



# **Glory Polyfilms Limited**

**13th Annual Report  
2009 - 10**





## CORPORATE INFORMATION

### Board of Directors

Mr. Prakash N. Kela

Mr. Yogesh P. Kela

Mr. Umesh P. Kela

Mr. Vilas R. Shah

Mr. Navin C. Chokshi

Mr. Devi Prasad Taparia

Mr. Sanjeev A. Jain (Appointed w.e.f. 06.04.2010)

*Chairman*

*Managing Director*

*Executive Director*

*Independent Director*

*Independent Director*

*Independent Director*

*Additional Director*

### Statutory Auditors

M/s. Mittal & Associates

Chartered Accountants, Mumbai

### Bankers

State Bank of India

Indian Overseas Bank

Central Bank of India

Kotak Mahindra Bank

### Registered Office

201, Vintage Pearl, A Wing, 29th Road,  
Bandra (W), Mumbai – 400 050

Tel: +91-22-2651 4811,

Fax; +91-22-2651 4812

Email: investor@glorypolyfilms.com

Website: www.glorypolyfilms.com

### Works

Survey No. 261, 262, 263 & 292,

Village Dunetha, Nani Daman (U.T)

Tel: 0260 – 2992526

E-mail: factory@glorypolyfilms.com

### Registrar and share Transfer Agent

M/s. Bigshare Services Pvt. Ltd.

E/2, Ansa Industrial Estate, Saki Vihar Road,

Saki Naka, Andheri (E), Mumbai - 400 072

Tel: +91-22-2847 0652,

Fax: +91-22-2847 5207

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**NOTICE**

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the members of Glory Polyfilms Limited will be held on Wednesday, the 29<sup>th</sup> September, 2010 at the Scarlet Hall, Hotel Shubhangan, 21<sup>st</sup> Road, Khar Danda, Khar (W), Mumbai - 400 052 at 12.30 P.M. to transact the following business:

**As Ordinary Business:**

- 1) To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the profit & loss account for the year ended 31<sup>st</sup> March, 2010 and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in the place of Mr. Navin C. Chokshi, who retires by rotation and being eligible, offers him-self for re-appointment.
- 3) To appoint a Director in the place of Mr. Vilas R. Shah, who retires by rotation and being eligible, offers him-self for re-appointment.
- 4) To re-appoint M/s. Mittal & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company and authorize the Board of Directors to fix their remuneration.

**As Special Business:**

- 5) To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:  
"RESOLVED THAT Mr. Sanjeev A. Jain, who was appointed as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (Act) and in respect of whom the Company has received a notice pursuant to Section 257 of the Act, be and is hereby appointed a Director of the Company, liable to retire by rotation."

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 12<sup>th</sup> August, 2010

**Prakash N. Kela**  
Chairman

**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 OF THE COMPANY.
2. In order to be effective Proxies, duly stamped and executed, must reach the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting. A Proxy form is enclosed for this purpose.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed herewith.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 24<sup>th</sup> September, 2010 to 29<sup>th</sup> September, 2010 (Both days inclusive) for the purpose of Annual General Meeting.
5. Information under the Listing Agreement of the Directors proposed to be re-appointed forms part of this Notice, which is annexed herewith.
6. The Members are requested to lodge/notify the transfer deed, communication for change of address, Bank details, ECS details, wherever applicable, mandates (if any), for shares held in physical Mode with M/s. Bigshare Services Limited, the Registrar and Share Transfer Agents of the Company, having their office at E/2, Ansa Industrial Estate, Saki Vihar Road, Naka, Andheri (E), Mumbai 400 072.
7. "All the Investor queries/complaints/grievances may be addressed to investor@glorypolyfilms.com".
8. Documents mentioned in the Notice are available for inspection by eligible members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. during Monday to Friday till the date of the Annual General Meeting.



## **EXPLANATORY STATEMENT (PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956)**

### **Item No. 5**

Mr. Sanjeev A. Jain was appointed as Additional Director of the Company with effect from 06<sup>th</sup> April, 2010 and as per the provisions of the Companies Act, 1956 (Act), he holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received Notice along with requisite deposit under section 257 of the Act, proposing his appointment as a Director of the Company.

Details regarding the person proposed to be appointed as Director and his brief resume has been given in the Annexure attached to the Notice. Keeping in view the experience and expertise of Mr. Sanjeev A. Jain, Board has recommended his appointment as Director of the Company.

Mr. Sanjeev A. Jain is concerned or interested in the resolution at item no. 5 of the Notice to his own appointment.

Your Directors recommend passing of the resolutions set out in the Notice.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 12<sup>th</sup> August, 2010

**Prakash N. Kela**

Chairman

## **ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING RE-ELECTION/APPOINTMENT AT THE ANNUAL GENERAL MEETING:**

### **a) Mr. Navin C. Chokshi**

Mr. Navin C. Chokshi is aged around 56 years and has been appointed as the Non-Executive and Independent Director of the Company on 02.12.2005. He is a Member of the Institute of Chartered Accountants of India. He is also the Chairman of the Audit Committee of the Company. In view of his experience, the Board of Directors considers that the continuance of Mr. Navin C. Chokshi on the Board of the Company will be beneficial to the Company and recommend the resolution for your approval. Additionally Mr. Navin C. Chokshi is the member of Remuneration Committee of the Company.

#### **Other Directorship:**

1. Hilton Metal Forgings Limited.
2. Gloria Technocost Enterprises Limited.

#### **Shareholding:**

Mr. Navin C. Chokshi does not hold any shares as on 31<sup>st</sup> March, 2010.

### **b) Mr. Vilas R. Shah**

Mr. Vilas Shah is aged around 52 years of age and has been appointed as the Non-Executive and Independent Director of the Company on 02.12.2005. He is a well-reputed Builder & Land Developer in Nashik. In view of his experience, the Board of Directors considers that the continuance of Mr. Vilas R. Shah on the Board of the Company will be beneficial to the Company and recommend the resolution for your approval. Additionally Mr. Vilas R. Shah is the Chairman of Shareholder Grievance Committee of the Company.

#### **Other Directorship:**

1. Viraj Estates Pvt. Ltd.
2. Vilas Farmhouse Pvt. Ltd.
3. Rajvi Housing Pvt. Ltd.
4. Rajvi Reality Pvt. Ltd.
5. Viraj Landmark Pvt. Ltd.

#### **Shareholding:**

Mr. Vilas R. Shah does not hold any shares as on 31<sup>st</sup> March, 2010.

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**c) Mr. Sanjeev A. Jain**

Mr. Sanjeev A. Jain is aged around 51 years and has been appointed as the Non-Executive and Independent Director of the Company on 06.04.2010. He is a graduate from Mumbai University and having over 20 years of experience in the ship breaking industry. In view of his experience, the Board of Directors considers that the continuance of Mr. Sanjeev A. Jain on the Board of the Company will be beneficial to the Company and recommend the resolution for your approval.

**Other Directorship:**

1. Shakun Gases (P) Limited.

**Shareholding:**

Mr. Sanjeev A. Jain does not hold any shares as on 31<sup>st</sup> March. 2010.



## DIRECTORS' REPORT

The Directors have pleasure in presenting the 13<sup>th</sup> Annual Report of the Company along with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2010. The Report also includes the Management Discussion and Analysis Report in accordance with the provisions of the Clause 49 of the Listing Agreement.

### Financial Highlights

(Rs. in Lac)

Particulars	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Total Income	<b>11476.29</b>	8190.56
Total Expenditure	<b>9842.99</b>	7147.2
Profit before Interest, Depreciation & Tax (PBDIT)	<b>1633.30</b>	1042.84
Depreciation	<b>304.64</b>	159.17
Interest & Financial Charges	<b>577.87</b>	276.72
Profit Before Tax (PBT)	<b>750.79</b>	606.95
Provision for Taxation	<b>355.13</b>	100.93
Profit after Tax (PAT)	<b>395.66</b>	506.02

In the year under review, the turnover from operations recorded excellent growth; it increased from Rs. 8190.56 lacs in the previous year to Rs. 11476.29 lacs this year, an increase of about 40.11%. The profit before tax also recorded 23.69% growth and increased from Rs. 606.95 lacs in the previous year to Rs. 750.79 lacs this year. Your management's efforts succeeded in fulfilling the promise of increasing revenues and market share. The coming years hold new promises with lot of new development happening within the Company.

### Dividend

The Board has not recommend payment of any dividend during the year.

### Authorised Share Capital & Global Depository Receipts (GDRs) Issue

Pursuant to the resolution passed by the Members at their meeting held on 29<sup>th</sup> March, 2010, the Authorized Capital of the Company has increased from Rs. 32.00 Crs. to Rs. 63.00 Crs. by creation of 3,10,00,000 Equity shares of Rs.10/- each.

In February, 2010 the Company came out with the first issue of 35,00,000 Global Depository Receipts (GDRs) through the Luxembourg Stock Exchange at a price of US\$ 1.0246 per GDR and raised USD 3.58 million pursuant to the Offering Circular dated 18<sup>th</sup> February, 2010 and GDRs are listed on LuxSE and are traded on the Euro MTF. Each GDR represents two equity share of Rs.10/- each. The underlying equity shares are listed with NSE and BSE.

### Issue of Promoters Warrants

During the year, the Company has approved issue and allotment of 15,00,000 warrants to promoters on preferential basis at an issue price of Rs. 24/- per warrant convertible into at par number of equity shares and received 25% of issue price aggregating to Rs.90.00 lacs. Further the Company has applied to Stock Exchanges for their in principal approval and the same is pending before the exchanges.

### Manpower Development Process

The Company's Human Resource Division has finalized an organization structure that supports the vision and strategy of the Company. The organization structure is divided into five bands: Strategic, Operational, Manager, Executive and Support, which have been further divided into various levels. All Glory employees are assigned a level under a particular band depending upon their role, impact and criticality of job and the contribution to the Company's strategy.

### Particulars of Employees

None of the employees fall under the purview of the provision of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

### Auditors

M/s. Mittal & Associates, the Statutory Auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their

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appointment, if made, would be within the prescribed limit under section 224 (1) (B) of the Companies Act, 1956. Your Directors recommend reappointment of M/s. Mittal & Associates, as Auditors of the Company, at the ensuing Annual General Meeting.

***The comments on the Statement of Account referred to in Report of Auditors are self-explanatory.***

### **Fixed Deposits**

The Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

### **Directors**

Mr. Navin C. Chokshi and Mr. Vilas R. Shah, Directors of the Company retire by rotation and being eligible offers themselves for re-appointment. Mr. Sanjiv A. Jain has been appointed as Additional Director and he holds office up to the date of ensuing Annual General Meeting. He is eligible for appointment as Director.

Mr. Girdharilal Goenka, Mr. Kishore N. Kela and Mr. Ramakant B. Jhunjhunwala have submitted their resignation to the directorship of the Company with effect from 18.02.2010, 07.05.2010 and 05.04.2010 respectively and same were accepted by the Board. Your Board placed on records its appreciation to outgoing Directors for their valuable services rendered during their tenure on the Board of the Company.

### **Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed, with explanation for deviation, if any;
- (ii) that the Directors have 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 ended 31<sup>st</sup> March, 2010 and of the Profit of the Company for that financial year.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors have prepared the Annual Accounts on a going concern basis.

### **Report on Corporate Governance**

A detailed report on Corporate Governance has been provided elsewhere in the Annual Report.

### **Management Discussion and Analysis**

A separate section on Management Discussion and Analysis, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is given in the Annual Report.

### **Conservation of Energy & Technology Absorption, Foreign Exchange Earning and Outgo**

As required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in Annexure to this Report.

### **Acknowledgement**

Your Directors place on record their appreciation of the support extended by customers, investors, bankers, business associates, vendors and various government agencies. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 12<sup>th</sup> August, 2010

**Prakash N. Kela**  
Chairman





## ANNEXURE TO THE DIRECTORS' REPORT

### CONSERVATION OF ENERGY

#### FORM A

Power and Fuel Consumption	Year ended 31.03.2010	Year ended 31.03.2009
Electricity –		
Total Units	<b>2181600</b>	1812000
Amount (Rs. In lacs)	<b>79.15</b>	56.24
Rate Per Unit (Rs.)	<b>3.63</b>	3.10
Consumption per unit of Production (in unit/kg.)	<b>0.95</b>	1.02
Own Generation – (Through Diesel Generator)		
Total Units (in liters)	<b>115673</b>	112890
Amount (Rs. In lacs)	<b>17.05</b>	13.74
Rate Per Unit (Rs.)	<b>14.74</b>	12.17

#### FORM 'B'

### Technology Absorption

#### Research & Development

**1) Specific area in which R & D carried out by the Company:**

During the year under review, efforts were made in the following areas with the objective of optimizing process systems and adopting parameters that ensure product improvement and cost reduction:

- Total Quality Management (TQM) rolled out in the Company resulted in process improvements and new methods of increasing production and manpower efficiencies across divisions.
- Energy saving measures like single tank condensate, natural draft cooling tower and improved lighting system led to energy conservation and natural energy source optimization initiatives.
- Renewed focus on safety measures and proper training resulted in reduced wastage of resources and avoidance of unfortunate incidents thus increasing overall efficiency.
- Reducing cost of materials, effecting import substitution, simplifying processes and achieving time savings.
- Quality improvements and up-gradation of raw material suppliers.

**2) Benefits derived as a result of the above R & D:**

- High quality, value added and cost effective multilayer films & laminates preferred by the consumers were developed.
- Reduction in cost of raw materials and packaging materials and higher productivity.
- Significant reduction in the emission of pollutants into environment; use of clean methods of energy generation.
- Improved quality of products and thereby strong market position and premium positioning of the products.

**3) Future plan of action:**

The Company will continue to pursue its R&D work on developing high quality products to meet the ever changing consumer needs and on adding value to our existing products.

**4) Expenditure on R & D:**

Charged to the respective heads of accounts and not allocated separately.

Foreign Exchange Earning and Outgo

Foreign Exchange Earned : NIL

Foreign Exchange used : Rs. 3,80,93,467 (import of Raw Material) & Rs. 8,91,78,454 (Capital Goods)

For and on behalf of the Board of Directors

Place : Mumbai

Date : 12<sup>th</sup> August, 2010

**Prakash N. Kela**

Chairman

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Packaging Industry**

The current wave of economic development in India is being seen from all over the world. As infrastructure, manufacturing, agriculture, and services grow at high rates the packaging industry is also showing great variety and depth in its growth. India's packaging industry may achieve an annual turnover as high as US\$ 5 billion in the current financial year with a growth rate nearly 25 per cent in significant segments. Leading companies in the Indian packaging industry show a compound annual growth rate of 30 percent and the Indian Rupee is strengthening against the US dollar at annual rate of 4 to 5 per cent. Even then, the US\$ 5 billion figure would represent about one per cent of the current global packaging industry.

In 2001, the packaging industry worldwide generated an annual estimated turnover of US\$ 417 billion. The major regions that made up this total include Europe, US\$ 129 billion; North America, \$116 billion; and Japan, US\$ 81 billion. India's consumer packaging accounted for just US\$ 2.3 billion in that year, that is about half of one per cent of the global packaging volume.

### **Packaging in India**

Today, packaging is produced more quickly and efficiently. It is generally lighter in weight, uses less material, is easier to open, dispense from, reseal, store, and dispose. Packaging has evolved from a relatively small range of heavy, rigid containers made of wood, glass, and steel, to a broad array of rigid, semi rigid and flexible packaging options increasingly made from specialized lightweight materials.

### **Flexible Packaging**

Flexible packaging consists of multi-layer laminated sheets of plastics (PVC, LDPE, HDPE, BOPP, BOPET), paper, cloth, or metal foils that are used separately or in combination for various packaging applications. However, this article discusses flexible packaging as laminates of plastics that have a unique set of properties that ensure toughness, moisture resistance, aroma retention, gloss, grease resistance, heat sealability, printability, low odour and taste. These find use in packaging food, tea, coffee, spices, chewing tobacco, bakery, confectionary, oils, and in certain other non-food applications such as household detergents, health and personal care, soaps, and shampoos.

### **Flexible Packaging Demand in India and Worldwide**

World demand for converted flexible packaging will grow at more than 4 per cent per year through 2005 to nearly 14 million metric tons, with a value exceeding US\$ 50 billion. The best gains are expected in the world's emerging markets, including Eastern Asia, Eastern Europe, Africa, and Middle East. India holds largely untapped markets with a potential of double digit market growth. The flexible packaging industry in India is currently estimated to be US\$ 1 billion and records a high growth rate of approximately 20 per cent.

The expansion of the Indian flex-pack market has accelerated due to:

- A growing middle class of over 300 million.
- The conversion of the more traditional rigid packaging into flexible forms.
- A favourable government tax structure. Excise duty that was once 24% has been reduced to 16%.
- Liberalization of the Indian economy since 1991.
- Globalization and the influx of multinational companies.
- Modern plants and equipment available to the flexible packaging industry.

Considering these factors it is only obvious that flexible packaging has a very bright future in India and is here to stay and grow in a big way. The current demand for flexible packaging in India, stands at about 500,000 tons.