FLEX MIDDLE EAST FZE

Wholly Owned Subsidiary Company of
UFlex Limited

FINANCIAL STATEMENTS
2016 - 2017

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DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 2017.

Results and appropriations

The financial statements set out in page 4 to 25 are drawn up so as to give a true and fair view of the financial position of the establishment as at 31 March 2017 and the financial performance, changes in equity and cash flows of the establishment for the year ended on that date in accordance with the provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016 and International Financial Reporting Standards.

At the date of the statement, there are reasonable grounds to believe that the establishment will be able to pay its debts as and when they fall due.

Review of the business

The establishment has carried out the activity of manufacturing and trading of plastic films, rendering related consultancy and technical services during the year.

Events since the end of the year

There were no important events which have occurred since the year-end that materially affect the establishment.

Directors

The directors who served during the year were as under:

Ashok Chaturvedi

Anant Shree Chaturvedi

Sundeep Saksena

Shareholder and its interest

The shareholder at 31 March 2017 and its interest as at that date in the share capital of the establishment was as under:

	Country of incorporation	No. of shares	AED	USD
UFLEX Limited	India	**107**	**107,000,000**	**29,155,313**

Auditors

A resolution to re-appoint the auditors and fix their remuneration will be put to the board at the annual general meeting.

On behalf of the board:

Anant Shree Chaturvedi
DIRECTOR

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF FLEX MIDDLE EAST FZE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **FLEX MIDDLE EAST FZE** (the "establishment"), which comprise the statement of financial position as at 31 March 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of **FLEX MIDDLE EAST FZE** as at 31 March 2017, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates and in accordance with the applicable provisions of Jebel Ali Free Zone Companies Implementing Regulations 2016, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to note 8 to the financial statements, regarding accounting of internally generated intangible assets which is not evaluated by a third party.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the applicable provisions of Jebel Ali Free Zone Companies Implementing Regulations 2016, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the establishment's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the establishment's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the establishment's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, the establishment has maintained proper books of account, the inventory count was properly conducted and these financial statements are in agreement with the books of account. We have obtained all the information considered necessary for our audit. To the best of our knowledge and belief no violations of the Jebel Ali Free Zone Companies Implementing Regulations 2016 or the articles of association have occurred during the year, which would have had a material effect on the business of the establishment or on its financial position.

C.D. Shah
Partner
Registration No. 677
Shah & Alshamali Associates Chartered Accountants

15 May 2017
Dubai

STATEMENT OF FINANCIAL POSITION 31 MARCH 2017

	Notes	2017 US $	2016 US $
ASSETS			
Non-current assets			
Property, plant and equipment	5	**45,364,997**	47,490,523
Investments	6	**133,415,990**	133,415,990
Other financial assets	7	**305,177**	326,975
Intangible assets	8	**2,842,071**	3,637
		181,928,235	181,237,125
Current assets			
Inventories	9	**8,725,310**	5,491,871
Trade and other receivables	10 & 25	**56,916,358**	63,163,081
Prepayments		**233,659**	218,144
Cash and bank balances	11	**6,876,996**	5,509,190
		72,752,323	74,382,286
Total assets		**254,680,558**	255,619,411
EQUITY AND LIABILITIES			
Capital and reserves			
Shareholder's funds			
Share capital	12	**29,155,313**	29,155,313
Retained earnings		**186,199,861**	181,721,139
Total shareholder's funds		**215,355,174**	210,876,452
Non-current liabilities			
Bank borrowings – long term	13 & 14	**6,000,000**	14,000,000
Provision for staff end of service gratuity		**1,152,089**	740,577
		7,152,089	14,740,577
Current liabilities			
Bank borrowings – short term	13 & 14	**13,740,873**	16,178,353
Unsecured loan		**-**	3,201,635
Trade and other payables	15 & 25	**18,432,422**	10,622,394
		32,173,295	30,002,382
Total liabilities		**39,325,384**	44,742,959
Total equity and liabilities		**254,680,558**	255,619,411

The notes on pages 8 to 25 form an integral part of these financial statements.

Ganesh Kumar	Debanjan Pati	Anant Shree Chaturvedi
AGM (FINANCE & ACCOUNTS)	**BUSINESS HEAD**	**DIRECTOR**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 US $	2016 US $
Revenue			
Sales and service income		**75,350,601**	68,234,078
Dividend income from a subsidiary		**2,395,706**	2,395,706
Other income	16	**281,452**	134,276
Total revenue		**78,027,759**	70,764,060
Expenditure			
Cost of materials	17	**(43,906,823)**	(40,609,213)
Other manufacturing expenses	18	**(14,756,750)**	(13,342,558)
Payroll and related expenses		**(5,159,250)**	(4,141,460)
Administrative and selling expenses	19	**(7,357,545)**	(6,773,885)
Loss on sale of property, plant and equipment		**(9,799)**	-
Finance costs	20	**(2,358,870)**	(2,664,438)
Total expenditure		**(73,549,037)**	(67,531,554)
Profit for the year		**4,478,722**	3,232,506
Other comprehensive income/(loss)		**-**	-
Total comprehensive income for the year		**4,478,722**	3,232,506

The notes on pages 8 to 25 form an integral part of these financial statements.

Ganesh Kumar	Debanjan Pati	Anant Shree Chaturvedi
AGM (FINANCE & ACCOUNTS)	**BUSINESS HEAD**	**DIRECTOR**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital US $	Retained earnings US $	Total US $
As at 31 March 2015	**29,155,313**	**178,488,633**	**207,643,946**
Profit for the year	-	3,232,506	3,232,506
As at 31 March 2016	**29,155,313**	**181,721,139**	**210,876,452**
Profit for the year	-	4,478,722	4,478,722
As at 31 March 2017	**29,155,313**	**186,199,861**	**215,355,174**

The notes on pages 8 to 25 form an integral part of these financial statements.

Ganesh Kumar
AGM (FINANCE & ACCOUNTS)

Debanjan Pati
BUSINESS HEAD

Anant Shree Chaturvedi
DIRECTOR

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 US $	2016 US $
Cash flows from operating activities			
Profit for the year		**4,478,722**	3,232,506
Adjustments for:			
Depreciation		**3,631,150**	3,223,315
Amortization		**340,356**	23,793
Finance costs		**2,358,870**	2,664,438
Dividend income		**(2,395,706)**	(2,395,706)
Interest income		**(106,918)**	(114,531)
Loss/ (profit) on disposal of property, plant and equipment		**9,799**	(606)
Provision for staff end-of-service gratuity (net)		**517,749**	267,394
Operating profit before working capital changes		**8,834,022**	6,900,603
(Increase)/decrease in inventories		**(3,233,439)**	(533,295)
(Increase)/decrease in trade and other receivables		**6,237,424**	24,970,355
(Increase)/decrease in prepayments		**(15,515)**	(31,944)
Increase/(decrease) in trade and other payables		**9,950,129**	2,378,859
Cash generated from/(used in) operations		**21,772,621**	33,684,578
Finance costs paid		**(2,033,968)**	(2,456,164)
Staff end-of-service gratuity paid		**(106,237)**	(143,752)
Net cash from/(used in) operating activities		**19,632,416**	31,084,662
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		**(1,515,987)**	(2,070,348)
Additions to intangible assets		**(3,156,991)**	-
Proceeds from disposal of property, plant and equipment		**564**	7,367
Payments for investments		**-**	(6,600,000)
Net (placement)/withdrawal of margin and term deposits (net)		**392,643**	(3,542,234)
Interest income received		**46,918**	113,758
Net cash from/(used in) investing activities		**(4,232,853)**	(12,091,457)
Cash flows from financing activities			
Proceeds from/(payment of) term loans (net)		**(8,000,000)**	(11,500,000)
Proceeds from/(payment of) trust receipts (net)		**(2,120,132)**	(5,973,072)
Proceeds from/(payment of) bills discounted (net)		**106,299**	(2,096,879)
Proceeds from/(payment of) working capital finance (net)		**-**	(4,973,567)
Proceeds from/(payment of) unsecured loan		**(3,201,635)**	3,201,635
Net cash from/ (used in) financing activities		**(13,215,468)**	(21,341,883)
Net increase/(decrease) in cash and cash equivalents		**2,184,095**	(2,348,678)
Cash and cash equivalents at the beginning of the year		**(178,601)**	2,170,077
Cash and cash equivalents at the end of the year	21	**2,005,494**	(178,601)

The notes on pages 8 to 25 form an integral part of these financial statements.

Ganesh Kumar	Debanjan Pati	Anant Shree Chaturvedi
AGM (FINANCE & ACCOUNTS)	**BUSINESS HEAD**	**DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. LEGAL STATUS AND ACTIVITIES

FLEX MIDDLE EAST FZE (FME) (the "establishment") is a limited liability establishment incorporated in Jebel Ali Free Zone, Dubai, U.A.E. pursuant to law No. 9 of 1992 and implementing rules and regulations issued there under by the Jebel Ali Free Zone. The registered address of **FME** is P O Box 17930, Jebel Ali Free Zone, Dubai, United Arab Emirates.

FME is operating under industrial license number 4062 with plastic films manufacturing and under trading license number 4061 with trading in plastic & nylon raw materials, packing & packaging equipment, printing equipment & instruments and basic industrial chemicals as its licensed activities.

FME is a subsidiary of **UFLEX LIMITED** which is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). **UFLEX LIMITED** is engaged in various activities including manufacturing of polyester film, BOPP film, CPP film, adhesive, ink, vacuum bags and converting**.**

These financial statements contain information about the establishment as an individual establishment and do not contain consolidated financial information as the parent of the subsidiaries.

2. BASIS OF PREPARATION

Going concern

The establishment's financial statements have been prepared on going concern basis for the following reasons:

- Investments are expected to yield returns.
- Timely funds are raised from the financial institutions for proper management of fund requirements.
- Fixed term borrowings are timely repaid as per the agreed terms.
- Creditors are extending financial support.
- Although trade receivables are outstanding, unsecured and long overdue, they are considered good and recoverable within two years.
- Cash generated from operations is positive.
- Although, short term payables are perceived as a liquidity risk, adequate steps are taken by the management and the parent shareholder company to timely meet with the funding requirements.
- Future forecast reflects continuation of a positive trading and financial performance.
- The shareholder company has confidence in the business and will ensure that adequate funds are introduced / maintained in the establishment to ensure that all short, medium and being negotiated long term liabilities are met as they fall due.
- The management is not aware of any material changes that may adversely impact the establishment relative to customers, suppliers, services or geographical markets.
- The management is not aware of any material non-compliance with statutory or regulatory requirements and there are no pending legal proceedings other than in the normal course of business.
- Key executive management are in place.
- There are no pending changes in government legislation that may adversely affect the establishment.

Statement of compliance

The financial statements have been prepared under accrual basis of accounting and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of Jebel Ali Free Zone Authority.

Basis of measurement

The financial statements have been prepared under the historical cost basis

Functional and presentation currency

The functional currency of the establishment is UAE Dirham (AED) since majority of the establishment's transactions are conducted in that currency or in US Dollars to which UAE Dirham is pegged and the establishment's presentation currency is in US Dollars. The exchange rate applied for the translation of functional currency (AED) to the presentation currency (USD) is AED 3.67 = USD 1.

Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

Application of new and revised International Financial Reporting Standards (IFRS)

The establishment adopted all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 April 2016. The establishment has not early adopted any other standard, interpretation or amendment that has been issued but are not yet effective.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, which are consistent with those used in the previous year, in dealing with items that are considered material in relation to the financial statements are as follows:

Property, plant and equipment

Property, plant and equipment in the course of construction for production, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes related expenses of acquisition/construction, professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the establishment's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, as per the Indian Companies Act. Land is amortized over the lease period.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Expenditure incurred to replace a component of an item which increases future economic benefits of the related item of property, plant and equipment is capitalized and written off over its estimated useful life. All other expenditure is recognized in the statement of profit or loss and other comprehensive income as the expense is incurred. The carrying amounts are reviewed at each date of statement of financial position to assess whether they are recorded in excess of recoverable amount. Where carrying amount exceeds the recoverable amount, property, plant and equipment are written down to their recoverable amount.

Other financial assets

Other financial assets, representing operating lease for leased plots of land, are amortized over the lease period.

Intangible assets

Intangible assets are stated at cost less provisions for amortization and impairment. Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on written down value basis after considering the average life of the asset and date on which it is put into use. The amortization has been provided at the rate of 20%. Product technology know how is amortized over a period of 5 years.

Inventories

Inventories are stated at the lower of cost or net realizable value. Costs are those expenses incurred in bringing each product to its present location and condition. Work in progress comprises unfinished jobs on hand and valued at the costs of materials and other direct expenses incurred till reporting date. Raw materials and consumables are stated at cost including direct expenses using first in first out method. Finished goods are valued at cost of direct materials and labour plus attributable overheads based on normal level of activities. Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Investments

Subsidiaries are entities over which the establishment has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. An associate is an entity in which the establishment has significant influence and which is neither a subsidiary nor a joint venture.

Investments in subsidiaries and associates are accounted for at cost less provision for impairment in value of the investments, if any. Dividend income is recognized in the statement of profit or loss and other comprehensive income when the right to receive is established.

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the establishment becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

The financial assets include trade and other receivables, cash and bank balances.

Trade receivables

Trade receivables are stated at original invoice amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable and provided for in the accounts. Bad debts are written off when there is no possibility of recovery.

Other current financial assets

Other current financial assets represent advances to suppliers and others, staff advances, due from related parties, accrued interest and refundable deposits.

Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash and bank balances that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents for the purpose of the statement of cash flows comprise cash, bank current accounts and deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment net of outstanding overdrafts as they are considered an integral part of the concern's cash management.

Financial liabilities

The financial liabilities include bank borrowings, unsecured loan and trade and other payables.

Trade and other payables

Liabilities are recognized for amounts to be paid in future for goods or services received, whether invoiced by the supplier or not.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Staff end-of-services gratuity

The establishment provides end of service gratuity to its employees. The entitlement to this benefit is based upon the employees' basic salary and length of service. The expected costs of this benefit are accrued over the period of employment.

Bank borrowings

Bank borrowings are recognized initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transactions costs) and the redemption value is recognized in the statement of profit or loss over the period of the bank borrowings using the effective method. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated returns, rebates and other similar allowances.

Sale of goods

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- the establishment has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the establishment retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the establishment; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Consultancy and technical service fees

Revenue from consultancy and technical services fees are recognized in the statement of profit or loss and other comprehensive income at the time of rendering of technical services.

Interest income

Interest income is recognized as the interest accrues.

Foreign currency transactions

Transactions in currencies other than US Dollars are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in currencies other than USD are translated into US Dollars at the rate of exchange ruling at the date of statement of financial position. Gains/losses arising from the foreign currency transactions are taken to the statement of profit or loss and other comprehensive income.

4. SIGNIFICANT JUDGMENT EMPLOYED IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 Significant judgment employed

The significant judgement made in applying accounting policies that has the most significant effect on the amounts recognized in the financial statements is as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment, intangible assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken.

If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of receivables, if an amount is deemed irrecoverable, it is written off to statement of profit or loss and other comprehensive income or, if previously a provision was made, it is written off against the provision. Reversals of provisions against receivables are made to the extent of the related amounts being recovered.

4.2 Key sources of estimation uncertainty

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Property, plant and equipment

The cost of property, plant and equipment is depreciated over the estimated useful lives, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance and technological obsolescence arising from changes and the residual value. Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment of investment in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the investments and the cash-generating units to which the investments have been allocated. The value in use calculation requires the establishment to estimate the future cash flows expected to arise from the assets or cash generating unit and a suitable discount rate in order to calculate present value. Management has determined that no impairment is required in respect of the investments in subsidiaries.

Inventory provision

Management regularly undertakes a review of the establishment's inventory in order to assess the likely realization proceeds, taking into account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment, assumptions are made as to the level of provisioning required.

Impairment of other receivables

Management regularly undertakes a review of the amounts of other receivables owed to the establishment and assess the likelihood of non-recovery. Such assessment is based upon the age of the debt, historic recovery rates and assessed credit worthiness of the receivable. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessment of net recoverable amount of property, plant and equipment and all financial assets other than trade and other receivables, per above, are based on assumptions regarding future cash flows expected to be received from related assets.

Impairment of trade receivables

An estimation of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of past time due, based on anticipated recovery rates.

Staff end of service gratuity

The establishment computes provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5. PROPERTY, PLANT AND EQUIPMENT (2017)

	Opening balance 2016 US $	Additions US $	Transfer/ disposals US $	Closing balance 2017 US $
Cost				
Lease hold land *	9,744,474	-	-	9,744,474
Buildings:				
- Staff accommodation *	1,274,871	-	-	1,274,871
- Factory and administrative ~	7,512,589	59,314	-	7,571,903
Machinery & equipment	58,305,205	1,365,591	(26,904)	59,643,892
Furniture, fixtures & office equipment	334,796	31,681	(565)	365,912
Vehicles	272,950	59,401	-	332,351
Total cost	**77,444,885**	**1,515,987**	**(27,469)**	**78,933,403**
Depreciation/amortization				
Lease hold land	-	229,156	-	229,156
Buildings:				
- Staff accommodation	213,752	24,001	-	237,753
- Factory and administrative	2,247,421	244,947	-	2,492,368
Machinery & equipment	27,190,876	3,077,156	(17,044)	30,250,988
Furniture, fixtures & office equipment	211,051	25,755	(62)	236,744
Vehicles	91,262	30,135	-	121,397
Total Depreciation	**29,954,362**	**3,631,150**	**(17,106)**	**33,568,406**
Net book value				
Lease hold land	9,744,474			9,515,318
Buildings:				
- Staff accommodation	1,061,119			1,037,118
- Factory and administrative	5,265,168			5,079,535
Machinery & equipment	31,114,329			29,392,904
Furniture, fixtures & office equipment	123,745			129,168
Vehicles	181,688			210,954
Total net book value	**47,490,523**			**45,364,997**

* Represents payment made for acquiring leasehold right to a plot of land measuring 21,576 sq. ft on renewable lease for 50 years ending on 19 July 2058 in Jebel Ali Industrial area for staff accommodation.

~ Constructed on leased plot of land in Jebel Ali Free Zone. (Refer note 27)

PROPERTY, PLANT AND EQUIPMENT (2016)

	Opening balance 2015 US $	Additions US $	Transfer/ disposals US $	Closing balance 2016 US $
Cost				
Lease hold land	9,744,474	-	-	9,744,474
Buildings:				
- Staff accommodation	1,274,871	-	-	1,274,871
- Factory and administrative	7,512,589	-	-	7,512,589
Machinery & equipment	56,382,046	1,923,259	(100)	58,305,205
Furniture, fixtures & office equipment	323,205	24,201	(12,610)	334,796
Vehicles	170,089	122,888	(20,027)	272,950
Total cost	**75,407,274**	**2,070,348**	**(32,737)**	**77,444,885**
Depreciation				
Lease hold land	-	-	-	-
Buildings:				
- Staff accommodation	189,751	24,001	-	213,752
- Factory and administrative	2,002,436	244,985	-	2,247,421
Machinery & equipment	24,279,726	2,911,250	(100)	27,190,876
Furniture, fixtures & office equipment	195,532	23,337	(7,818)	211,051
Vehicles	89,578	19,742	(18,058)	91,262
Total Depreciation	**26,757,023**	**3,223,315**	**(25,976)**	**29,954,362**
Net book value				
Lease hold land	9,744,474			9,744,474
Buildings:				
- Staff accommodation	1,085,120			1,061,119
- Factory and administrative	5,510,153			5,265,168
Machinery & equipment	32,102,320			31,114,329
Furniture, fixtures & office equipment	127,673			123,745
Vehicles	80,511			181,688
Total net book value	**48,650,251**			**47,490,523**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. INVESTMENTS

	Country of incorporation	% of Ownership	2017 US $ Total	2016 US $ Total
Investments in subsidiaries:				
Flex P Films (Egypt) S.A.E	Egypt	100	47,783,377	47,783,377
Flex Films Europa SP.Z.o.o.	Poland	100	32,907,613	32,907,613
Flex Films (USA) Inc.	USA	100	35,000,000	35,000,000
Total investments in subsidiaries			**115,690,990**	**115,690,990**
Investment in an associate:				
UPET Holdings Limited	Mauritius	37	**17,725,000**	**17,725,000**
Total investments			**133,415,990**	**133,415,990**

Investments (cont'd)

	Country of incorporation	% of Ownership	2017 US $ Total	2016 US $ Total
Share of net book value^				
Flex P Films (Egypt) S.A.E			42,387,138	55,655,905
Flex Films Europa SP.Z.o.o.			57,720,700	47,292,400
Flex Films (USA) Inc.			32,902,266	31,657,001
Upet Holdings Limited			14,150,900	14,164,520
			147,161,004	**148,769,826**

^As per the management accounts.

a) *The principal activity of **Flex P Films (Egypt) S.A.E** is manufacturing of BOPP, Polyster, CPP & OPP films. As at 31 March 2017, the fair value of the investment is below the carrying value however, in the opinion of the management, the depletion in fair value of the investment is not of a permanent nature and hence no impairment is considered necessary.*

b) *The principal activity of **Flex Films Europa SP.Z.o.o.** is manufacturing of polyster films.*

c) ***The principal activity of*** *Flex Films (USA) Inc.* ***is manufacturing of polyster films. As at 31 March 2017, the fair value*** *of the investment is below the carrying value however, in the opinion of the management, the depletion in fair value of the investment is not of a permanent nature and hence no impairment is considered necessary.*

d) ***UPET Holdings Limited*** *is an investment company, holding 100% of equity in Flex Americas SA de CV, Mexico through another investment company UPET Singapore Pte. Ltd. Flex Americas SA de CV is engaged in the business of manufacturing of polyster films. As at 31 March 2017, the fair value of the investment is below the carrying value however, in the opinion of the management, the depletion in fair value of the investment is not of a permanent nature and hence no impairment is considered necessary.*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7. OTHER FINANCIAL ASSETS

Operating lease*	**US $**
Lease amount paid in advance	544,959
	544,959
Amortization	
As at 01.04.2016	217,984
Charge for the year	21,798
As at 31.03.2017	**239,782**
Unexpired portion of operating lease	
As at 31.03.2017	**305,177**
As at 31.03.2016	**326,975**

*Represents amount paid for 20,000 sq. ft leased plot of land for 25 years ending on 30 June 2028 in the Jebel Ali Industrial area for future housing requirements.

8. INTANGIBLE ASSETS

Cost	**Product technology know how * US $**	**Software US $**	**Total US $**
As at 01.04.2016	-	9,968	9,968
Addition during the year	3,156,991	-	3,156,991
As at 31.03.2017	**3,156,991**	**9,968**	**3,166,959**
Amortization			
As at 01.04.2016	-	6,331	6,331
Charge for the year	316,564	1,993	318,557
As at 31.03.2017	**316,564**	**8,324**	**324,888**
Net book value			
As at 31.03.2017	**2,840,427**	**1,644**	**2,842,071**
As at 31.03.2016	**-**	**3,637**	**3,637**

**This represents amount spent for the development of new product technology internally using establishment's resources. Consequently, trial run materials consumption, salaries, wages and related expenses have been capitalized under the head product technology know how. In the opinion of the management, the carrying value of intangible assets is fairly stated.*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

9. INVENTORIES

	2017 US $	2016 US $
Raw materials	2,028,815	1,677,678
Materials in transit	2,521,568	-
	4,550,383	**1,677,678**
Consumables and packing materials	721,685	688,703
Work in progress	1,799,075	1,132,246
Finished goods	1,654,167	1,993,244
	8,725,310	**5,491,871**

10. TRADE AND OTHER RECEIVABLES

	2017 US $	2016 US $
Trade receivables #	38,126,073	45,311,542
Less: Provision for doubtful debts	380,325	380,325
	37,745,748	**44,931,217**
Due from related parties – *funding account*	7,500,000	9,003,106
Dividend receivable from a related party	4,791,441	5,939,342
Advance to suppliers and others *	5,893,296	2,400,600
Interest accrued but not due	-	773
Interest receivable from a related party	60,000	-
Advances to staff	218,633	202,742
Deposits	707,240	685,301
	56,916,358	**63,163,081**

Includes US $ 4,242,218 (previous year US $ 3,954,978) due from related parties on trade account.

The establishment's average credit period is 0-90 days after which trade receivables are considered to be past due. As at 31 March 2017, the aging of trade receivables is as under:

	Total US $	0-90 Days US $	91-180 Days US $	181-360 Days US $	>360 Days US $
2017	**38,126,073**	16,752,286	927,962	45,137	20,400,688
2016	**45,311,542**	11,000,778	1,325,591	44,487	32,940,686

Although trade receivables of US $ 20,445,825 are long past due, inclusive of US $ 2,768,481 under litigation, in the opinion of management, they are considered good and fully recoverable by the year to end 31 March 2019 and the provision carried in the accounts is considered adequate.

11. CASH AND BANK BALANCES

	2017 US $	2016 US $
Cash on hand	16,534	51,950
Bank balances in:		
Current accounts # @	2,766,457	970,592
Margin deposits @	6,812	26,158
Term deposits #	4,087,193	4,460,490
	6,876,996	**5,509,190**

 # includes unconfirmed balances amounting to USD 4,540,101.

@ includes confirmation from the bankers amounting to USD 488,151 directly addressed to the group.

12. SHARE CAPITAL

	2017 US $	2016 US $
Authorised, issued and paid up:		
107 shares of AED 1 Million each	**29,155,313**	**29,155,313**
(1 US $ = AED 3.67)		

13. BANK BORROWINGS – LONG TERM

Term loan from a bank (USA - equity buy out) *(per below)*	**6,000,000**	**14,000,000**
Term loan from a bank (USA - equity buy out)		
Total amount outstanding	*14,000,000*	*22,000,000*
Short term portion – current liability	*8,000,000*	*8,000,000*
Long term portion	***6,000,000***	***14,000,000***

- *Term loan facility availed from a local bank to finance equity buy out of Flex Films (USA) Inc., The Commonwealth of Kentucky, U.S.A., and to meet with the establishment's working capital requirements and to settle some of the banks liability and is secured against the following:*
  - *Mortgage over plant and machinery*
  - *Mortgage over building*
  - *Assignment of inventory insurance policies*
  - *Hypothecation of inventories and receivables*

  This loan is secured against corporate guarantee of Uflex Limited, India, and second charge over the buildings, plant and machinery of the establishment in UAE.

The term loans repayment schedule is as under:

Year	USA - equity buy out US $
2017-18	*8,000,000*
2018-19	*6,000,000*
	14,000,000

- *There are various other conditions and financial covenants attached to the bank facilities, which are in the normal course of business.*

14. BANK BORROWINGS – SHORT TERM

	2017 US $	2016 US $
Term loan – short term portion (USA - equity buy out)	8,000,000	8,000,000
Trust receipts	4,857,077	6,977,209
Bills discounted	106,299	-
Bank overdraft	777,497	1,193,994
Book overdraft	-	7,150
	13,740,873	**16,178,353**

15. TRADE AND OTHER PAYABLES

	2017 US $	*2016 US $*
Trade payables *	11,880,800	6,792,090
Bills payable	2,521,568	-
Customers advances and credit balances	1,908,897	1,525,631
Other payables	1,146,518	1,410,510
Accruals and provision	974,639	894,163
	18,432,422	**10,622,394**

** Includes US $ 428,963 (previous year US $ 1,981,871) due to related parties (refer note 25).*

The average credit period on purchase of goods is 0-90 days. The establishment has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

16. OTHER INCOME

	2017 US $	**2016 US $**
Interest income	106,918	114,531
Credit balance written back	166,425	221
Other income	8,109	18,918
Profit on sale of property, plant and equipment	-	606
	281,452	**134,276**

17. COST OF MATERIALS

	2017 US $	**2016 US $**
Opening inventories	4,803,168	4,371,584
Purchases *(including direct expenses)*	44,585,712	41,040,797
Closing inventories	(5,482,057)	(4,803,168)
	43,906,823	**40,609,213**

18. OTHER MANUFACTURING EXPENSES

	2017 US $	**2016 US $**
Power and fuel consumed	6,925,426	5,679,953
Machinery repairs and maintenance	608,139	1,260,823
Stores consumed	537,422	561,613
Packing materials consumed	2,713,068	2,217,109
Other manufacturing expenses	626,591	442,824
Depreciation *(refer note 19)*	3,346,104	3,180,236
	14,756,750	**13,342,558**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

19. ADMINISTRATIVE AND SELLING EXPENSES

	2017 US $	2016 US $
Rent	436,476	407,516
Other administrative expenses	2,151,603	2,415,265
Selling expenses	4,144,064	3,884,232
Amortization	340,356	23,793
Depreciation *(per below)*	285,046	43,079
	7,357,545	**6,773,885**
Depreciation:		
Total depreciation charge *(refer note 5)*	3,631,150	3,223,315
Less: Charged to other manufacturing expenses *(refer note 18)*	3,346,104	3,180,236
	285,046	**43,079**

20. FINANCE COSTS

	2017 US $	2016 US $
Interest on term loans @	1,299,982	1,365,029
Interest on trust receipts	446,495	519,833
Bank charges and commission	413,654	388,893
Interest on bills discounting	18,380	138,821
Interest to others	180,359	251,862
	2,358,870	**2,664,438**

@ Includes interest on term loan for USA equity buy out.

21. CASH AND CASH EQUIVALENTS

(for the purpose of statement of cash flows)

	2017 US $	2016 US $
Cash on hand	16,534	51,950
Bank balance in:		
Current accounts	2,766,457	970,592
Less: bank overdraft	777,497	1,193,993
Less: book overdraft	-	7,150
	2,005,494	**(178,601)**

22. CAPITAL MANAGEMENT

The establishment manages its capital to ensure that the concern will be able to continue as a going concern while maximizing the return to the parent shareholder company through optimization of the debt and equity balance. The capital structure of the establishment comprises net debt (interest bearing borrowings offset by cash and cash equivalents) and equity of the establishment (comprising issued and paid up capital and retained earnings).

23. FINANCIAL INSTRUMENTS: CREDIT, LIQUIDITY AND MARKET RATE RISK EXPOSURES

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the establishment to concentrations of credit risk, comprise principally of trade and other receivables and bank balances. The establishment's bank balance in current, margin and term deposit accounts are placed with high credit quality financial institutions.

As at 31 March 2017, the establishment is exposed to credit risk from its trade receivables. The establishment's maximum exposure to credit risk from trade receivables situated outside the U.A.E. is 81% *(previous year 84%)*. Its ten largest customers account for 68% *(previous year 84%)* of outstanding trade accounts receivables at 31 March 2017.

As part of the establishment's credit risk management, receivables are covered by credit insurance where available and where it is considered necessary, such trade receivables are covered by letters of credit in favor of the establishment, issued by high credit quality financial institutions. The establishment seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Advance to suppliers and others are unsecured and are periodically monitored by the management. Due from related parties on trade and funding accounts are arising in the normal course of business and are not perceived as credit risk.

Liquidity risk

Liquidity risk is the risk that the establishment will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the management and parent shareholder company who ensures that sufficient funds are made available to the establishment to meet the commitments as they fall due. Although, short term payables are perceived as a liquidity risk, adequate steps are taken by the management and the parent shareholder company to timely meet with the funding requirements.

The following are the contractual maturities of the company's financial liabilities as of 31 March 2017.

	Carrying amounts US $	Payable within next 12 months US $	Payable after 12 months US $
Term loan from a bank (USA – equity buy out)	14,000,000	8,000,000	6,000,000
Trust receipts	4,857,077	4,857,077	-
Bank overdraft	777,497	777,497	-
Staff end of service gratuity	1,152,089	-	1,152,089
Bills discounted	106,299	106,299	-
Trade and other payables	18,438,422	18,438,422	-
	39,331,384	**32,179,295**	**7,152,089**

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the establishment's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The establishment's term deposits are at a fixed rate. Bank borrowings are at floating rates at levels, which are generally obtained in the UAE.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Except for the following, there are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or UAE Dirhams to which the US Dollar is fixed:

	2017 Equivalent US $	2016 Equivalent US $
Foreign currency financial assets		
Euro	5,896,551	22,810,851
Great Britain Pound	4,338	5,720
	5,900,889	**22,816,571**
Foreign currency financial liabilities		
Euro	44,694	195,753
Great Britain Pound	15,344	63,921
	60,038	**259,674**

24. FINANCIAL INSTRUMENTS: FAIR VALUES

The fair values of the establishment's financial assets, comprising trade and other receivables and bank balances and financial liabilities, comprising trade and other payables, unsecured loan and bank borrowings are approximate to their carrying values.

25. RELATED PARTY TRANSACTIONS AND BALANCES

The establishment in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party contained in the International Accounting Standard - 24. Related parties comprise the parent company, fellow subsidiaries, directors, companies under common ownership and/or common management control and associate as under:

Parent shareholder company:

- Uflex Limited - India

Subsidiaries:

- Flex Films Europa SP. Z.o.o, - Poland
- Flex P Films (Egypt) S.A.E. – Egypt
- Flex Films (USA) Inc – USA

Associate:

- UPET Holdings Limited – Mauritius

Step down subsidiary of associate company:

- Flex Americas S.A DE CV-Mexico

Key Officers:

- Mr. R.K.Jain
- Mr. Pramod Sirsamkar
- Mr. Apoorvshree Chaturvedi
- Mrs. Rashmi Chaturvedi

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

At the date of statement of financial position, balances and significant transactions during the year with related parties were as under:

		Shareholder	Key officers	Subsidiaries / Associate	Subsidiaries of parent shareholder company	Total
		US $ Dr/(Cr)	US $ Dr/(Cr)	US $ Dr/(Cr)	US $ Dr/(Cr)	US $ Dr/(Cr)
Balances:						
Trade receivables	2017	42,363	-	3,526,768	673,087	4,242,218
	2016	-	-	3,680,042	274,936	3,954,978
Due from related parties	2017	-	-	3,500,000	4,000,000	7,500,000
	2016	-	-	9,003,106	-	9,003,106
Dividend receivable	2017	-	-	4,791,441	-	4,791,441
	2016	-	-	5,939,342	-	5,939,342
Advance to suppliers	2017	-	-	-	-	-
	2016		-	42,396	-	42,396
Trade payables	2017	(428,963)	-	-	-	(428,963)
	2016	(1,981,871)	-	-	-	(1,981,871)
Due to directors	2017	-	(6,600)	-	-	(6,600)
	2016	-	(31,000)	-	-	(31,000)
Investments	2017	-	-	133,415,990	-	133,415,990
	2016	-	-	133,415,990	-	133,415,990
Interest receivable	2017	-	-	-	60,000	60,000
	2016	-	-	42,081	105,380	147,461
Transactions:						
Investments	2017	-	-	-	-	-
	2016	-	-	6,600,000	-	6,600,000
Purchases	2017	4,033,291	-	116,884	-	4,150,175
	2016	5,591,155	-	12,207	-	5,603,362
Sales	2017	(1,855,200)	-	(15,782,889)	(905,830)	(18,543,919)
	2016	(36,723)	-	(16,006,811)	(453,974)	(16,497,508)
Interest income	2017	-	-	(9,534)	(60,000)	(69,534)
	2016	-	-	(18,274)	(86,393)	(104,667)
Consultancy fee	2017	-	120,000	-	-	120,000
	2016	-	240,000	-	-	240,000
Travelling expenses	2017	35,714	-	541	-	36,255
	2016	50,619	-	4,547	-	55,166
ERP maintenance	2017	107,144	-	-	-	107,144
	2016	121,183	-	-	-	121,183
Remuneration	2017	-	250,000	-	-	250,000
	2016	-	368,000	-	-	368,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Related party transactions and balances (cont'd)

		Shareholder	Key officers	Subsidiaries / Associate	Subsidiaries of parent shareholder company	Total
		US $ Dr/(Cr)	US $ Dr/(Cr)	US $ Dr/(Cr)	US $ Dr/(Cr)	US $ Dr/(Cr)
Technical fees	2017	271,812	-	-	-	271,812
	2016	182,315	-	-	-	182,315
Advance for freight	2017	626	-	4,264	-	4,890
	2016	224	-	4516	-	4,740
Commission	2017	-	-	-	-	-
	2016	4,833	-	-	-	4,833
Marketing and Selling Support Fees	2017	-	-	313,020	-	313,020
	2016	-	-	-	-	-
Sale of Asset (Laptop)	2017	465	-	577	-	1042
	2016	906	-	1,852	-	2,758
Mediclaim Insurance	2017	530	-	-	-	530
	2016	530	-	-	-	530
Claim	2017	10,609	-	21,149	-	31,758
	2016	-	-	-	-	-
Discount for early payment	2017	-	-	10,335	-	10,335
	2016	-	-	-	-	-
Demurrage Charges	2017	-	-	2,756	-	2,756
	2016	-	-	-	-	-
Legalisation of POA	2017	746	-	-	-	746
	2016	-	-	-	-	-

The establishment also advances interest bearing and or otherwise funds to overseas related parties to meet with their capital and working capital requirements.

26. CONTINGENT LIABILITIES

	2017 US $	2016 US $
Letters of credit	3,624,685	4,948,617
Letters of guarantee	474,000	26,481

27. LEASE COMMITMENTS

The establishment has entered into lease agreement for plots of land in Jebel Ali Free Zone, Dubai for the period from 1st February 2004 to 30th June 2028. The un-expired portion of lease rent under the agreement amounts to US $ 1,055,794/-.

28. COMMITMENTS

The establishment has entered into a share purchase agreement with Uflex Limited, India to purchase/acquire 3,840,001 ordinary shares for US $ 48,000,000 of UPET Holdings Limited, Mauritius. The outstanding balance under the agreement amounts to US $ 30,275,000 *(previous year US $ 30,275,000)*.

29. COMPARATIVE FIGURES

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

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board and authorized for issue on 15 May 2017.

FLEX MIDDLE EAST FZE

Wholly Owned Subsidiary Company of UFlex Limited