



NATIONAL FLASK INDUSTRIES LIMITED

NATIONAL FLASK INDUSTRIES LIMITED**NATIONAL FLASK INDUSTRIES LIMITED**

DIRECTORS	:	MR. HARESH M. GANDHI MR. ARUN M. GANDHI MR. NILESH S. GANDHI MR. VIMAL S. GAJDHAR MR. MAHESH NANDA MR. NALIN MANDALLIA	Managing Director Chairman Director Director Director Director
REGISTERED OFFICE	:	A/2, SHED NO.502, G.I.D.C., SARIGAM, DIST.VALSAD, GUJARAT – 396 155.	
AUDITORS	:	KIRAN MATANI & ASSOCIATES. CHARTERED ACCOUNTANTS DEVKARAN MANSION, 2 ND FLOOR, 63, SHAMALDAS GANDHI MARG, (PRINCESS STREET), MUMBAI – 400 002.	
SHARE TRANSFER AGENTS	:	LINK INTIME INDIA PVT. LTD (FORMELY INTIME SPECTRUM REGISTRY LTD) C-13, PANNALAL SILK MILL COMPOUND, LBS MARG, BHANDUP (WEST), MUMBAI – 400 078. PHONE : 2596 3838 FAX: 2596 2691 Email : mumbai@linktime.co.in	
BANKERS	:	SARASWAT C-O-OP. BANK LTD. SHAMRAO VITHAL CO-OP. BANK LTD. NORTH KANARA G.S.B. CO-OP. BANK LTD. COSMOS CO-OP. BANK LTD. INDIAN OVERSEAS BANK	
PLANTS	:	UNIT I A/2, SHED NO.502, G.I.D.C., SARIGAM, DIST.VALSAD. GUJARAT – 396 155 UNIT II PLOT NO.166 P, VILLAGE NAROLI, SILVASSA, UNION TERRITORY OF DADRA AND NAGAR HAVELI.	

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NATIONAL FLASK INDUSTRIES LIMITED

A/2, SHED NO. 502, G. I. D. C., DIST. VALSAD, GUJARAT – 396 155.

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of **NATIONAL FLASK INDUSTRIES LIMITED** will be held on Tuesday, the 29th day of September, 2009 at 9.00 A.M. at A-2, Shed No.507, G.I.D.C., Sarigam, Dist. Valsad, Gujarat – 396 155 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet, the Profit and Loss Account of the Company, cash flow and the Auditors' Report thereon for the year ended 31st March, 2009.
2. To appoint a Director in place of Nilesh S. Gandhi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Arun M. Gandhi, who retires by rotation and being eligible offers himself for re-appointment
4. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of the Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s. KIRAN MATANI & ASSOCIATES, Chartered Accountants, Mumbai, be and are hereby re-appointed as Auditors of the Company to hold office from conclusion of this Meeting till the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed between the Board of Directors and the Auditors, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.”

By Order of the Board

PLACE: SARIGAM
DATED: 17th August, 2009
REGISTERED OFFICE:
A/2, SHED NO. 502,
G. I. D. C., DIST. VALSAD,
GUJARAT – 396 155.

(HARESH M. GANDHI)
MANAGING DIRECTOR

NATIONAL FLASK INDUSTRIES LIMITED**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members are requested to notify to the Registrar at the address mentioned above, the changes if any, in the address in full with the postal area pin code number quoting their folio numbers.
4. The Register of Members and transfer books will remain closed from Wednesday, 16th September 2009 to Tuesday, 29th September 2009. (both days inclusive).
5. Members desiring any information on the accounts are requested to write to the Company at least one week before the meeting so as to enable the management to keep the information ready, replies will be provided only at the meeting.
6. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of annual report.
7. The Company has voluntarily dematerialised its shares with National Securities Depository Limited and Central Depository Services (India) Limited. Members are requested to avail benefit of the same. Members may please note that SEBI has now announced that the shares of the Company will have to be traded compulsorily in the dematerialised form.
8. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easier identification of attendance at the meeting.

By Order of the Board

PLACE: SARIGAM
DATED: 17th August, 2009
REGISTERED OFFICE:
A/2, SHED NO. 502,
G. I. D. C., DIST. VALSAD,
GUJARAT – 396 155.

(HARESH M. GANDHI)
MANAGING DIRECTOR

ANNUAL REPORT 2008-2009***NATIONAL FLASK INDUSTRIES LIMITED****A/2, SHED NO. 502, G. I. D. C., DIST. VALSAD, GUJARAT – 396 155.***DIRECTORS' REPORT**

To,
The Members,

Your Directors hereby present their 22nd Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS:

	(Rupees in Lac)	
	Year ended 31-03-2009	Year ended 31-03-2008
Sales for the year	1.73	4.67
Profit/ (Loss) before Interest, Depreciation and Tax	(25.69)	(37.77)
Less: Interest	1601.90	1362.78
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Profit/ (Loss) before Depreciation and Tax	(1627.59)	(1400.55)
Less: Depreciation	43.62	48.95
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Profit (Loss) before Taxation	(1671.21)	(1449.50)
Less: Provision for Taxation	NIL	NIL
Less: Fringe Benefits Tax	0.16	0.12
Less: Prior year adjustments	0.86	0.27
Less: Loss on Sale of Assets	0.03	2.41
Less: Provision for Deferred Tax Liability/Assets	(8.40)	(8.69)
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Profit/(Loss) after Taxation	(1663.86)	(1443.61)
Add: Balance brought forward	(9178.11)	(7734.50)
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Profit/(Loss) Carried to Balance Sheet	<u>(10841.97)</u>	<u>(9178.11)</u>

OPERATION:

The turnover during the year ended reduced from Rs.4.67 lacs to Rs.1.73 lacs. Due to non availability of working capital, the Company could not manufacture and has to resort to out sourcing from the market and the same being of inferior quality has not been purchased by the customers.

The Company due to heavy loss has become sick-industrial Company. The Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) with revival plan to make the Company once again healthy.

The company has filed civil suit for damages , under law of torts to the tune of Rs. 1904.17 crores against the consortium bankers, The Saraswat Co-operative Bank Ltd., The Shamrao Vithal Co-operative Bank Ltd., The North Kanara GSB Co-operative Bank Ltd. and The Cosmos Co-operative Bank Ltd. The same civil suit is pending before Honourable Civil Court Silvassa for adjudication. Hence in view of the above facts and circumstances, at present, there is **"No Debt Due"** to all the above mentioned banks.

NATIONAL FLASK INDUSTRIES LIMITED**DIVIDEND:**

Due to heavy loss suffered by the Company, your directors regret their inability to recommend any dividend for the year under review.

FIXED DEPOSIT:

The Company has not accepted any deposits from the public during the year under review. There has not been any unclaimed or unpaid deposit as on 31st March 2009.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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/loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2009 on a 'going concern' basis.

AUDITORS' REPORT:

The notes on Accounts referred in the Auditors' Report are self-explanatory and therefore do not call for any clarification. However the specific issues dealt with by the auditors are addressed as under.

- (i) AS2 On valuation of inventories has not been complied with in respect of Excise Duty. The company has been consistently following system of accounts for excise duty as per section 145 of the Income Tax Act, 1961. There is no impact on the profits/losses due to this treatment.
- (ii) AS9 requires the company to deposit undisputed statutory dues and the Company is also regular in depositing undisputed statutory dues, except in specific issues where some disputes are laying with Central Excise Department of Naroli and Sarigam dues are not yet paid because the Company is waiting for final decision.
- (iii) The directors have not been able to reasonably estimate the retirement benefits due to staff/workers and hence no provision has been made in this account.
- (iv) There has been a delay in depositing undisputed statutory dues including Provident Fund and Sales Tax. This is mainly on account of the fact that due to a fire in the company's factory and subsequent non-settlement of the insurance claim has resulted in a severe financial crunch for the company.
- (v) The company is already registered with the Board for Industrial and Financial Reconstruction (BIFR) as per the Act 1985.

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AUDITORS:

M/s. KIRAN MATANI & ASSOCIATES, Chartered Accountants, Auditors have furnished their eligibility certificate required under section 224(1-B) of the Companies Act, 1956. The Board recommends their re-appointments till the conclusion of the next Annual General Meeting.

DIRECTORS:

Mr. Arun M. Gandhi and Mr. Nilesh S. Gandhi, Directors retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointments.

PARTICULARS OF EMPLOYEES:

None of the employees has drawn remuneration as required under provisions of section 217(2A) of the Companies Act, 1956. Therefore, details in Form B are not given.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since there is no production during the year, the steps have not been taken to reduce consumption of electrical energy by improved housekeeping, improvement of power factor, indoor shop lighting, etc. in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956. The required information is annexed to the Directors' Report.

Regarding research & development, continuous efforts were made for up gradation of different products.

By Order of the Board

PLACE: SARIGAM
DATED: 17th August, 2009

(HARESH M. GANDHI)
MANAGING DIRECTOR

NATIONAL FLASK INDUSTRIES LIMITED**ANNEXURE
FORM "A"****A CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

Details of energy consumption are given below.

POWER AND FUEL CONSUMPTION	2008-2009	2007-2008
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ELECTRICITY

Purchased:

Total units consumed (In Lacs)	NIL	NIL
Total Amount (Rupees in Lacs)	NIL	NIL
Rate per unit (Rupees)	NIL	NIL

Units Generated through Diesel Generator Sets

Unit Generated (In Lacs)	NIL	NIL
Units per ltr of Diesel Oil	NIL	NIL
Cost / Unit (Rupees)	NIL	NIL

COAL

Total units consumed (In M.T.)	NIL	NIL
Total Amount (Rupees in Lacs)	NIL	NIL
Rate per M. T. (Rupees)	NIL	NIL

FURNACE OIL

Total units consumed (ltr in Thousand)	NIL	NIL
Total Amount (Rupees in Lacs)	NIL	NIL
Rate per ltr (Rupees)	NIL	NIL

B RESEARCH & DEVELOPMENT

R & D activities have not been carried out during the year.

C FOREIGN EXCHANGE EARNINGS / OUTGO

Earnings (Rs. In Lacs)	NIL	NIL
Outgo (Rs. In Lacs)	NIL	NIL

ANNUAL REPORT 2008-2009**REPORT ON CORPORATE GOVERNANCE**

Your Directors submit their report on the Corporate Governance of the Company for the Financial Year 2008-2009.

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

National Flask benchmarks its Corporate Governance with the prevalent practices and it conforms the mandatory requirements.

MANAGEMENT DISCUSSION:

The Company due to loss of Machinery and Stocks in fire had been hard hit with the fund. The Company has only one division, manufacturing of Plastic products. The Company has been expecting to achieve a reasonable turn over if the rehabilitation programme will be implemented by the consortium bankers.

Secondly, due to over dues from the Debtors and Advances which have turned into bad debts, the Management has to write off the substantial amount of receivables after taking legal steps, which also contributed to ill health of the Company.

The Company is having very low labour turnover and is having cordial industrial relations. There are no financial or commercial transactions having a potential conflict of interest between personnel in the management and the Company.

BOARD OF DIRECTORS:**Composition and category of Directors as of 31-03-2009**

Promoter Executive Directors	1	16.67%
Non-executive Promoter Directors	2	33.33%
Independent Directors	3	50.00%
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	6	100.00%
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Attendance of each Director at the Board Meetings held during the year ended 31-03-2009 and the last AGM

Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM YES/NO
Mr. Haresh M. Gandhi	05	05	YES
Mr. Arun M. Gandhi	05	05	YES
Mr. Nilesh S. Gandhi	05	05	YES
Mr. Vimal S. Gajdhar	05	05	YES
Mr. Mahesh Nanda	05	05	YES
Mr. Nalin Mandallia	05	05	YES

Brief profile of Director seeking re-election:

Mr. Arun M. Gandhi is under Graduate and having the knowledge of administration and marketing.

He is neither a Director on the Board of other Companies nor a trustee of any charitable trust.

Mr. Nilesh S. Gandhi is a Commerce Graduate and having the business experience of 13 years in the plastic industry

NATIONAL FLASK INDUSTRIES LIMITED

He is neither a Director on the Board of other Companies nor a trustee of any charitable trust.

Details of Directorship in other public limited Companies:

<u>Name of Director</u>	<u>No. of Directorship</u>	<u>No. of Committee Memberships</u>
Mr. Haresh M. Gandhi	NIL	NIL
Mr. Arun M. Gandhi	NIL	NIL
Mr. Nilesh S. Gandhi	NIL	NIL
Mr. Vimal S. Gajdhar	NIL	NIL
Mr. Mahesh Nanda	NIL	NIL
Mr. Nalin Mandallia	NIL	NIL

Committees:

Mr. Vimal S. Gajdhar	Chairman, Audit Committee
Mr. Mahesh K. Nanda	Member, Audit Committee and Chairman Shareholder/Investor Grievance Committee.
Mr. Nalin R. Mandallia	Member of Audit Committee
Mr. Haresh M. Gandhi	Member of Shareholder/Investor Grievance Committee.
Mr. Arun M. Gandhi	Member of Shareholder/Investor Grievance Committee.

Board Meetings held:

5 Board Meetings were held during the year on 30th April, 2008, 31st July, 2008, 18th August, 2008, 31st October, 2008, 31st January, 2009.

Audit Committee:

The Audit Committee oversees the general accounting practices and other management policies.

The Committee met five times during the financial year. First on 30th April, 2008 Second time on 31st July, 2008, Third on 18th August, 2008, Fourth on 31st October, 2008 and Fifth on 31st January, 2009 where all the members of the Committee, Managing Director, the Statutory Auditors and the Internal Auditors were present. The Meetings reviewed the Annual Accounts, quarterly, half-yearly and Nine months results and approved the same.

Details of Remuneration to the Directors in 2008-2009: (Amount in Rs.)

Due to financial crunch the directors have decided to forgo the remuneration payable to them for the year.

Share Transfer Committee/Investor Grievance Committee:

The Board has constituted the Share Transfer Committee, with the one Executive Director as member to consider and approve Transfers of shares in the physical form and allied matters. The Shareholder/Investor Grievance Committee has been constituted under the Chairmanship of Mr. Mahesh K. Nanda with Mr. Haresh M. Gandhi and Mr. Arun M. Gandhi as Members.

Shareholder/Investor Service:

Is handled by Mr. Arun M. Gandhi who provides timely services. There is no case/ complaint pending.