



*Flexo Film Wraps (India) Limited*



**Annual Report & Accounts  
2003**

**FLEXO FILM WRAPS (INDIA) LIMITED**

**DIRECTORS**

Mr. Kunal Thirani - Managing Director  
Mr. K.K. Sadani - Executive Director  
Mr. Mohammad Asif - Nominee of UTI  
Mr. S. P. Jakhanwal - Nominee of Hon'ble BIFR  
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  
Fax: +91-2431-251661.

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**FLEXO FILM WRAPS (INDIA) LIMITED****NOTICE**

Notice is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the members of **FLEXO FILM WRAPS (INDIA) LIMITED**, will be held at B-22 MIDC, Waluj Aurangabad on 7th June, 2004 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 31<sup>st</sup> December, 2003 and the Balance Sheet, as on that date and the Report of Directors and Auditors thereon.
2. To appoint Director in place of Mrs. Madhavi 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 1st June 2004 to 7th June 2004 (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: 29/03/2004

**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 18th Annual Report together with the audited Balance Sheet and Profit & Loss Account for the year ended 31st December 2003.

**1. FINANCIAL RESULTS :***Rupees in Lacs*

Particulars	Current Year 31st December 2003	Previous Year 31st December 2002	Increase/ (Decrease)	% Change
Sales	1297.40	1327.33	(29.93)	(2.25)
Raw Material Consumption	825.92	818.55	7.37	0.90
PBIDT	132.39	189.95	(57.64)	(30.33)
Less Interest	75.90	78.98	(3.08)	(3.89)
PBDT	56.42	110.97	(54.55)	(49.15)
Less Depreciation & Amortisation	87.60	145.98	(58.38)	(39.99)
PBT	(31.11)	822.35	(3.82)	(10.93)
Less Provision for Tax	-	-	-	-
PAT	(31.11)	(35.01)	(3.82)	(10.93)

**2. DIVIDEND**

In view of the current year losses, the Board has not recommended any dividend for the year ended 31st December 2003.

**3. PERFORMANCE**

Though there has been a marginal decrease in sales, the profitability has decreased because of increase in raw material cost, besides increase in employee cost.

**4. FIXED DEPOSIT**

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

**5. INSURANCE**

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

**6. 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.

**7. 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.

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

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

## **FLEXO FILM WRAPS (INDIA) LIMITED**

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

*concern basis:* The directors had prepared the annual accounts on a going concern basis.

**On behalf of the Board of Directors**

**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.

Place : Aurangabad

Date : 29/03/2004

**KUNAL THIRANI**

Managing Director

## **9. 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.

## **10. 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**

**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 31.12.2003 and the period upto the date of Auditor's Report  
i.e. 29.03.2004)

**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 29.03.2004 (date of board meeting) 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		
Mr. K.K. Sadani	Executive	1		
Mr. Mohammad Asif	Independent	0		
Mr. Pramod Khaitan	Independent			
Mrs. V.D. Thirani	Non-executive	1		
Mrs. Madhavi Thirani	Non-executive	0		
Mr. S. P. Jakhanwal	Independent			

\* 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 four board meetings held during the year ended 31.12.2003. These were on 25.02.2003, 30.04.2003, 31.07.2003 and 24.10.2003.

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	4	Y
Mr. K.K. Sadani	4	Y
Mr. Mohammad Asif	1	N
Mr. Pramod Khaitan	0	N
Mrs. V.D. Thirani	2	Y
Mrs. Madhavi Thirani	3	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
05.05.2003	B22, MIDC, Waluj, Aurangabad	9.30 A.M.
15.05.2002	B22, MIDC, Waluj, Aurangabad	9.30 A.M.
15.05.2001	B22, MIDC, Waluj, Aurangabad	9.30 A.M.

**5. DISCLOSURE**

No remuneration has been paid to any of the Non-Executive & Independent Director during financial year 01.04.2002-31.03.2003. 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 shareholders' 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 18th Annual General Meeting of the members will be held on 7th June 2004 at 9.30 a.m. at the B-22 MIDC Area, Waluj, Aurangabad-431136.

**B. Financial reporting for quarter ended**

31.03.2003		:	30.04.2003	
30.06.2003		:	31.07.2003	
30.09.2003		:	24.10.2003	
31.12.2003		:	29.03.2004	

**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 2003-2004 is paid.

**F. Registered office**

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

**G. Registrar and Share Transfer agents :**

M/s. Intime Spectrum Registry Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078.

**H. Share Transfer System**

Shares sent for physical transfer are generally registered & returned within a period of 15-20 days from the date of receipt, if the documents are clear in all respects.

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

Particulars	2003		2002	
	Received	Attended	Received	Attended
No. of Shareholders				
Complaints letters	Nil	Nil	3	3

**J. Stock Market price data**

Monthly high and low at the Stock Exchange, Mumbai for the accounting year ended 31.12.2003

Month	FLEXO FILMS LTD.		BSESN SENSEX	
	High Rs.	Low Rs.	High Rs.	Low Rs.
January 2003	2.30	1.50	3416.92	3199.18
February 2003	2.95	1.85	3341.61	3218.37
March 2003	2.00	1.35	3311.57	3039.83
April 2003	2.00	1.30	3221.90	2904.44
May 2003	2.80	1.50	3200.48	2934.78
June 2003	3.60	1.90	3632.84	3170.38
July 2003	2.70	2.11	3835.75	3534.06
August 2003	2.25	1.96	4277.64	3722.08
September 2003			4473.57	4097.55
October 2003			4951.11	4432.93
November 2003			5135.00	4736.70
December 2003			5920.76	5082.82

**K. Distribution of shareholding as on 31.12.2003**

No. of Equity Shares held	No. of Share-holders	%of Share-holders	Amt. in Rs.	%of Total
1 - 1000	2259	91.87	3367645	17.92
1001 - 2000	119	4.84	890835	4.74
2001 - 4000	32	1.30	474170	2.52
4001 - 6000	14	0.57	352775	1.88
6001 - 8000	4	0.16	142325	0.76
8001 - 10000	5	0.20	241300	1.28
10001 - 20000	6	0.25	442620	2.36
20001 & above	20	0.81	12876525	68.54
<b>Total</b>	<b>2459</b>	<b>100.00</b>	<b>1,87,88,195</b>	<b>100.00</b>

**L. 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 31.12.2003, 10,35,440 Equity Shares representing 27.56 per cent had been dematerialized.

**M. Address for correspondence**

Flexo Film Wraps (I) Ltd.  
B-22, MIDC Area,  
Waluj,  
Aurangabad 431 136.