4191.45	10088.24	464932.07	107542.89	23598.68	1858.07	1732.27	131015.77	333916.30	267688.92	
Previous Year	(276484.84)	(103080.45)	(16520.66)	(12187.18)	(375231.81)	(101231.45)	(17856.61)	(12890.47)	(1345.30)	(107542.89)			
											Capital Work in Progress	3833.91	29117.51
											Intangible Assets under Development	-	10.30
											<b>TOTAL :</b>	<b>337750.21</b>	<b>296816.73</b>

- 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 Nil lacs (Previous year Rs. 67.02 lacs) in respect of Machinery in Transit.
- Plant & Machinery includes Rs.2397.72 lacs (Previous Year Same) in respect of Machinerries, destroyed during out break of fires, on which depreciation has been ceased to be charged, from the date of fire.
- Depreciation for the year includes Rs Nil lacs (Previous year Rs. 27.78 lacs) charged to Pre-operative expenses.
- Gross Block includes Rs. 5.08 lacs (Previous Year Same) added on revaluation of followings:
  - Rs. 2.27 Lacs (Previous Year Same) for Building revalued as at 31st December 1987.
  - Rs. 2.81 lacs (Previous Year Same) 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 ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

(Rs. in Lacs)

PARTICULARS	As At 31.03.2013	As At 31.03.2012
<b>15. INVESTMENTS</b>		
<b>1 NON-CURRENT INVESTMENTS</b>		
<b>(LONG TERM INVESTMENTS)</b>		
<b>i) INVESTMENT IN ASSOCIATES</b>		
<b>In Equity Shares - Quoted, fully paid up</b>		
Carrying Value of Investment	443.73	443.73
Add : Share in Post acquisition Profits	2539.84	2276.65
	<u>2983.57</u>	<u>2720.38</u>
Less : Dividend received upto the year end	(587.00)	(469.60)
<b>Carrying Amount of Investment</b>	<b>2396.57</b>	<b>2250.78</b>
<b>ii) INVESTMENT IN OTHERS</b>		
a) Quoted Fully Paid up Equity Shares	5208.02	5208.02
b) Un Quoted Fully Equity Paid up Shares	2383.90	2086.73
c) Trust Securities & Mutual Fund	-	100.00
<b>TOTAL :</b>	<b>9988.49</b>	<b>9645.53</b>
<b>2 CURRENT INVESTMENTS</b>		
Trust Securities & Mutual Fund	200.00	-
<b>TOTAL :</b>	<b>10188.49</b>	<b>9645.53</b>
<b>16. LONG-TERM LOANS &amp; ADVANCES</b>		
(Unsecured Considered Good)		
Capital Advances	2835.98	7748.41
Security Deposits	6343.90	5126.59
<b>Loans to :</b>		
- Employees	215.43	160.77
- Others	7.00	8.50
<b>Deposits :</b>		
- With Excise Authority	299.12	274.83
- Others	166.20	209.81
Share Application Money (Pending Allotment)	117.92	329.59
MAT Credit Entitlement	1077.79	134.79
Deposits / Advances with Income Tax Authorities	927.94	861.07
<b>TOTAL :</b>	<b>11991.28</b>	<b>14854.36</b>

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>17. OTHER NON-CURRENT ASSETS</b>		
Long Term Trade Receivable	260.42	1916.67
Advances recoverable in cash or in kind or value to be received	410.15	519.10
Other Receivables	638.03	1541.36
<b>TOTAL :</b>	<u>1308.60</u>	<u>3977.13</u>
<b>18. INVENTORIES</b>		
Raw Materials	15772.86	18734.54
Work-in-Progress	12932.25	9950.03
Finished Goods	11327.72	7548.27
Stock - in - Trade	35.17	20.21
Material-in-Transit :-		
- Raw Materials	912.32	1828.22
- Raw Materials (Intra Group)	1704.38	481.65
- Finished Goods (Intra Group)	1935.73	3516.01
Stores, Packing Material & Fuel	2399.84	1284.37
<b>TOTAL :</b>	<u>47020.27</u>	<u>43363.30</u>
<b>19. TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
A. Trade receivables outstanding for a period exceeding six months	28469.58	18124.41
B. Other trade receivables	100235.33	82654.70
	<u>128704.91</u>	<u>100779.11</u>
Less : Provision for Bad & Doubtful Debts	1102.42	1222.19
<b>TOTAL : #</b>	<u>127602.49</u>	<u>99556.92</u>
# Include due from Related Party	836.99	502.94
<b>20. CASH &amp; BANK BALANCES</b>		
<b>a) Cash &amp; Cash Equivalents</b>		
Cash in hand	84.07	128.18
<b>Balances with Bank</b>		
- On Current Accounts	7419.02	9665.53
- On Cash Credits Accounts	411.80	2286.58
- On Fixed Deposits Accounts	4522.27	2489.76
	<u>12437.16</u>	<u>14570.05</u>
<b>b) Remittance in Transit</b>	1765.24	-
<b>c) Other Bank Balances</b>		
- On Fixed Deposits Accounts*	744.34	908.36
- On Fixed Deposits Accounts a period for more than 12 Months*	124.67	2.92
- On Unclaimed Dividend Account	145.89	134.04
- In Margin Money Accounts	1004.78	1192.74
<b>TOTAL :</b>	<u>2019.68</u>	<u>2238.06</u>
	<u>16222.08</u>	<u>16808.11</u>

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

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	<b>As At</b>	<b>(Rs. in Lacs)</b>	
	<b>31.03.2013</b>	<b>As At</b>	<b>31.03.2012</b>
<b>21. SHORT-TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good)			
Advances recoverable in cash or in kind or for value to be received	<b>33261.53</b>		30659.83
Advances to Related Parties	<b>17.77</b>		20.99
Balances with Excise Authorities	<b>2791.23</b>		2769.64
Loans to Employees and others	<b>5.72</b>		2.13
Loans to Bodies Corporate	<b>6145.00</b>		9070.00
<b>TOTAL :</b>	<b>42221.25</b>		<b>42522.59</b>
<b>22. OTHER CURRENT ASSETS</b>			
Interest accrued on :			
- Loans to Others	<b>948.86</b>		291.25
- Deposits with Banks	<b>30.44</b>		50.00
Other Receivables	<b>1137.46</b>		976.26
<b>TOTAL :</b>	<b>2116.76</b>		<b>1317.51</b>
		<b>(Rs. in Lacs)</b>	
	<b>For the Year Ended</b>	<b>For the Year Ended</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>	
<b>23. REVENUE FROM OPERATIONS</b>			
<b>A. i) REVENUE FROM SALE OF PRODUCTS</b>			
Gross Sales	<b>552352.07</b>		496389.34
Less : Inter Unit Sales	<b>30716.36</b>		32259.67
	<b>521635.71</b>		464129.67
Less : Excise Duty / Cess	<b>29549.13</b>	<b>492086.58</b>	26351.50
			437778.17
<b>ii) REVENUE FROM SALE OF SERVICES</b>			
Gross Job work	<b>7662.81</b>		4426.22
Less : Inter Unit Job Work	<b>3934.19</b>		3414.02
	<b>3728.62</b>		1012.20
Less : Excise Duty / Service Tax / Cess	<b>171.89</b>	<b>3556.73</b>	79.44
<b>TOTAL (A) :</b>	<b>495643.31</b>		<b>932.76</b>
			438710.93
<b>B. OTHER OPERATING REVENUES</b>			
Scrap Sales	<b>3682.17</b>		4558.20
Less : Excise Duty / Cess	<b>207.92</b>		226.28
	<b>3474.25</b>		4331.92
Packing, Forwarding and Insurance Recoveries	<b>365.60</b>		433.01
Exchange Rate Fluctuation (Net)	-		1702.76
Export Incentive	<b>4924.22</b>		2416.09
Excise Duty Refund	<b>999.50</b>		845.79
Miscellaneous Operating Income	<b>277.75</b>		294.52
Licence fees	<b>24.00</b>		105.00
Technical & Support Fees	<b>10399.19</b>		2744.21
<b>TOTAL (B) :</b>	<b>20464.51</b>		<b>12873.30</b>
<b>TOTAL (A+B):</b>	<b>516107.82</b>		<b>451584.23</b>

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

	(Rs. in Lacs)	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<b>24. OTHER INCOME</b>		
Rent Received	204.01	181.25
<b>Profit on sale of Investments (Net)</b>		
- Non Current Investments	17.27	76.20
- Current Investments	3.01	146.00
Profit on sale of assets (Net)	1.34	-
Miscellaneous Income	399.68	101.62
<b>Interest :</b>		
- from Banks	343.94	1157.02
- from Others	903.92	801.26
<b>Investment Income:</b>		
- Dividend received on Non-Trade Investments	34.75	50.82
<b>TOTAL :</b>	<u>1907.92</u>	<u>2514.17</u>
<b>25. COST OF MATERIALS CONSUMED</b>		
Opening Stock	19216.19	15594.08
Add : Purchases	328467.95	301495.79
	<u>347684.14</u>	<u>317089.87</u>
Less : Inter Unit Purchases	31377.55	32970.52
	<u>316306.59</u>	<u>284119.35</u>
Less : Closing Stock	17477.24	19216.19
<b>TOTAL :</b>	<u>298829.35</u>	<u>264903.16</u>
<b>26. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Closing Stock :</b>		
Stock - in - Trade	35.17	20.21
Finished Goods	13263.45	11064.28
Work-in-Progress	<u>12932.25</u>	<u>9950.03</u>
	<u>26230.87</u>	21034.52
<b>Less : Opening Stock :</b>		
Stock - in - Trade	20.21	44.44
Finished Goods	11064.28	9842.61
Work-in-Progress	<u>9950.03</u>	<u>8567.38</u>
	<u>21034.52</u>	18454.43
<b>TOTAL :</b>	<u>5196.35</u>	<u>2580.09</u>
<b>27. EMPLOYEES BENEFIT EXPENSES</b>		
Salaries,Wages,Bonus,Benefits and Amenities	25500.50	20576.64
Contribution to Provident Fund and Other Funds	1330.97	1059.65
Employees Welfare Expenses	933.57	877.06
<b>TOTAL :</b>	<u>27765.04</u>	<u>22513.35</u>
<b>28. FINANCE COSTS</b>		
Interest		
- On Loans for Fixed Period	14741.94	13127.55
- On Other Loans / Liabilities	4988.52	3518.11
- On Shortfall in payment of Advance Tax	106.00	483.83
	<u>19836.46</u>	<u>17129.49</u>
Excess Provision of interest on Income Tax for earlier years	(26.33)	-
Discounting & Financial Charges	3159.17	2795.82
<b>TOTAL :</b>	<u>22969.30</u>	<u>19925.31</u>

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	For the Year Ended 31.03.2013	(Rs. in Lacs) For the Year Ended 31.03.2012
<b>29. OTHER EXPENSES</b>		
<b>A. OTHER MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	30221.35	22600.78
Repair & Maintenance-Machinery	4703.55	4578.44
Stores Consumed	4520.47	4108.87
Tools, Jigs & Dies	315.71	292.40
Packing Material Consumed	13153.59	9924.30
Cylinders / Processing Charges for Cylinders	1120.59	924.78
Less : Inter Unit Charges	851.23	586.98
	<u>269.36</u>	337.80
Design & Development Charges	9.50	13.29
Excise Duty	46.57	(9.13)
Job Work Charges	1384.09	1872.47
Royalty Expenses	565.00	-
Other Direct Charges	219.74	229.02
R & D Charges	42.87	43.67
<b>TOTAL (A) :</b>	<u>55451.80</u>	<u>43991.91</u>
<b>B. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	1459.30	1478.05
Rates & Taxes	248.76	384.74
Insurance charges	1253.74	698.20
Electricity & Water charges	334.08	350.99
Printing & Stationery	230.46	208.35
Postage,Telegram,Telephone & Fax Expenses	1242.46	1094.54
Vehicle Running & Maintenance Expenses	491.52	399.52
Lease Rent -Vehicles	506.10	400.76
Conveyance & Travelling Expenses	3645.01	3118.75
Repair & Maintenance :		
- Building	462.03	460.46
- Others	1967.05	1576.88
Legal & Professional Charges	2285.58	1575.87
Directors' sitting fees	9.02	7.00
General Expenses	2158.33	1910.38
Commission on Sales	1426.83	1446.39
Advertisement & Publicity	744.86	319.34
Entertainment Expenses	649.47	538.34
Charity & Donation	121.15	87.41
Rebate & Discount	2373.41	2224.51
Freight & Forwarding charges	19149.73	14572.57
Fixed Assets Written -off	3.20	2.61



**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	<b>For the Year Ended 31.03.2013</b>	<b>(Rs. in Lacs) For the Year Ended 31.03.2012</b>
Loss on assets sold (Net)	-	631.54
Exchange Rate Fluctuations (Net)	<b>3985.87</b>	-
Provision for Doubtful Debts Written Back	<b>(1190.17)</b>	(1026.07)
Bad & Doubtful Debts (Provision)	<b>1068.45</b>	638.06
Sundry balances written-off (Net)	<b>1279.18</b>	(899.81)
Claim (Exports)	<b>388.80</b>	35.10
Marketing Expenses	<b>97.47</b>	105.37
<b>TOTAL (B) :</b>	<b>46391.69</b>	32339.85
<b>TOTAL :</b>	<b>101843.49</b>	76331.76
<b>30. EXPENSES ALLOCATED TO SELF CONSTRUCTED ASSETS</b>		
Cost of Material Consumed	<b>1954.92</b>	1635.19
Employee Benefits Expense	<b>476.79</b>	634.74
Finance Costs	<b>5.03</b>	11.38
Depreciation and amortisation expense	<b>194.93</b>	167.07
Other Expenses	<b>566.44</b>	745.19
<b>TOTAL :</b>	<b>3198.11</b>	3193.57
		<b>(Rs. in Lacs)</b>
	<b>As At 31.03.2013</b>	<b>As At 31.03.2012</b>
<b>31. A Contingent liabilities not provided for in respect of :</b>		
i) Guarantees issued by Banks	<b>1340.38</b>	938.76
ii) Import duty obligations on outstanding export commitment under Advance Licence / EPCG Schemes	<b>2854.16</b>	5970.34
iii) Letters of Credit (Unexpired) issued by Banks (Net of Margin)	<b>15210.08</b>	16112.15
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>6384.20</b>	5370.58
v) Additional demands raised by the Income Tax Department, which are under rectification & appeal	<b>492.57</b>	371.35
vi) Additional demands raised by the Sales Tax Department, which are under rectification & appeal	<b>204.63</b>	377.72
vii) Demand raised by PF authority for alleged lower contribution of PF and are 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>9.77</b>	13.60
ix) Claims against the Company/disputed liabilities not acknowledged as debt.	<b>419.67</b>	452.05
<b>B The share in the aggregate contingent liability of the Associate</b>	<b>172.72</b>	111.50

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	As At 31.03.2013	As At 31.03.2012
<b>32. Capital Commitments :</b>		
a) The estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for :	<b>9803.69</b>	40479.97
b) The share in the aggregate capital commitments of the Associate	<b>265.91</b>	11.50
<b>33.</b>		
a) Rupees have been rounded off to the nearest thousand.		
b) Previous Year figures have been recasted / regrouped/ reclassified, wherever considered necessary.		
c) The results for the current year are not strictly comparable with that of the previous year as the current year figures includes the results of the following additional Foreign company in which interest was acquired during the year.		

Name of the Company	Nature of Relationship	% of ownership Interest
Flex P Films (Brasil) Comercio De Films Plasticos Ltda.	Subsidiary	100%

**34. EARNING PER SHARE**

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

	Current Year	Previous Year
(A) Profit for the year, after Adjustments, before exceptional items (viz. Numerator) (Rs. in Lacs)		
a) Basic Earning	<b>19036.87</b>	25501.94
Add : Interest on FCCB (Net of Tax)	-	131.55
b) Diluted Earning	<b>19036.87</b>	25633.49
(B) (i) Opening Balance of Equity Shares	<b>72211486</b>	72180775
Add / (Less) :		
Weighted Average Factor of FCCB's converted into Equity shares	-	24921
Weighted Average Number of Equity Shares (viz. denominator) for Basic Earning Per Share	<b>72211486</b>	72205696
(ii) Opening Balance of Equity Shares	<b>72211486</b>	72180775
Add / (Less) :		
Weighted Average Factor of outstanding FCCB's	-	2676711
Weighted Average Factor of outstanding Equity Warrants	<b>1506849</b>	10000000
Weighted Average Factor of FCCB's converted into Equity shares	-	24921
Weighted Average Number of Equity Shares (viz. denominator) for Diluted Earning Per Share	<b>73718335</b>	84882407
(C) Nominal Value Per Share	<b>Rs. 10/-</b>	Rs. 10/-
(D) <b>Earning Per Share</b>		
(a) Basic (A(a)/B(i)) (Rs.)	<b>26.36</b>	35.32
(b) Diluted (A(b)/B(ii)) (Rs.)	<b>25.82</b>	30.20

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**
**35. ADDITIONAL DISCLOSURE FOR JOINT VENTURE**

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

	(Rs. in Lacs)			
	Current Year		Previous Year	
	(2110.26)		(1851.35)	
Reserve & Surplus				
<b>Fixed Assets</b>				
Tangible	1470.37		2179.68	
Intangible	42.34	1512.71	60.15	2239.83
<b>Current Assets, Loans and Advances</b>				
Long Term Loans and Advances	149.80		113.87	
Inventories	35.17		20.21	
Sundry Debtors	497.47		372.24	
Cash & Bank Balances	417.16		116.98	
Loans & Advances	197.76	1297.36	67.38	690.68
<b>Current Liabilities &amp; Provisions</b>				
Current Liabilities	579.72	579.72	441.27	441.27
Total Income		3500.89		2537.76
Total Expenses		3578.63		2878.96

36. 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.12- "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.

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

(a) List of Related Parties:

i) **Associate** : Flex Foods Limited

ii) **Key Management Personnel & their relatives (also exercising significant influence over the Company)** : Mr. Ashok Chaturvedi, Chairman & Managing Director, Mr. S.K. Kaushik, 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 UTech Developers Limited).

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

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 (P) Ltd., Anant Overseas (P) Ltd., Apoorva Extrusion (P) Ltd., Anshikha 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. and Saga Realtors (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)

	<b>Transactions</b>	<b>Associates</b>	<b>Key Management Personnel</b>	<b>Enterprises as referred to in 'a (iii)' above</b>	<b>Total</b>
<b>i)</b>	<b>Trade Transactions</b>				
	Sale of Goods/Services (Net)	<b>18.13</b>	-	<b>2775.76</b>	<b>2793.89</b>
		15.71	-	3628.26	3643.97
	Purchase of Goods/Services (Net )	-	-	<b>16817.91</b>	<b>16817.91</b>
		-	-	16310.39	16310.39
	Patent	-	-	-	-
		-	500.00	-	500.00
	Lease Charges Received	-	-	<b>210.00</b>	<b>210.00</b>
		-	-	71.16	71.16
	Rent Received	-	<b>36.00</b>	<b>4.08</b>	<b>40.08</b>
		-	30.00	4.08	34.08
	Rent Paid	-	<b>207.00</b>	<b>123.60</b>	<b>330.60</b>
		-	207.00	123.60	330.60
	Royalty Expenses	-	<b>565.00</b>	-	<b>565.00</b>
		-	-	-	-
	Interest Paid on Loans	-	-	<b>155.00</b>	<b>155.00</b>
		-	-	0.77	0.77
	Dividend Income	<b>117.40</b>	-	-	<b>117.40</b>
		117.40	-	-	117.40
	Consultancy Charges	-	<b>129.70</b>	-	<b>129.70</b>
		-	114.12	-	114.12
	Remuneration	-	<b>1056.07</b>	-	<b>1056.07</b>
		-	890.94	-	890.94

**NOTES TO ACCOUNT FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	Transactions	Associates	Key Management Personnel	Enterprises as referred to in 'a (iii)' above	Total
ii)	<b>Non Trade Transactions</b>				
	Loan Taken	-	-	<b>8064.00</b>	<b>8064.00</b>
		-	-	250.00	250.00
	Repayment of Loan Taken	-	-	<b>8060.00</b>	<b>8060.00</b>
		-	-	250.00	250.00
	Forfeiture of amount received on allotment of warrants	-	<b>2250.00</b>	<b>5250.00</b>	<b>7500.0</b>
		-	-	-	-
	<b>Total</b>	<b>135.53</b>	<b>4243.77</b>	<b>41460.35</b>	<b>45839.65</b>
		133.11	1742.06	20638.26	22513.43
	<b>Balance as on 31.03.2013</b>				
	Debit	<b>1.68</b>	-	<b>853.08</b>	<b>854.76</b>
		4.90	-	520.71	525.61
	Credit	-	<b>168.05</b>	<b>6142.66</b>	<b>6310.71</b>
		-	503.98	5769.59	6273.57

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 37

For and on behalf of the Board of Directors

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

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

**Ashok Chaturvedi**  
Chairman & Managing 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, 2013

**S.V. Sehgal**  
Partner

**DETAILS OF SUBSIDIARY COMPANIES**

Name of the Subsidiary Company	Value	Capital (Note No. 1)	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision For Taxation	Profit after Tax
Flex America Inc.	USD MN	0.10	1.49	15.27	13.68	-	97.04	0.20	0.08	0.12
	Rs in Lac	53.97	804.15	8,241.22	7,383.10	-	52,372.49	107.94	43.18	64.76
UFlex Packaging Inc.	USD MN	3.68	(4.18)	11.64	12.14	-	8.39	0.62	-	0.62
	Rs in Lac	1,986.10	(2,255.95)	6,282.11	6,551.96	-	4,528.08	334.61	-	334.61
TFlex Americas LLC.*	USD MN	-	-	-	-	-	0.20	(0.34)	-	(0.34)
	Rs in Lac	-	-	-	-	-	107.94	(183.50)	-	(183.50)
UFlex Europe Ltd.	GBP MN	0.99	(1.82)	3.89	4.72	-	6.48	(0.42)	-	(0.42)
	Rs in Lac	808.43	(1,486.21)	3,176.57	3,854.35	-	5,291.57	(342.97)	-	(342.97)
Flex Middle East FZE	USD MN	29.16	159.62	238.60	49.82	80.69	115.77	11.27	-	11.27
	Rs in Lac	15,737.65	86,146.91	128,772.42	26,887.86	43,548.39	62,481.07	6,082.42	-	6,082.42
Flex P. Films (Egypt) S.A.E.	USD MN	47.91	6.06	83.39	29.42	-	116.57	7.41	1.72	5.69
	Rs in Lac	25,857.03	3,270.58	45,005.58	15,877.97	-	62,912.83	3,999.18	928.28	3,070.90
Flex Films Europa Sp z o.o.	PLN MN	101.47	(5.40)	274.84	178.77	-	147.24	(2.65)	-	(2.65)
	Rs in Lac	17,046.96	(907.20)	46,173.12	30,033.36	-	24,736.32	(445.20)	-	(445.20)
UPET Holdings Limited	USD MN	38.40	(0.08)	38.33	0.01	38.20	-	(0.01)	-	(0.01)
	Rs in Lac	20,724.48	(43.18)	20,686.70	5.40	20,616.54	-	(5.40)	-	(5.40)
UPET (Singapore) Pte Ltd.	USD MN	38.20	(0.02)	38.18	(0.00)	38.05	-	-	-	-
	Rs in Lac	20,616.54	(10.79)	20,605.75	(0.00)	20,535.59	-	-	-	-
Flex Americas S.A. de C.V.	MXN MN	419.21	200.04	1,649.47	1,030.22	-	1,632.99	(195.19)	(54.67)	(140.52)
	Rs in Lac	18,319.48	8,741.75	72,081.84	45,020.61	-	71,361.66	(8,529.80)	(2,389.08)	(6,140.72)
Flex Films (USA) Inc.	USD MN	32.00	(1.28)	80.91	50.19	-	4.16	(1.85)	(0.74)	(1.11)
	Rs in Lac	17,270.40	(690.82)	43,667.13	27,087.55	-	2,245.15	(998.45)	(399.38)	(599.07)
Flex P Films (Brasil) Comercio De Films Plasticos Ltda.	BLR MN	0.80	-	0.80	-	-	-	-	-	-
	Rs in Lac	214.40	-	214.40	-	-	-	-	-	-
UTech Developers Ltd.	Rs in Lac	10,000.00	1,177.37	26,163.93	14,986.56	6,373.15	40.50	(51.42)	(2.21)	(49.21)
	Rs in Lac	1.00	(38.56)	3,249.54	3,287.10	-	7.69	(42.49)	(0.03)	(42.46)

1. Including Share Application Money, if any.
2. Following Rates are used for conversion of the Amount:
  - a. 1 USD Equivalent to Rs. 53.97
  - b. 1 GBP Equivalent to Rs.81.66
  - c. 1 MXP Equivalent to Rs.4.37
  - d. 1 PLN Equivalent to Rs.16.80
  - e. 1 BLR Equivalent to Rs.26.80

\* Merged with UFlex Packaging Inc.w.e.f.31st March,2013.



# UFLEX LIMITED

Regd. Office :

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

DP ID*	
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Client ID*	
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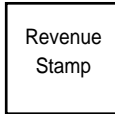
## PROXY FORM

Proxy No. : .....

Regd. Folio No. .... No. of shares held ..... I/We .....  
of ..... in the district  
of ..... being a Member/Members of the above named  
Company hereby appoint .....  
of ..... in the district of  
..... or failing him/her ..... of ..... in  
the district of ..... as my/our proxy to vote for me/us on my/our behalf at the 24<sup>th</sup> Annual General  
Meeting of the Company to be held on **Saturday, the 7<sup>th</sup> day of September, 2013 at 10:00 A.M.** at Air Force Auditorium, Subroto Park,  
New Delhi - 110010 and at any adjournment thereof.

Signed this ..... day of ..... 2013.

Signature .....



.....

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

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



# UFLEX LIMITED

Regd. Office :

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

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

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

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company being held at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on **Saturday, the 7<sup>th</sup> day of September, 2013 at 10:00 A.M.**

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

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


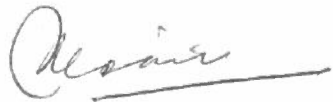
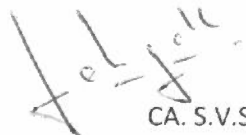

**\*Applicable for investors holding shares in electronic form**





## FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company	UFLEX Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	NIL
5	To be signed by :	
	<ul style="list-style-type: none"> <li>• CEO/Managing Director</li> </ul>	 <b>ASHOK CHATURVEDI</b>
	<ul style="list-style-type: none"> <li>• CFO</li> </ul>	 <b>R.K. JAIN</b>
	<ul style="list-style-type: none"> <li>• Auditor of the Company</li> </ul>	<p>For VIJAY SEHGAL &amp; CO., Chartered Accountants Firm's Regn. No.: 000374N</p>  <b>CA. S.V. SEHGAL</b> Partner Membership No. 080329
	<ul style="list-style-type: none"> <li>• Audit Committee Chairman</li> </ul>	 <b>(RAVI KATHPALIA)</b>