



Glory Polyfilms Limited

**15th Annual Report
2011-12**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prakash N. Kela
Mr. Yogesh P. Kela
Mr. Umesh P. Kela
Mr. Muralidharan Iyengar
Mr. Navin C. Choksi

Chairman (Non-Executive Director)
Managing Director
Executive Director
Independent Director
Independent Director

COMPANY SECRETARY

Mr. Ranjeetkumar Sharma

BANKERS

State Bank of India
Indian Overseas Bank
Central Bank of India
Dena Bank
HSBC Bank

AUDITORS

M/s. Mittal & Associates
Chartered Accountants, Mumbai

INTERNAL AUDITORS

M/s. ADV & Associates
Chartered Accountants, Mumbai

REGISTERED OFFICE

201, Vintage Pearl, A Wing, 29th Road
Bandra (W), Mumbai - 400 050.
Tel: +91-22-2651 4811, Fax: +91-22-2651 4812
E-mail: investor@glorypolyfilms.com
Website: www.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

WORKS

Survey No. 261/1/2/4, Industrial Estate, Coastal Highway,
Village Dunetha, Nani Daman, Daman (U.T).
Tel: +91-260-3984800

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of **Glory Polyfilms Limited** will be held on **Saturday, the 29th September, 2012** at Scarlet Hall, Hotel Shubhangan, 21st Road, Khar Danda, Khar (West), Mumbai - 400 052 at 10.00 A.M. to transact the following business:

As Ordinary Business:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in the place of Mr. Umesh P. Kela, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in the place of Mr. Navin C. Chokshi, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To re-appoint the Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution, as an **Ordinary Resolution** :

"RESOLVED THAT M/s. Mittal & Associates, Chartered Accountants (Firm Regn. No.: 106456W), Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Statutory Auditors of the Company."

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. Muralidharan Iyengar, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- 6) To consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:

CHANGE OF NAME OF THE COMPANY:

"RESOLVED THAT pursuant to Section 21 and other applicable provisions of the Companies Act, 1956 (Act), if any, and subject to the approval of the Central Government the name of the Company be changed from '**Glory Polyfilms Limited**' to '**Glory Films Limited**'."

"RESOLVED FURTHER THAT the name '**Glory Polyfilms Limited**', wherever it appears in the Memorandum and Articles of Association of the Company be substituted by the new name '**Glory Films Limited**'."

"RESOLVED FURTHER THAT any one Director or the Company Secretary of the Company be and are hereby authorised jointly and/or severally to take necessary steps and to do all such acts, deeds and things as may be required to obtain the consent of the Registrar of Companies, Mumbai, Maharashtra, for the said change of name and for issue of Fresh Certificate of Incorporation consequent to Change of Name of the Company."

For and on behalf of the Board of Directors

Place: Mumbai
Date: 14th August, 2012

Prakash N. Kela
Chairman



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. The Explanatory Statement pursuant Section 173 (2) of the Companies Act, 1956, for item No. 5 and 6 is attached and forms part of this notice.
5. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
6. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the "Annexure A" to the Notice.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
9. The Register of Members and Share Transfer Books will remain closed from September 24, 2012 to September 29, 2012 (both days inclusive).
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072, India, for consolidation into a single folio.
11. With respect to shares lying in the suspense Account in terms of Clause 5A(I) of the Listing Agreement, the following are the details :

Sr. No.	Particulars	No. of Shareholders	No. of Equity Shares
1.	Aggregate No. of Shareholders & Shares pending as on 01.04.2011	01	1000
2.	No. of Shareholders who approached for transfer of shares from suspense account during the year	Nil	Nil
3.	No. of Shareholders and Shares transferred from suspense account during the year.	Nil	Nil
4.	No. of Shareholders and Shares outstanding at the end of year. (31.03.2012)	01	1000

12. **Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting.**
13. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least 10 days before the meeting to enable the Company to provide the required information.
14. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
15. **GLORY** is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17 / 2011 and 18 / 2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with the relevant depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

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

Item No. 5:

Mr. Muralidharan Iyengar was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th May, 2012. Mr. Muralidharan Iyengar will hold office as an Additional Director up to the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member proposing the candidature of Mr. Muralidharan Iyengar for the office of the Director of the Company under the provisions of Section 257 of the Companies Act 1956.

Your Directors recommend the Ordinary Resolution as set out in item no. 5 of the notice for your approval.

None of the Directors of the Company except Mr. Muralidharan Iyengar is in anyway, concerned or interested in the said resolution.

Item No. 6:

Considering the need that the name of the Company should be more consonance with the existing Main Objects of the Company and also not to restrict the business of the Company only to Poly Film manufacturing, the Board of Directors of the Company has decided, subject to necessary approvals, to change the name of Company from “**Glory Polyfilms Limited**” to “**Glory Films Limited**”. Necessary Application has been submitted by the Company with the Ministry of Corporate Affairs for availing the proposed name. As the word ‘Film’ means and include ‘a thin strip of flexible, transparent strip or material or sheet made of plastic used in wrapping and packaging’. Hence the word ‘Film’ being more appropriate than the existing word ‘Polyfilm’ in the name of the Company, your Directors recommend the name of the Company be changed to “**GLORY FILMS LIMITED**”, subject to approval of the members of the Company and relevant statutory authorities.

The Company will continue to carry out its business under the existing main object under its new name as “**GLORY FILMS LIMITED**”.

None of the Directors is concerned or interested in the said resolution, except as Members of the Company and your Directors recommend the resolution to be passed as a Special Resolution.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 14th August, 2012

Prakash N. Kela
Chairman



Annexure A

Additional information on Directors recommended for Appointment or seeking Re-appointment at the Annual General Meeting, as per Clause 49 of the Listing Agreement:

PARTICULARS	Mr. Umesh P. Kela	Mr. Navin C. Chokshi	Mr. Muralidharan Iyengar
Date of Birth	03.09.1977	26.05.1953	21.11.1960
Date of appointment	15.12.1997	02.12.2005	30.05.2012
Qualification & Experience in specific functional area	Mr. Umesh P. Kela holds a Bachelor of Engineering Degree in Production Engineering from Mumbai University and Diploma in Business Management from S P Jain Institute of Management Sciences, Mumbai. He is handling Production Department and finance function and is looking after Customer Service. He has an overall experience of 14 years in the business of Multilayer Blown film Extrusion & Flexible Laminates.	Mr. Navin C. Chokshi is a Fellow Member of the Institute of Chartered Accountants of India and has been in independent professional practice in the name and style of M/s. Navin C. Chokshi & Co., Chartered Accountants, for around 23 years. Their areas of experience include Audit, Taxation, Due Diligence and Risk Assessment Studies, etc.	Mr.M.K.Muralidharan is a Fellow Member of the Institute of Chartered Accountants of India and has been in independent professional practice in the name and style of M/s. Muralidharan Iyengar & Co, Chartered Accountants, for more than 2 decades now. Their areas of experience include Audit, Taxation, Assurance, Due Diligence and Risk Assessment Studies, etc.
Directorships held in other Public Companies	Nil	Hilton Metal Forging Limited	Nil
Memberships/ Chairmanships of committee in other Public companies	Nil	Nil	Nil
Shareholding, if any, in the Company (31.03.2012)	21,04,235 (3.54%)	Nil	Nil

DIRECTORS' REPORT

To
The Shareholders,
GLORY POLYFILMS LIMITED

Your Directors are pleased to present the 15th Annual Report and the Audited Statements of Accounts for the year ended 31st March, 2012, and the Auditors' Report thereon.

Financial Results

Financial results of the Company for the year under review along with the figures for previous year are as follows:

(₹ in Lacs)

Particulars	2011-2012	2010-2011
Total Income	13,175.72	17,554.41
Total Expenditure	11,605.67	14,830.08
Profit / (Loss) before Interest, Depreciation & Tax (PBDIT)	1,570.06	2,724.33
Depreciation	1,432.19	903.18
Interest & Financial Charges	2,134.40	1,352.93
Exchange loss on Issue of GDR	--	296.50
Profit / (Loss) Before Tax	(1,996.52)	171.71
Less: Provision for Taxation	(21.96)	120.99
Profit / (Loss) after Tax	(1,974.56)	50.72

During the year under review, your Company has recorded a total income of ₹ 13,175.72 lacs (previous year ₹ 17,554.41 lacs), representing a decrease of approximately 25.54%. Your Company incurred a Loss before tax of ₹ 1,996.52 lacs (previous year Profit Before Tax ₹ 171.71 lacs). The Loss for the year was on account of increase in raw material prices, which largely depends on the movement of crude oil prices. Your Directors are optimistic of a quick turnaround in the coming years, due to the rise in demand for the plastic packaging products in India and abroad.

Dividend

Your Directors have not recommended payment of any dividend, on account of the loss incurred for the year under review.

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 provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 including Companies (Particulars of Employees) Rules, 2011, as amended.

Auditors

a) Internal Auditors

The Internal Auditors, M/s. A D V & Associates, Chartered Accountants, Mumbai have conducted the internal audits periodically and submitted their reports to the Audit Committee. Their reports have been reviewed by the Audit Committee and the Statutory Auditors.

b) Statutory Auditors

M/s. Mittal & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, retire 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 appointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956. Your Directors recommend the re-appointment of M/s. Mittal & Associates, Chartered Accountants, as the Statutory Auditors of the Company, at the ensuing Annual General Meeting.



c) Auditors' Report

With respect to the following comments on the Statement of Accounts referred to in the Report of Auditors, your Directors reply as under:

Auditors' Comments:

1. Sr. No. 4 (d), comply with the applicable Accounting Standards (except for AS-15 in respect of employee benefits);
2. Sr. No. 4 (f), non provision of doubtful advances of Rs.38 Lacs;
3. Sr. No. v(b), of the Annexure to Auditors' Report, transactions for purchase / sale of goods made on Credit basis, at prices which are reasonable;
4. Sr. No. (vi), of the Annexure to Auditors' Report, the Company has accepted deposit falling within the purview of Sections 58A and 58AA and the compliances for the same is pending;
5. Sr. No. (xi), of the Annexure to Auditors' Report, the Company has made delayed payment of Installments of term loans taken from State Bank of India and Indian Overseas Bank during the year and the Installments for certain months are still outstanding.

Board of Directors' Reply :

1. Provision for gratuity has not been made on the basis of actuarial valuation. The same will be accounted in the year of resignation / termination of services of the employees concerned. The Company has made necessary arrangement with the Life Insurance Corporation of India for determining the Actuarial Valuation of the gratuity;
2. With respect to non-provision of doubtful advances of ₹ 38 Lacs, the Company is making its final attempt to recover the said outstanding and the recovery process is in progress;
3. With respect to the sale or purchase of goods made on credit basis to a party, entered in the Register under Section 301 of the Act, the transaction are on the same terms and conditions to the credit period and pricing like any other parties and further the same does not fall within Section 297 of the Act;
4. The Company is in the process of filing necessary returns with the Registrar of Companies for the deposits accepted during the year; and
5. The Board of Directors have laid out necessary mechanism for timely payment of the installments of the Term Loans availed from State Bank of India and Indian Overseas Bank.

Appointment of Cost Accountant

M/s. B. F. Modi & Associates, Cost Accountants, Mumbai have been appointed to submit the Compliance Report along with the requisite annexures duly certified by them for the financial year commencing from 01st April, 2011 to 31st March, 2012 as required under the Rule 2 of the Companies (Cost Accounting Records) Rules, 2011 to the Central Government within the time prescribed under above referred rules.

Appointment/Reappointment of Directors

Mr. Sanjeev A. Jain has resigned as a Director of the Company, which was accepted by the Board of Directors with effect from 13th August, 2011. The Board accords its appreciation for his contributions during his tenure as a Director of the Company.

Mr. Deviprasad Taparia and Mr. Vilas R. Shah, resigned as Directors of the Company with effect from 26th March, 2012. The Board accords its appreciation for their contributions to the business of the Company during their tenure as Directors of the Company.

Mr. Prakash N. Kela was designated as the Non-executive Chairman of the Company, with effect from 01st April, 2012, by the Board at its meeting held on 26th March, 2012

Mr. Muralidharan Iyengar was appointed as an Additional Director of the Company with effect from 30th May, 2012 and he hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature as a Director, liable to retire by rotation.

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Mr. Umesh P. Kela and Mr. Navin Chokshi, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Your Directors recommend the above appointment / re-appointments.

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 along with explanation relating to material departures, 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 31st March, 2012 and of the Loss 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; and
- (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, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

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.

Fixed Deposits:

The Company has taken / availed unsecured loans from Directors and others to meet with the fund requirements for the business of the Company. The Company is in the process of filing necessary Statement in Lieu of Advertisement and to comply with the requirements of Section 58A of the Companies Act, 1956 and applicable Rules made thereunder.

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.

Acknowledgements

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 : 14th August, 2012

Prakash N. Kela
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

FORM A

Power and Fuel Consumption	Year ended 31.03.2012	Year ended 31.03.2011
Electricity –		
Total Units	5427811	4458764
Amount (₹ In lacs)	229.17	142.35
Rate Per Unit (₹)	4.22	3.19
Consumption per unit of Production (in unit/kg.)		
Own Generation – (Through Diesel Generator)		
Total Units (in liters)	Nil	Nil
Amount (₹ In lacs)	Nil	Nil
Rate Per Unit (₹)	Nil	Nil

Form 'B'

II. 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 supplier

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.

III. Foreign Exchange Earning and Outgo

The Company is exploring the possibilities of exporting its products to various countries and the Board has initiated the required marketing strategies in this regard. Your Directors are optimistic for a better overall performance with the penetration of new markets abroad.

Foreign Exchange Earned ₹ Nil

Foreign Exchange used ₹ 6.60 Crores (import of Raw Material) &
₹ Nil (Capital Goods)

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 14th August, 2012

Prakash N. Kela
Chairman