



Annual Report & Accounts 2002

DIRECTORS

Mr. Kunal Thirani - Managing Director
Mr. K.K. Sadani - Executive Director
Mr. Mohammad Asif - Nominee of UTI
Mr. Pramod Khaitan
Mrs. V.D. Thirani
Mrs. Madhavi Thirani

AUDITORS

Bhatter & Company
Chartered Accountants, Mumbai.

BANKERS

The Saraswat Co. Operative Bank Limited

REGISTERED OFFICE

B-22, M.I.D.C. Industrial Area,
Waluj, Aurangabad - 431136.
Phone : +91-240-2554915 / 2554209
Fax: +91-240-2554119

WORKS

Unit-I

B-22, M.I.D.C. Industrial Area,
Waluj, Aurangabad - 431136.
Phone : +91-240-2554915 / 2554209
Fax: +91-240-2554119

Unit-II

Village Farola, Taluka Paithan
Dist. Aurangabad
Maharashtra.
Phone : +91-2431- 251663 / 251664
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FLEXO FILM WRAPS (INDIA) LIMITED**NOTICE**

Notice is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the members of **FLEXO FILM WRAPS (INDIA) LIMITED**, will be held at B-22 MIDC, Waluj Aurangabad on 5th May, 2003 at 9.30 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st December, 2002 and the Balance Sheet, as on that date and the Report of Directors and Auditors thereon.
2. To appoint Director in place of Mrs. Veena Devi Thirani, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend instead of himself. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
2. The Register of Member and Share Transfer books will remain closed from 28th April, 2003 to 5th May, 2003 (Both days inclusive).
3. Shareholders intending to require information in respect of accounts are requested to send their queries to the company at its registered office at least 7 days in advance of the Annual General Meeting.
4. Members are requested to notify the change in address, if any, promptly to the company quoting their folio numbers.

BY ORDER OF THE BOARD

Place: Aurangabad
Date: 25/02/2003

KUNAL THIRANI
Managing Director

Regd. Office:

B-22, M.I.D.C. Area Waluj,
Aurangabad-431136.

FLEXO FILM WRAPS (INDIA) LIMITED**DIRECTOR'S REPORT**

Your Directors are pleased to present the 17th Annual Report together with the audited Balance Sheet and Profit & Loss Account for the year ended 31st December 2002.

1. FINANCIAL RESULTS :*Rupees in Lacs*

Particulars	Current Year 31st December 2002	Previous Year 31st December 2001	Increase/ (Decrease)	% Change
Sales	1543.93	1638.86	(94.93)	(5.79)
Raw Material Consumption	818.55	1003.64	(185.09)	(18.44)
PBIDT	189.95	39.40	150.55	382.11
Less Interest	78.98	86.43	(7.45)	(8.62)
PBDT	110.97	(47.03)	158	(3.36)
Less Depreciation & Amortisation	145.98	143.84	2.14	1.49
Add: Extra Ordinary Income	-	1013.22	1013.22	100
PBT	(35.01)	822.35	(857.36)	104.26
Less Provision for Tax	-	-	-	-
PAT	(35.01)	822.35	(857.36)	104.26

2. DIVIDEND

In view of the current year losses, the Board has not recommended any dividend for the year ended 31st December 2002.

addition of 33 KVA power line, we have not only been able to improve productivity but has also improved profitability due to very low online wastages.

3. PERFORMANCE

The sales turnover of the company is low compared to last year - this is primarily because of job work done by the company in a major way in the current financial year. So, actually the capacity utilization of the plant & machinery was much better compared to last year. Therefore the sales figure being low in the current financial year, is not reflecting the true picture of performance of the company.

We have the pleasure to inform you that your company has installed 33 KVA line for continuous power supply. Continuous power supply is the backbone for smooth running of the plant and machinery and with this

4. BIFR ORDER

The Hon'ble BIFR has sanctioned a scheme for the revival of the company which has been implemented in the year under review. The salient features of the sanctioned scheme are :

- Reduction of equity shares capital by 50% by way of reduction of par value of equity shares to Rs. 5/- per share from Rs. 10/- per share.
- Adjustment of balance in share premium account, capital reserve with debit balance in profit and loss account.
- Authorised share capital of the company is converted into

FLEXO FILM WRAPS (INDIA) LIMITED

80,00,000 equity shares of Rs.5/- each and preference share capital of Rs. 100 lacs.

- d) Issue of preference shares of Rs. 100 lacs to finance the sanctioned scheme.

5. FIXED DEPOSIT

Your company has not accepted any deposits under Section 58A of the Companies Act, 1956 from the public.

6. INSURANCE

All the properties of the company including Plant & Machinery, Stores and Stocks, wherever necessary and to the extent required have been adequately insured.

7. PERSONNEL

The company continues to maintain cordial relations with the workmen and staff. Your Directors wish to express their appreciation to all the employees of the company for their continued support and contribution.

8. AUDITORS

Bhatter & Company, Chartered Accountants, Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible under Section 224 (1B) of the Companies Act, 1956 offer themselves for reappointment.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

A) *Conservation of Energy:* The company is continuing its efforts to conserve energy.

B) *Technology Absorption:* The company is trying its best to achieve cost reduction and productivity by its in-house R & D.

C) *Foreign Exchange:* Foreign Exchange, earning of the company is Rs. NIL for the year under review, whereas the outgo is Rs. 48,10,539 lacs on account of raw material import and foreign visits for exports, etc.

10. APPRECIATION :

Your company and its Directors wish to extend their sincere thanks to the Central and State Governments, the Financial Institutions, Banks, and Shareholders for their continuing co-operation and assistance.

11. DIRECTOR'S RESPONSIBILITY STATEMENT:

In order to make the directors of the company accountable towards safe guarding the interest of the company, the directors responsibility statement is given:

A) Adherence to the accounting standards

While preparing the annual accounts of the company the applicable accounting standards has been followed along with proper explanation relating to material departures.

B) *Accounting Policies:* The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss for that period.

C) *Director's Responsibility:* The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company for preventing and detecting fraud and other irregularities.

D) *Preparation of accounts on a going concern basis:* The directors had prepared the annual accounts on a going concern basis.

On behalf of the Board of Directors

Place : Aurangabad
Date : 25/02/2003

KUNAL THIRANI
Managing Director

FLEXO FILM WRAPS (INDIA) LIMITED**CORPORATE GOVERNANCE REPORT**

(As required under Clause 49 of the Listing Agreement with the Stock Exchange)
(For the year ended 31.12.2002 and the period upto the date of Auditor's Report
i.e. 25.02.2003)

1) A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Flexo Film Wraps (India) Ltd., (FLEXO) is committed to good corporate governance and has benchmarked itself against best practices. The Company provides detailed information on various issues concerning the Company's business and financial performance. The Company respects the inalienable rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders.

2) BOARD OF DIRECTORS

The constitution of the Board as on 25.02.2003 is given below :

Director	Executive / Non Executive/ Independent*	No. of other Directorships**	Membership/ Chairmanship in other Board Committees	
			Chairman	Member
Mr. Kunal Thirani	Executive	0	N	N
Mr. K.K. Sadani	Executive	1	N	N
Mr. Mohammad Asif	Independent	0	N	N
Mr. Pramod Khaitan	Independent			
Mrs. V.D. Thirani	Non-executive	1	N	N
Mrs. Madhavi Thirani	Non-executive	0	N	N

* Independent Director means a Director who apart from receiving the Director's remuneration does not have any material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries and in the judgment of the Board may affect their independence of judgment.

** Other Directorship exclude Directorships held in Private Limited Companies.

There were five board meetings held during the year ended 31.12.2002. These were on 19.03.2002, 29.04.2002, 30.07.2002, 07.09.2002 and 25.10.2002.

The table hereunder gives the attendance record of the Director.

Name of the Directors	Number of Board Meetings attended	Whether attended last AGM
Mr. Kunal Thirani	5	Y
Mr. K.K. Sadani	5	Y
Mr. Mohammad Asif	2	N
Mr. Pramod Khaitan	0	N
Mrs. V.D. Thirani	1	Y
Mrs. Madhavi Thirani	1	Y

FLEXO FILM WRAPS (INDIA) LIMITED**3. BOARD COMMITTEES**

- 3.1 Audit Committee: The Company is in the process of forming the same.
- 3.2 Remuneration Committee: The Company is in the process of forming the same.
- 3.3 Shareholders' Committee: The Company is in the process of forming the same.

4. GENERAL BODY MEETING

The details of the last three Annual General Meetings is given hereunder :

Date	Venue	Time
15.05.2002	B22, MIDC, Waluj, Aurangabad	9.30 A.M.
15.05.2001	B22, MIDC, Waluj, Aurangabad	9.30 A.M.
09.03.2000	B22, MIDC, Waluj, Aurangabad	10.00 A.M.

5. DISCLOSURE

No remuneration has been paid to any of the Non-Executive & Independent Director during financial year 01.04.2001-31.03.2002. Sitting fees of Rs. 500 per meeting is being paid to the directors.

There has been no instance of non-compliance by the Company on any matter related to capital market. Hence, the question of penalties or strictures being imposed by the SEBI or the Stock Exchange does not arise.

6. MEANS OF COMMUNICATION

● The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in Free Press Journal and Dainik Samna. The half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Stock Exchange, Mumbai & Kolkatta immediately after the conclusion of the respective meetings. No presentations were made to the institutional investors or to analysts during the year under review.

● Management discussion and Analysis forms part of this annual Report.

7. BOARD MEETINGS AND PROCEDURES

● Scheduling and selection of agenda items for board meetings

The Board meetings are generally held either at the Registered office of the Company. Every Board member is free to suggest the inclusion of items on the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the annual shareholder's meetings. When necessary, additional meetings are held.

FLEXO FILM WRAPS (INDIA) LIMITED

● Availability of information to the members of the board

The Board has unfettered and complete access to any information within the Company and to any employee of the Company.

The information regularly supplied to the Board includes :

- Operating plans, budgets
- Quarterly results of the company.
- Information on recruitment and remuneration of senior officers just below the board level
- Materially important litigations, show cause, demand, prosecution and penalty notices
- Fatal or serious accidents or dangerous occurrences and effective steps taken thereof.
- General notices of interest
- Significant development on the human resources front
- Details of deployment of surplus funds available with the Company.
- New projects
- Business contracts entered

8. GENERAL SHAREHOLDER INFORMATION**A. Date, time and venue of Annual General Meetings of Shareholders**

The 17th Annual General Meeting of the members will be held on 5th May 2003 at 9.30 a.m. at the B-22 MIDC Area, Waluj, Aurangabad.

B. Financial reporting for quarter ended

31.03.2002		:	29.04.2002	
30.06.2002		:	30.07.2002	
30.09.2002		:	25.10.2002	
31.12.2002		:	25.02.2003	

C. Dividend Payment

No dividend is declared for the year

D. Listing on stock exchanges

The Stock Exchange, Mumbai & Kolkatta,

E. Listing fees

For the year 2002-2003 is paid.

F. Registered office

B-22, MIDC Area,
Waluj, Aurangabad 431 136.

H. Registrar and Share Transfer agents : Physical share transfer presently in house, shortly it will be given outhouse as per SEBI guidelines.**I. Share Transfer System**

Shares sent for physical transfer are generally registered and returned within a period of 15-20 days from the date of receipt, if the documents are clear in all respects. The total number of shares transferred in physical form during the year 2002 - 11300 shares.

FLEXO FILM WRAPS (INDIA) LIMITED**J. Investor services - complaints management during the year**

Particulars	2002		2001	
	Received	Attended	Received	Attended
No. of Shareholders Complaints letters	3	3	4	4

K. Stock Market price data

Monthly high and low at the Stock Exchange, Mumbai for the accounting year ended 31.12.2002

Month	FLEXO FILMS LTD.		BSESN SENSEX	
	High Rs.	Low Rs.	High Rs.	Low Rs.
January 2002	-	-	3466.73	3243.32
February 2002	2.20	1.05	3758.11	3290.00
March 2002	1.25	1.05	3758.27	3454.27
April 2002	0.85	0.85	3538.49	3296.88
May 2002	0.85	0.85	3478.02	3097.73
June 2002	8.80	1.00	3377.88	3148.57
July 2002	8.90	5.75	3366.74	2932.35
August 2002	6.80	5.70	3185.08	2931.78
September 2002	5.75	3.35	3227.62	2973.97
October 2002	3.05	2.10	3038.92	2828.48
November 2002	2.40	1.85	3245.38	2928.63
December 2002	3.65	1.75	3413.83	3186.62

L. Distribution of shareholding as on 31.12.2002

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Amt. in Rs.	% of Total
1-5,00	2883	88.06	23,90,420	12.72
5,00 - 1000	223	6.81	10,10,315	5.38
1001-2,000	94	2.87	7,57,735	4.03
2,001-3,000	16	0.49	2,10,000	1.12
3,001 - 4,000	13	0.40	2,35,700	1.25
4,001 - 5,000	7	0.21	1,69,000	0.90
5,001 - 10,000	13	0.40	4,94,000	2.63
10,001 & above	25	0.76	1,35,21,025	71.97
Total	3274	100	1,87,88,195	100.00

N. Dematerialisation of shares and liquidity

The Company's has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under M/s.Intime Spectrum Registry Ltd. As on 31.12.2002, 10,06,590 Equity Shares representing 23.52 per cent had been dematerialized.

O. Address for correspondence

Flexo Film Wraps (I) Ltd.
B-22, MIDC Area,
Waluj,
Aurangabad 431 001.