UFLEX LIMITED

(Formerly known as Flex Industries Limited)

Regd. Office : 305, 3rd Floor, Bhanot Corner, Pamposh Enclave, Greater Kailash-I, New Delhi-110 048
Phone : +91-11-26440917, 26440925 Fax : +91-11-26216922

UFL:SEC:10:
October 19, 2010

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 051

Dear Sir,

Sub : Issue of Warrants on preferential basis to the Promoter group of the Company

We are enclosing herewith six sample copies each of the following, which were sent to the shareholders of the Company in connection with the proposed issue of warrants on preferential basis to the promoter group of the Company through Postal Ballot :

1. Postal Ballot Form,
2. Notice pursuant to Section 192A (2) of the Companies Act, 1956,
3. Envelopes ; and
4. Business Reply Envelopes,

This is for your information and record please.

Thanking you,

Yours faithfully,
For **UFLEX Limited**

(Subhash Khatua)
Dy. General Manager (Secretarial)

Corporate Office : A-107-108, Sector-IV, Noida-201301 Distt. Gautam Budh Nagar (U. P.) India
Phone : +91-120-4012345 Fax : +91-120-2442903, 2556040

UFLEX LIMITED

Registered Office:
305, Third Floor, Bhanot Corner, Pamposh Enclave,
Greater Kailash – I, New Delhi – 110048

Notice pursuant to Section 192A (2) of the Companies Act, 1956

Dear Member(s),

NOTICE IS HEREBY GIVEN THAT the resolution as set out in this notice are proposed to be passed by means of postal ballot under Section 192A of the Companies Act, 1956 ("the Act") read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 ("the Rules").

Accordingly, the draft resolution and Explanatory Statement thereto are sent to you alongwith the Postal Ballot Form for your consideration. The Company has appointed Mr. Mahesh Gupta, FCS, Practicing Company Secretary, New Delhi for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to read carefully the instructions printed on the Postal Ballot Form and return the said form duly completed in all respects, in the enclosed self addressed postage pre-paid envelope so as to reach the scrutinizer on or before the close of working hours on Thursday, the 18th day of November, 2010.

The scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of the voting by Postal Ballot will be declared by the Chairman on Friday, the 19th day of November, 2010 at 4:00 P.M. at the Registered Office of the Company.

SPECIMEN

DRAFT RESOLUTION:

Issue of warrants on a preferential basis, to the promoter group of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**Companies Act**"), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**") and other applicable regulations of SEBI, if any, and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions which the Board of Directors be and is hereby, at their discretion, authorised to accept, consent be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the **Board**" which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) to create, offer, issue and allot in one or more tranches up to 135 lacs warrants at a price of Rs.300/- per warrant or SEBI floor price computed on the relevant date whichever is higher in accordance with SEBI ICDR Regulations for preferential issues and on such terms and conditions as the Board may in its absolute discretion, decide at the time of issue including the condition that the holders of the warrants shall be entitled to apply for allotment of one equity share for every warrant held on or before the expiry of eighteen months from the date of allotment of warrants in one or more tranches as set out in the explanatory statement, which shall be deemed to form part hereof to the following Promoter Group.

Sl. No.	Name of the proposed allottees	Category	No. of Warrants
01.	Flex International Pvt. Ltd.	Promoters	650000
02.	A.R. Leasing Pvt. Ltd.	Promoters	900000
03.	Anshika Consultants Pvt. Ltd.	Promoters	700000
04.	Anant Overseas Pvt. Ltd.	Promoters	8000000
05.	Apoorva Extrusion Pvt. Ltd.	Promoters	250000
06.	Ashok Kumar Chaturvedi	Promoters	3000000

RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the upfront amount payable at the time of issue/allotment of warrants which should not be less than 25% of the issue price and the balance amount payable in one or more tranches before the exercise of option by the warrant holders for allotment of the equity shares as per SEBI guidelines applicable in this behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to issue and allot equity shares upon conversion of warrants in one or more tranches upon receipt of the total consideration on such warrants from the respective warrant holders.

RESOLVED FURTHER THAT the equity shares allotted upon conversion of warrants as aforesaid shall in all respects, including for full dividend for the year in which the warrants were so converted, rank *pari passu* with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effects to the above, the Board be and is hereby authorised to give all such directions as may be necessary or desirable and to accept any modifications to the above proposal as may be required by the authorities involved in such issues and also to settle any questions or difficulties that may arise in regard to the offer, issue and allotment of warrants and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings in connection with the issue of warrants including but not limiting the entering into such other arrangements and agreements as may be necessary.

FURTHER RESOLVED THAT the relevant date for this purpose be and is hereby fixed at 20th October, 2010.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company".

By Order of the Board

Ajay Krishna
Vice President (Legal) &
Company Secretary

Place : NOIDA
Date : 13th October, 2010

Regd. Office:
305, Third Floor, Bhanot Corner
Pamposh Enclave, Greater Kailash – I
New Delhi – 110048

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

The Company has taken up several growth initiatives like expansions, acquisitions, modernizations, diversifications, direct investment in subsidiary companies/joint ventures etc. and therefore, there is a need to strengthen its financial position by augmenting long-term resources. The Company plans to achieve this by issue of warrants on preferential basis to promoter group of the Company.

The Company intends to use the funds so raised for making acquisitions, expansions, modernization, new projects, capital expenditure, direct investment in subsidiary companies/joint ventures, other corporate purposes, working capital requirements or any other corporate needs including debt repayments, which may be required in the normal business and as permitted under applicable law or regulations from time to time or as it may deem fit by the Board or Committee thereof.

To issue warrants on a preferential basis, to the Promoter Group of the Company

The Company proposes to issue up to 135 lacs warrants to the promoter group on preferential basis at an issue price of Rs.300/- per warrant or SEBI floor price, whichever is higher in accordance with SEBI ICDR Regulations.

Pricing of the issue and Relevant Date:

The issue price of the warrant is Rs.300/- per warrant or the price calculated in accordance with the SEBI ICDR Regulations for preferential issue, **whichever is higher.**

(SEBI pricing formula as per ICDR Regulation is as under -

The price shall not be less than the higher of the following:

(i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date:

OR

(ii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.)

A certificate certifying the minimum price for the preferential issue as per Chapter VII of SEBI ICDR Regulations and showing the calculation thereof will be made available for inspection at the Registered Office of the Company.

'Relevant date' for this purpose shall be 20th October, 2010, being the date which is 30 days prior to the date of declaration of the result of Postal Ballot conducted in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. The date of declaration of the result of Postal Ballot is the date of the deemed general meeting as per Section 192A of the Companies Act, 1956 read with relevant rules.

'Stock Exchange' for this purpose is the Stock Exchange in which the Company's shares are listed and in which the highest trading volume has been recorded during the preceding six months prior to the relevant date.

Other terms and conditions

The warrant holders shall be entitled to apply for allotment of one equity share for every warrant held on or before the expiry of eighteen months from the date of allotment on preferential basis in one or more tranches.

It is also proposed to issue and allot equity shares upon conversion of warrants as stated in the Resolution in one or more tranches upon receipt of total consideration on such warrants from the concerned holders. The warrants shall be converted into equity shares in different tranches, but before the expiry of eighteen months from the date of allotment of warrants subject to the compliance of relevant guidelines of SEBI, as may be applicable at the time of conversion of warrants into equity shares.

If the proposed warrant holder(s) does not exercise option to convert warrants into equity shares before the expiry of 18 months from the date of allotment, the amount paid by the warrant holder(s) upfront shall be forfeited.

Disclosures required pursuant to the SEBI ICDR Regulations for preferential issue:

(a) Object of the preferential issue and details of utilization of proceeds

The Company intends to use the funds raised for making acquisitions, expansions, modernization, new projects, capital expenditure, direct investment in subsidiary companies/joint ventures, other corporate purposes, working capital requirements or any other corporate needs including debt repayments, which may be required in the normal course of business and as permitted under applicable law or regulations from time to time or as it may deem fit by the Board or Committee thereof. The Company proposes to issue equity shares based on the above resolution in one or more tranches as per applicable laws.

(b) Intention of the promoters/directors/key management personnel to subscribe to the offer

The promoters group intends to subscribe for warrants on preferential basis as mentioned above.

None of the key managerial personnel and the Directors of the Company (except Shri Ashok Chaturvedi, Chairman & Managing Director, who is Promoter of the Company) intend to subscribe warrants proposed to be issued by the Company.

(c) The shareholding pattern of the Company before and after the preferential issue

Particulars	Pre-issue shareholding before issue of warrants		Post-issue shareholding after issue of warrants and after full conversion of warrants	
	Total No. of Equity Shares	Percentage of Shareholding	Total No. of Equity Shares	Percentage of Shareholding
Shareholding of Promoter and promoter Group				
Individual/Hindu Undivided Family	756372	1.14	3756372	4.71
Group Company(ies)	27180387	41.02	37680387	47.25
Total shareholding of promoters and promoter Group Entities	**27936759**	**42.17**	**41436759**	**51.96**
Public shareholding of Institutions				
Financial Institutions/Banks/ Mutual Funds	202574	0.31	202574	0.25
Foreign Institutional Investors	4025078	6.08	4025078	5.05
GDRs	5465840	8.25	5465840	6.85
Sub-Total	**9693492**	**14.63**	**9693492**	**12.15**
Non-Institutions				
Bodies Corporate	11189315	16.89	11189315	14.03
Individuals	17217109	25.99	17217109	21.59
NRI/Foreign Nationals/OCBs	217875	0.33	217875	0.27
Sub-Total	**28624299**	**43.20**	**28624299**	**35.89**
Total Shareholding	**66254550**	**100.00**	**79754550**	**100.00**

Notes:

1. The proposed preferential allotment will not result in any change in the management control of your Company. Voting rights shall change according to the change in the shareholding pattern mentioned in the table above.
2. The post issue shareholding details mentioned hereinabove is calculated only on the basis of allotment of warrants and after full conversion of warrants on preferential basis as per Resolution.

(d) Proposed time within which the allotment shall be completed

The allotment of warrants shall be completed, within a period of 15 days, i.e. upto 03.12.2010 from the date of passing of the resolution by the Members provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

(e) Identity and percentage of post preferential issue capital held by proposed allottee

Sr. No.	Name of the proposed allottees(s)	Pre-issue holding		Warrants proposed to be allotted and after full conversion of warrants	Post issue holding	
		No. of equity shares	% to capital		No. of equity shares	% to capital
01.	Flex International Pvt. Ltd.	9197577	13.88	650000	9847577	12.35
02.	A.R. Leasing Pvt. Ltd.	4994891	7.54	900000	5894891	7.39
03.	Anshika Consultants Pvt. Ltd.	2978524	4.50	700000	3678524	4.61
04.	Anant Overseas Pvt. Ltd.	1915141	2.89	8000000	9915141	12.43
05.	Apoorva Extrusion Pvt. Ltd.	2823162	4.26	250000	3073162	3.85
06.	Ashok Kumar Chaturvedi	502613	0.76	3000000	3502613	4.39
Total		**22411908**	**33.83**	**13500000**	**35911908**	**45.02**

(f) Change in control

As a result of the proposed preferential allotment of warrants, there will be no change in the control of the Management of the Company.

(g) Pre-issue holding of warrants, non disposal of warrants by the proposed allottees and lock-in period of warrants

a. The shareholders who have sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of warrants on preferential basis.

b. The warrants/equity shares allotted upon conversion of warrants to the proposed allottees shall be subject to 'lock-in' for a period of three years from the date of allotment as per Clause 78(1) of the Chapter VII of SEBI ICDR Regulations.

c. The entire pre-preferential allotment shareholding of the allottees shall be locked in from the relevant date up to a period of six months from the date of preferential allotment.

(h) Compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997

The provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 ("**Takeover Code**") are not attracted for this issue and therefore proposed allottees are not required to make an open offer and comply with formalities related to an open offer for this preferential issue except the specific disclosures as may be required to be furnished as per the Takeover Code. However, in the event, the shareholding of the Promoters/Promoter Group exceeds the limit specified in Takeover Code, the acquirer will initiate steps as per the provisions of the Takeover Code.

(i) Auditor's Certificate

A certificate from M/s. Vijay Sehgal & Co., Chartered Accountants certifying that the proposed issue of warrants are in accordance with the SEBI ICDR Regulations, will be available for inspection at the Registered Office of the Company between 10:00 A.M. to 4:00 P.M. on any working day up to 19th November, 2010. The said certificate will also be displayed on the website of the Company, www.uflexltd.com for the benefit of the members/ public.

(j) Approval under the Companies Act, 1956

Sections 81(1A) of the Companies Act, 1956 provide, *inter-alia*, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of the issuer company in the manner laid down in Section 81 unless the shareholders of such company in general meeting decide otherwise.

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of warrants in a company to persons other than the holders of the equity shares of a company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders in general meeting by a Special Resolution. The Board of Directors, therefore, recommends the resolution proposed in the Notice for approval in accordance with the requirements of Sections 81(1A) of the Companies Act, 1956 read with the SEBI ICDR Regulations for preferential issues.

Your approval is sought by voting through postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956, as amended, read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended.

You are requested to communicate your assent or dissent in writing in the postal ballot form sent herewith in accordance with the instructions set out therein.

Shri Ashok Chaturvedi, Chairman & Managing Director, shall be deemed to be concerned or interested to the extent of his being promoter and/or Director in the Promoter Group, the proposed allottees and also himself is one of the allottees of warrants.

Except the above named Director, none of the Directors of the Company are interested or concerned in passing of the above resolution and the Board recommends that the same be passed.

The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its members.

By Order of the Board

Ajay Krishna
Vice President (Legal) &
Company Secretary

Place : NOIDA
Date : 13th October, 2010

Regd. Office:
305, Third Floor, Bhanot Corner
Pamposh Enclave, Greater Kailash - I
New Delhi - 110048

UFLEX LIMITED

Registered Office:
305, Third Floor, Bhanot Corner, Pamposh Enclave,
Greater Kailash – I, New Delhi – 110048

Postal Ballot No. _____

POSTAL BALLOT FORM

1. Name(s) of Shareholder(s) (in block letters) (including joint holders, if any) : _____
2. Registered address of the sole/first named Shareholder : _____
3. Registered Folio No./DP ID No./ Client ID No.* (*Applicable to investors holding shares in dematerialized form) : _____
4. Number of shares held : _____

I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the notice of the Company by sending my/our assent or dissent to the said resolutions by placing the tick (√) mark at the appropriate box below:

SPECIMEN

Item	No. of shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Special Resolution under Section 81(1A) of the Companies Act, 1956 for issue of warrants on preferential basis as mentioned in Item No.1 of the Notice.			

_____

(Signature of the Shareholder)

Place : _____

Date : _____

Note : Please read the instructions carefully printed overleaf before exercising the Vote.

NOTES/INSTRUCTIONS

1. Pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, the assent or dissent of the Members in respect of the Special Resolution shall be determined through postal ballot.

2. A shareholder desiring to exercise his/her vote by postal ballot may complete this form and send it to the Scrutinizer, appointed by the Company, in the attached prepaid self-addressed envelope. Postage is borne and paid by the Company. However, envelopes containing postal ballot, if sent through courier or by Regd./Ordinary Post at the expense of the shareholder will also be accepted.

3. The Company has appointed Mr. Mahesh Gupta, FCS, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process. The self-addressed envelope bears the address of the Scrutinizer appointed by the Company.

4. There shall be one postal ballot for every folio irrespective of the number of joint holders. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of dispatch of the notice.

5. The postal ballot form should be completed and signed by the shareholder (as per specimen signature registered with the Company). In case of joint holding, this form should be completed and signed by the first named shareholder and in his/her absence, by the next named shareholder. In case of corporate shareholders, the form should be signed by the authorised signatory(ies), which must be accompanied by the requisite certified true copy of the Power of Attorney/Resolution of the Board of Directors.

6. No other form or photocopy of the attached Postal Ballot Form will be accepted by the Scrutinizer.

7. Duly completed postal ballot forms should be received by the Scrutinizer not later than the close of business hours on Wednesday, the 17th day of November, 2010. Postal ballot forms received after this date will be treated as if no postal ballot has been received.

8. Incomplete, unsigned or incorrect postal ballot forms will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.

9. The Directors of the Company have appointed Mr. S. K. Kaushik, Whole-time Director and Mr. Ajay Krishna, Vice President (Legal) & Company Secretary as the persons responsible for the entire postal ballot voting process.

10. The Scrutinizer will submit his report as soon as possible after the last date of receipt for postal ballot but not later than 19th November, 2010.

11. The result of the postal ballot resolution will be announced at the Registered Office of the Company on Friday, the 19th day of November, 2010 at 4:00 P.M.

12. The date of declaration of the result of postal ballot resolution will be taken to be the date of passing of the resolution by the Members of the Company.

POSTAGE
WILL BE
PAID BY
ADDRESSEE

BUSINESS REPLY ENVELOPE

NO
POSTAGE
NECESSARY
IF POSTED
IN INDIA

BR Permit No. L-BRP 112
P.O. Sector 19 Noida
(U.P.) 201301

SPECIMEN

To
Scrutinizer
UFLEX Limited
Corporate Office
A107-108, Sector- IV, Noida 201301
Dist. Gautambudh Nagar, (U.P.) INDIA

U.P.C.

if undelivered please return to :

UFLEX LIMITED
305, 3rd Floor, Bhanot Corner, Pamposh Enclave,
Greater Kailash - I, New Delhi - 110 048