

DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure of presenting 32nd Annual Report together with the Standalone & Consolidated Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS

The summarized financial results for the year ended 31st March, 2021 and for the previous year ended 31st March, 2020 are as follows:

[Rs. in Crores]

	Consolidated Year Ended		Standalone Year Ended	
	2021	2020	2021	2020
Revenue from Operations	8890.76	7404.84	4635.07	4069.71
Other Income	22.80	28.46	20.34	82.65
Share in Profit of Associates for the Year	5.66	3.20	--	--
Share in (Loss) of Joint Venture for the Year	(4.35)	(4.88)	--	--
Total Income	8914.87	7431.62	4655.41	4152.36
Profit before Finance Cost, Depreciation & Tax	1826.99	1108.84	766.02	616.42
Finance Cost	229.07	224.79	152.28	172.89
Depreciation	455.73	403.19	259.65	261.36
Profit before Tax	1142.19	480.85	354.09	182.17
Less: Tax Expenses	298.51	109.98	123.65	38.90
Profit for the year before Minority Interest	843.68	370.87	230.44	143.27
Non Controlling Interest	(0.78)	(1.06)	--	--
Profit for the year	842.90	369.82	230.44	143.27
Total Other Comprehensive Income for the Year	30.28	38.53	0.76	(12.07)
Total Comprehensive Income for the Year	873.18	408.35	231.20	131.20

During the year under review, your Company has achieved consolidated total income and net profit of Rs. 8914.87 crore and Rs. 842.90 crore respectively as against total income and net profit of Rs. 7431.62 crore and Rs. 369.82 crore respectively during the previous financial year ended 31stMarch, 2020.

Further, your Company has achieved standalone total income of Rs. 4655.41 and net profit of Rs 230.44 crore as against total income of Rs. 4152.36 crore and net profit of Rs. 143.27 crore during the previous financial year ended 31stMarch, 2020.

The Details of financial performance of all subsidiaries and associates are contained in Note No.46 of the Notes to Accounts to the Consolidated Financial Statements.

The outbreak of coronavirus disease 2019 (COVID-19) has created an unprecedented global health crisis that has a deep impact on the businesses and economy. Uflex operates in multiple countries across the globe – both in terms of its manufacturing operations and the markets for its products and all these countries had imposed lockdowns of varying types aimed at containing the spread of the virus. Given that Uflex business is manufacturing of Flexible Packaging Films and Flexible Packaging, which is predominantly used in food and Pharma packaging, all out efforts were made by all countries to ensure the adequate supply of food and medicines to the public, which was made possible only due to seamless continued operations of packaging industry. While Uflex did face initial administrative and supply chain challenges in some countries during initial lockdown period, but there was no impact on its overall production and sales volumes during the period. Though the business is not likely to be impacted yet, uncertainties in the future due to underlying developments w.r.t COVID -19, are difficult to predict.

TRANSFER OF UNCLAIMED DIVIDEND TO AUTHORITY

An amount of Rs.15,85,605.60/- (Rupees Fifteen Lac Eighty Five Thousand Six Hundred Five and Paise Sixty Only) was transferred to Investor Education and Protection Fund (IEPF) during the year under review.

TRANSFER OF UNCLAIMED SHARES TO AUTHORITY

As per the Provision of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has transferred 24,982 (Twenty Four Thousand Nine Hundred Eighty Two only) Equity Shares on which Dividend was not paid/claimed for more than seven years, to the Investor Education and Protection Fund (IEPF) during the year under review.

DIVIDEND

Your Directors are pleased to recommend a dividend @ Rs. 2.50 per share for the financial year ended 31st March 2021 after considering future needs of the company for growth.

The dividend, if approved at the forthcoming Annual General Meeting will be paid to Members whose names appear in the Register of Members as on 10th September, 2021. In respect of shares held in dematerialized form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner.

CHANGE IN NATURE OF BUSINESS

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

SHARE CAPITAL

The paid-up equity share capital outstanding as on 31st March, 2021 was Rs. 72.21 Crore. During the year under review, the Company has neither issued Shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

As on 31st March, 2021 none of the Directors of the Company held any Equity Shares except Shri Ashok Chaturvedi, Chairman & Managing Director, who held 5,02,533 Equity Shares of the Company.

FIXED DEPOSITS

The company neither had any fixed deposits outstanding as on 31st March 2021 nor fresh/renewal of deposits were accepted during the financial year 2020-2021. There were no unclaimed deposits as on 31st March 2021.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

None of the directors of the company are disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, Shri Amitava Ray (DIN: 00184143), ceased to be the Whole-time Director of the Company w.e.f. close of business hours of 1st February, 2021 The Board of Directors placed on record their appreciations for the valuable contribution made by Shri Amitava Ray (DIN: 00184143) as the Whole-time-Director of the Company and Shri Jagmohan Mongia (DIN: 09051022) has been appointed as an Additional & Whole-time Director on the Board of the Company w.e.f. 11th February, 2021. Your Directors welcome Shri Jagmohan Mongia (DIN: 09051022) on the Board of the Company.

Further the IFCI Limited had withdrawn the nomination of Shri Anish Babu Venugopal (DIN: 02830575) as nominee of IFCI Limited and nominated Shri Alok Sabharwal (DIN:02144568) as new nominee Director w.e.f. 2nd December, 2020. The Board of Directors placed on record their appreciations for the valuable contribution made by Shri Anish Babu Venugopal (DIN: 02830575). Further, your Directors welcome Shri Alok Sabharwal (DIN:02144568) on the Board of the Company.

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

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of representations received from the Executives of the Company, subject to disclosures in the Annual Accounts and also on the basis of the discussion

with the Statutory Auditors/Internal Auditors of the Company from time to time, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the Profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

STATUTORY AUDIT & AUDITORS

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

The Report given by M/s. KAAP & Associates, Chartered Accountants (Firm Registration No. 019416N), Statutory Auditors on the financial statement of the Company for the year 2020-21 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

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

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2021 are self-explanatory and therefore, do not call for any further comments.

COST AUDITORS

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are made and records maintained every year.

The Board of Directors of your Company has re-appointed M/s. Jitender, Navneet & Co., Delhi, Cost Accountants (Firm Registration No.00119) as Cost Auditors of the Company for the financial year 2021-2022.

SECRETARIAL AUDITORS

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

SUBSIDIARY COMPANIES

Flex Middle East FZE, UAE, UFlex Europe Limited, UK, UFlex Packaging Inc., USA, UPET Holdings Limited, Mauritius, LLC Flex Chemicals Private Limited, Russia, and USC Holograms Pvt. Ltd., India are Subsidiary Companies u/s 2(87) of the Companies Act, 2013.

Further, Flex Americas S.A. De C.V., Mexico, Flex P. Films (Egypt) S.A.E, Arab Republic of Egypt, Flex Films (USA) Inc., USA, Flex Films Europa Sp. Zo.o., Poland, UPET (Singapore) Pte. Limited, Singapore, Flex Films Africa Private Limited, Nigeria, Flex Films Rus, LLC, Russia and Flex Films Europa Korlatolt Feleossegu Tarsasag, Hungary are step-down subsidiaries of the Company. Digicyl Pte. Limited, Singapore and Digicyl Limited, Israel are JV of the Company.

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given at note No. 46 of the Consolidated Financial Statements in Form AOC-1 and thus forms an integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises Smt. Indu Liberhan (DIN: 03341420), Chairperson; Shri Achintya Karati (DIN: 00024412), Member and Shri Jagmohan Mongia (DIN: 09051022) (w.e.f. 11th February, 2021), Member. Shri Amitava Ray (DIN: 00184143) ceased to be Member of the Committee w.e.f. close of business hours of 1st February, 2021. The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.uflexltd.com/pdf/Policies/UFLEX-CSR-Policy.PDF>

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

Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of the society and environment. During the Financial Year 2020-2021, the Company was to undertake CSR Activities of an amount of Rs. 212.75 Lacs based on the average profits of the three preceding financial years. However, the Company spent Rs. 217.99 Lacs upto 31st March, 2021.

CORPORATE GOVERNANCE

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

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

DISCLOSURE UNDER COMPANIES ACT, 2013

(i) Annual Return

The Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at <https://www.uflexltd.com/pdf/Extract-Annual-Return/UFLEX-Annual-Return-2020-2021.pdf>

(ii) Meetings

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

(iii) Composition of Audit Committee

The Board has constituted an Audit Committee, which comprises Smt. Indu Liberhan (DIN:03341420) as the Chairperson and Shri Achintya Karati (DIN: 00024412); Shri Tara Sankar Bhattacharya (DIN: 00157305), Shri Pradeep Narendra Poddar (DIN: 00025199) and Shri Jagmohan Mongia (DIN: 09051022) as the Members. Shri Amitava Ray (DIN :00184143) ceased to be Member of Audit Committee w.e.f. closing business hours of 1st February, 2021. More details about the Committee are given in the Corporate Governance Report appended hereto.

(iv) Related Party Transactions

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

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

(v) Particulars of Loans, Guarantees and Investments

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

(vi) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

(vii) There was no instance of one time settlement with any Bank or Financial Institution.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL FINANCIAL CONTROLS

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

BOARD EVALUATION

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

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

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaints were received from any employee during the financial year 2020-2021 and hence no complaint is outstanding as on 31st March, 2021 for redressal.

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

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2021 and the date of this report affecting financial position of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

RISK MANAGEMENT

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

In respect of the Risk Associated at Transactional Level, the company has appropriate control mechanism and

operating effectiveness of the Internal Financial Controls and Legal Compliance System. The company has created appropriate structures with proper delegation of duties and responsibilities of employees at each level on enterprise basis for compliances thereof.

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

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

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

POLICY ON REMUNERATION

The Company has in place Nomination and Remuneration Policy for Directors, Key Management Personnel and Senior Management Personnel. The said Policy is available at www.uflexltd.com (weblink <https://www.uflexltd.com/pdf/Policies/Uflex-Nomination-Remuneration-Policy.pdf>).

PARTICULARS OF EMPLOYEES

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

BUSINESS RESPONSIBILITY REPORT

UFLEX's approach to business is Creating Shared Value as used by your Company and it is about the impact of the business and engagement through it. Your Company is mindful of the needs of the communities and works to

make a positive difference and create maximum value for the society. It has been conducting business in a way that delivers long-term shareholder value and benefits society. As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached in the format prescribed as **ANNEXURE – 'G'** and forms integral part of the Annual Report.

AWARDS

Details of Awards and Accolades conferred by reputable organizations/ bodies based out of India and Overseas for excellence received by your Company & its subsidiaries are mentioned in Management and Discussion and Analysis section of the Annual Report and some of these awards & accolades includes:

- UFlex won Packaging Gateway Excellence Awards 2020 in the category 'Environmental Impact' for driving the circular economy with its path-breaking technology to recycle MLP packaging homogeneously.
- AIMCAL 2020 Awards for 'Product Excellence' was presented to FLEXITUBES for *Clariss Organic Face Wash*.
- AIMCAL 2020 Awards for 'Technical Excellence' to UFlex 4D Bags with handle for *Royal Gold & Rice King*.
- ASEPTO, the Aseptic Liquid Packaging Business of UFlex was awarded with 'The Most Admired Brand of 2020' title by White Page International. Its President & CEO Ashwani Sharma was honoured as one of the 'Inspirational Leaders of India 2020' by them.

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

PERSONNEL

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

ACKNOWLEDGEMENT

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

For & On behalf of the Board

Ashok Chaturvedi

Place : NOIDA
Dated : 29th June 2021

Chairman & Managing Director
(DIN 00023452)