



Glory Films Limited

**16th Annual Report
2012-13**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Yogesh P. Kela
Mr. Umesh P. Kela
Mr. Muralidharan Iyengar
Mr. Rakesh Srivastava

Chairman and Managing Director
Executive Director
Independent Director
Independent Director

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@gloryfilms.in
Website: www.gloryfilms.in

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

CONTENTS

Notice	1
Directors' Report	4
Management Discussion and Analysis	8
Corporate Governance Report	10
Independent Auditors' Report	20
Balance Sheet	24
Statement of Profit and Loss	25
Significant Accounting Policies and Notes to Accounts	26
Cash Flow Statement	40
Attendance Slip and Proxy Form	43

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Glory Films Limited will be held on **Monday, the 30th September, 2013** 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, 2013 and statement of Profit and Loss for the year ended on that date including notes to financial statements and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in the place of Mr. Muralidharan Iyengar, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) 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:

- 4) To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT Mr. Rakesh Srivastava, 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.”

For and on behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2013

Yogesh P. Kela
Chairman and Managing Director



NOTES:

- 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.**
- 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.
- 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.
- The Explanatory Statement pursuant Section 173 (2) of the Companies Act, 1956, for item No. 4 is attached and forms part of this notice.
- Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
- 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 (excluding Directorships in Private Limited Companies, Section 25 Companies and Foreign Companies) 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.
- 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.
- The Register of Members and Share Transfer Books will remain closed from September 26, 2013 to September 30, 2013 (both days inclusive).
- 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.
- 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 01.04.2012	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. (31.03.2013)	01	1000

- Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting.**
- 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.
- 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 01.00 p.m. up to the date of the Meeting.
- The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, M/s. Bigshare Services Private Limited Email: glory@bigshareonline.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**Item No. 4:**

Mr. Rakesh Srivastava was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 09th February, 2013 and holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of ₹ 500/- proposing the candidature of Mr. Rakesh Srivastava for the office of the Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

In terms of Clause 49 of Listing Agreement the required details of Mr. Rakesh Srivastava is provided below in "Annexure A".

Your Directors recommend the Ordinary Resolution as set out in item no. 4 of the notice for your approval.

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2013

Yogesh P. Kela
Chairman and Managing Director

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. Muralidharan Iyengar	Mr. Rakesh Srivastava
Date of Birth	21.11.1960	05.01.1965
Date of appointment	30.05.2012	09.02.2013
Qualification & Experience in specific functional area	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.	Mr. Rakesh Srivastava is a Fellow Member of the Institute of Chartered Accountants of India and has been in independent professional practice for more than 2 decades now. His areas of experience include Audit, Taxation, Indirect Taxes Assurance, Due Diligence and Risk Assessment Studies, etc.
Directorships held in other Public Companies	Nil	Nil
Memberships/ Chairmanships of committee in other Public companies	Nil	Nil
Shareholding, if any, in the Company (31.03.2013)	Nil	Nil



DIRECTORS' REPORT

To
The Shareholders,
GLORY FILMS LIMITED

Your Directors are pleased to present the 16th Annual Report and the Audited Statements of Accounts for the year ended 31st March, 2013, 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:

Particulars	2012-2013	2011-2012
Total Income	7,723.24	13,175.72
Total Expenditure	7,869.58	11,605.65
Profit / (Loss) before Interest, Depreciation & Tax	(146.34)	1,570.07
Depreciation	1,431.62	1,432.19
Interest & Financial Charges	651.53	2,134.40
Loss Before Tax	(2,229.49)	(19,96.52)
Less: Provision for Taxation : Deferred Tax Asset / (Liability)	(318.32)	21.96
Loss After Tax	(2,547.81)	(1,974.56)

During the year under review, your Company has recorded a total income of ₹ 7,723.24 lacs (previous year ₹13,175.72 lacs), representing a decrease of approximately 41.38%. Your Company incurred a Loss before tax of ₹ 2,229.49 lacs (previous year Profit Before Tax ₹ 1,996.52 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 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. v(b), of the Annexure to Auditors' Report, transactions for purchase / sale of goods have not been made on cash basis, at prices which are reasonable;
2. 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;
3. 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. Further, Company has over utilized Cash Credit Facilities from State Bank of India, Indian Overseas Bank, Central Bank of India & Dena Bank resulting the account of the Company is considered as Non Performing by these banks.
4. Sr. No. (xv), of the Annexure to Auditors' Report, The Company has given a corporate guarantee of ₹ 760 lacs to a bank for loans taken by a company in which directors relatives are interested.

Board of Directors' Reply :

1. 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 the purview of Section 297 of the Act;
2. The Company is in the process of filing necessary returns with the Registrar of Companies for the deposits accepted during the year. However these deposits are in nature of deposits accepted from supply and selling agents for the purpose of trade / for the business of the Company; and
3. The Board of Directors have submitted a proposal for Corporate Debt Restructuring to its bankers which is under consideration.
4. The Corporate Guarantee given is not prejudicial to the interest of the Company, as the company has given the said guarantee on commercial prudent in the business interest of the Company and none of the Directors are holding any shares or directorship in the said Company.

d) Cost Auditors

M/s. B. F. Modi & Associates, Cost Accountants, Mumbai have been re-appointed as the Cost Auditors of the Company to submit the Cost Audit / Cost Compliance Report along with the requisite annexures duly certified by them for the financial year commencing from 01st April, 2013 to 31st March, 2014, by the Board of Directors at their meeting held on 30th May, 2013.

The Cost Audit Report for the financial year ended 31st March, 2012 has been filed on 31st December, 2012 in XBRL format, which was within the due date of 31st January, 2013 vide the General Circular No. 43/2012 issued by the Ministry of Corporate Affairs dated 26th December, 2012.

Change in Board of Directors

Mr. Prakash N. Kela resigned as a Director of the Company with effect from 29th September, 2012. The Board accords its appreciation for his contributions during his tenure as a Director of the Company.

Mr. Navin C. Chokshi resigned as a Director of the Company with effect from 25th November, 2012. The Board accords its appreciation for his contributions during his tenure as a Director of the Company.

Mr. Rakesh Srivastava was appointed as an Additional Director of the Company with effect from 09th February, 2013 and he holds 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. Muralidharan Iyengar, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Your Directors recommend the above appointment / re-appointments.



Change of Name of the Company

The name of the Company was changed from 'Glory Polyfilms Limited' to 'Glory Films Limited', on obtaining the approval of the members vide a Special Resolution passed at the 15th Annual General Meeting held on 29th September, 2012. A Fresh Certificate of Incorporation consequent to the change in name of the Company was issued by the Registrar of Companies, Maharashtra, Mumbai on 04th February, 2013.

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 judgments 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, 2013 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 / promoters to meet with the stipulations of the lending Banks, and from others to meet with the fund requirements for the business of the Company in the nature of deposits accepted from supply and selling agents for the purpose of trade / for the business of the Company. The Company would comply with the requirements of Section 58A of the Companies Act, 1956 and Rules made thereunder, to the extent as may be applicable.

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: 12th August, 2013

Yogesh P. Kela
Chairman and Managing Director

ANNEXURE TO THE DIRECTORS' REPORT**I. CONSERVATION OF ENERGY****FORM A**

Power and Fuel Consumption	Year ended 31.03.2013	Year ended 31.03.2012
Electricity –		
Total Units	4713600	5427811
Amount (Rs. In lacs)	214.28	229.17
Rate Per Unit (Rs.)	4.55	4.22
Consumption per unit of Production (in unit/kg.)		
Own Generation – (Through Diesel Generator)		
Total Units (in liters)	Nil	Nil
Amount (Rs. In lacs)	Nil	Nil
Rate Per Unit (Rs.)	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 ₹ 354.68 Lacs (import of Raw Material)

For and on Behalf of the Board of Directors

Place: Mumbai

Yogesh P. Kela

Date: 12th August, 2013

Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Packaging Industry

The global plastic industry is witnessing continuous shift of production bases to low-cost Asian countries. This coupled with increasing foreign investments, and rise in the number of new manufacturing establishments are presenting Asia-Pacific as a prime driver of growth in the plastics industry. In particular, China and India offer enormous potential due to expanding automobile demand, resurgence in growth fundamentals across all end-use markets, such as rebuilding of consumer/business confidence, increasing income levels, rebound in general production, and rise in capital investments in all end-use sectors.

The global packaging industry witnessed influence of technology innovation and development, a key reason for the industry's robust growth over the last few decades. Over the years, technology development has been moving in sync with growing consumer demand for convenient and quality packaging. Eclectic packaging solutions, for instance, have evolved to offer exceptional product packaging advantages to manufacturers and consumers alike.

Besides growing demand from the automobile, mining, chemical, construction and agricultural industries, the Asia-Pacific plastics market is propelled by trends such as globalization, demand for durable products and urbanization. Packaging sector is one of the major consumers of plastics. Apart from being used as a substitute for traditional materials, plastic packaging is being increasingly used in healthcare and personal care products, and packaged foods and beverages markets. Advancements in packaging material science and mounting demand for product protection and stability are further driving demand for plastic packaging. Bioplastic demand is on the rise and is expected to grow, owing to novel applications in the packaging industry, primarily for food and beverages. Emerging nations with underdeveloped or no recycling facilities are expected to benefit considerably from bioplastics products and packaging.

The global flexible packaging market (at \$71 billion in 2011) will grow by around 5.0% a year, reaching \$90 billion in 2016. Flexible packaging is an industry relatively immune from global economic downturns. In 2016, 42% of the industry will be in Asian markets, which are growing at about 7% a year – the fastest growing region is Southeast Asia and Oceania, driven by high demand in India with 15-20% annual increases. The global arena remains “local” with regional converters supplying the vast proportion of local packaged-goods customers' needs. Only 4% of flex-pack production is traded outside the region in which it is manufactured.

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.

Encouraged by strong economic growth, stimulation in processed food production and retailing and the growing personal disposable incomes of the 350 million middle-income earners in India, will drive growth in the flexible packaging industry over the next five years averaging 15% per annum through to 2015. However, Indian Plastic Industry now faces double-edged sword as on the one side it faces low cost imports from China and Thailand due to slowdown in Global economy, particularly in USA and on other side increased cost of production due to rising prices of Polymer.

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

Worldwide demand for converted flexible packaging is forecasted to grow 3.6 percent per year to over 19 million metric tons in 2013, faster than real (inflation adjusted) gains in GDP. Factors contributing to rising converted flexible packaging demand include growth in food and beverage shipments, which represent the largest market by far. In addition, cost performance and source reduction advantages, as well as ongoing developments in high-barrier resins and value added features, will continue to favour flexible packaging products over their rigid packaging materials.

Flexible packaging has reached market maturity in the developed nations of North America and Western Europe and future growth will be modest. However, in developing countries, the flexible packaging sees strong growth. Asia is the largest regional market with 29.1% of global market volume in 2011, followed by Western Europe and North America. Asia is also the fastest growing market for consumer flexible packaging, with a forecast CAGR for 2011-16 of 7.9%. The region is forecast to represent 55.0% of total world flexible packaging consumption growth during the period 2011-16. India and China are the fastest-growing national markets for consumer flexible packaging, together accounting for 44.0% of world flexible packaging consumption growth during the forecast period.

The Indian flexible packaging Market 2011 shows India represents a US\$ 3 billion market that is expected to continue growing at around 18-20% a year until 2015. India is poised for huge growth with opening up of retail sector.

Opportunities & Threats:

Opportunities

- Rapidly growing economy resulting in rising demand for plastic packaging products in India and abroad.
- Flexible Packaging also has a strong outlook for barrier packaging, including stand-up pouches, non-retort stand-up pouches.
- Rapid growth in globalization in FMCG segment.
- Flexible Packaging vies for conversion opportunities from rigid packaging and already controls the Foodservice area. In general, flexible packaging continues to provide solid market penetration vs. aseptic and hot-fill rigid packaging, a trend most industry pundits believe will continue.

Threats

- Raw material availability and its prices shooting up due to unforeseen circumstances (Petroleum prices).
- The competition is increasing with the addition of new capacities. Increased competition leads to reduced price, decreased sales, lower profit margins thus adversely affecting the business and financial conditions of the Company.
- Inadequate management controls arising from the massive increase in scale of operation might result in losing market share and profits.

Internal Control Systems and their Adequacy

The Company has in place adequate internal control systems and procedure commensurate with size and nature of the business. These procedures are designed to ensure:

- That all assets and resources are used efficiently and are adequately protected;
- That all the internal policies and statutory guidelines are complied with; and
- The accuracy and timing of financial reports and management information is maintained.

Human Resources/ Industrial Relations

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programmes. Additional efforts continued to be implemented with a view to obtain commitment and loyalty towards the organisation.

Cautionary Statement:

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2013

Yogesh P. Kela
Chairman and Managing Director



CORPORATE GOVERNANCE REPORT

Our governance philosophy

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and enhance shareholders' value keeping in view of the interest of all stakeholders. The Company stands by transparency in all its dealings and strict regulatory compliances.

Your Company's policies and practices relating to the Corporate Governance are discussed in the following sections:

Board of Directors - Composition of Board of Directors

The Board of Directors of the Company consists of an optimum combination of Executive, Non-Executive and Independent Directors, to ensure the independent functioning of the Board.

None of the Directors on the Board is a member of more than Ten committees or acts as Chairman of more than five committees across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

The composition of the Board of Directors and also the number of other Board Committees in which they are Chairman/ Member is given as under. Out of the present Board strength of Four, Two are Non-Executive Independent Directors.

The following is the composition of Board with the information of resignation and appointment of Directors during the financial year ended 31st March, 2013:

Name of Directors	Category & Position	Board Meetings held during the year	No. of Board Meetings attended	Whether attended last AGM	Member/ Chairman of other Board Committees	No. of Other Directorship held
Mr. Yogesh P. Kela	Chairman & Managing Director	4	4	Yes	-	-
Mr. Umesh P. Kela	Executive Director	4	4	Yes	-	-
Mr. Muralidharan Iyengar @	Non-Executive and Independent Director	4	4	Yes	-	-
Mr. Rakesh Srivastava #	Non-Executive and Independent Director	4	1	N.A.	-	-
Mr. Prakash N. Kela \$	Non-Executive Chairman	4	2	Yes	-	-
Mr. Navin C. Chokshi %	Non-Executive and Independent Director	4	3	Yes	-	-

@ Appointed as an Additional Director with effect from 30th May, 2012 and appointment ratified by the members of the Company at the Annual General Meeting held on 29th September, 2012.

Appointed as an Additional Director with effect from 09th February, 2013.

\$ Resigned as Director of the Company with effect from 29th September, 2012.

% Resigned as Director of the Company with effect from 25th November, 2012.

Other Directorships do not include directorships of Private Limited Companies, Section 25 Companies and Foreign Companies.

None of the Directors are disqualified under Section 274 (1) (g) of the Companies Act, 1956 read with (Disqualification of Directors under Section 274 (1) (g) of the Companies Act, 1956) Rules, 2003.

Four Board meetings were held during the year and the gap between two meetings did not exceed four months. The date on which the said Meetings were held are as follows:

May 30, 2012; August 14, 2012; November 10, 2012 and February 09, 2013. The necessary Quorum was present for all the meetings.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

Committees of the Board of Directors -

1. Audit Committee :

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered in with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee consists of Shri. Muralidharan Iyengar, Shri. Rakesh Srivastava and Shri Yogesh P. Kela. The Audit Committee is chaired by Shri Muralidharan Iyengar, who has a wide experience on finance, accounts, audit and taxation. All members have the financial knowledge and expertise mandated by Clause 49 of the Listing Agreement.

Terms of reference:

1. to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. to recommend Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees;
3. to review with management the financial statements before submission to the board for approval, with particular reference to:
 - a. Any changes in accounting policies and practices,
 - b. Major accounting entries based on exercise of judgment by management,
 - c. Qualifications in the draft audit report,
 - d. Compliance of accounting standards,
 - e. Significant adjustments arising out of audit,
 - f. Compliance with stock exchange and legal requirements concerning financial statement,
4. To review with the management external and internal auditors and the adequacy of internal control system.
5. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
6. Discussion with the internal auditor for any significant findings and follow up thereof.
7. Reviewing findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control system of material nature which require reporting to the board.
8. Discussions with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
9. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Audit Committee was re-constituted on 09th February, 2013. The Audit Committee of the Company met 4 times during the year 2012-13 on May 30, 2012; August 14, 2012; November 10, 2012 and February 09, 2013.

The following is the composition of the Audit Committee with the information of resignation and appointment of members during the financial year ended 31st March, 2013:

Name of Members	Category	Meeting Held during the tenure of directors	Meeting Attended
Mr. Muralidharan Iyengar @ (Chairman)	Non-Executive and Independent Director	4	4
Mr. Rakesh Srivastava #	Non-Executive and Independent Director	1	1
Mr. Yogesh P. Kela \$	Executive and Non-Independent Director	2	2
Mr. Navin C. Chokshi %	Non-Executive and Independent Director	3	3
Mr. Prakash N. Kela \$	Non-Executive and Non-Independent Director	2	2



The Chairman of the Audit Committee was present at the Company's last Annual General Meeting held on 29th September, 2012. The Audit Committee meetings considered all the points in terms of its reference at periodic intervals.

@ Mr. Muralidharan Iyengar, Director of the Company was appointed as a member of the Audit Committee w.e.f. 30th May, 2012 and was appointed as the Chairman of the Audit Committee, subsequent to the resignation of Mr. Navin C. Choksi.

Mr. Rakesh Srivastava was appointed as a Member of the Audit Committee w.e.f. 09th February, 2013.

\$ Mr. Prakash N. Kela has resigned from the directorship of the Company effective from 29th September, 2012 and also as a member of the Audit Committee. Mr. Yogesh P. Kela was inducted as a Member of the Audit Committee on 10th November, 2012.

% Mr. Navin C. Chokshi has resigned from the directorship of the Company effective from 25th November, 2012 and also as a member of the Audit Committee. Mr. Prakash N. Kela was inducted as a Member of the Audit Committee on 26th March, 2012.

2. Remuneration Committee

The Remuneration Committee of the Board is constituted to formulate and recommend to the Board from time to time, a compensation structure for whole time directors. As on the date of this report, the Committee comprises Two Non-Executive Directors. All members are independent.

The broad terms of reference of the Remuneration Committee are as given below:

1. To recommend the Board, the remuneration package of the Company's Directors.
2. All information about the Directors/Managing Directors/Whole Time Directors i.e. background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders.
3. The Committee shall take into consideration and ensure the compliance of provisions under Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Act, while recommending remuneration of managing directors / whole time directors.

The Remuneration Committee was re-constituted on 09th February, 2013. The following is the composition of the Remuneration Committee with the information of resignation and appointment of members during and subsequent to 31st March, 2012 and as on the date of this Report:

Name of Members	Category
Mr. Muralidharan Iyengar (Chairman)	Non-Executive and Independent Director
Mr. Rakesh Srivastava (Member) #	Non-Executive and Independent Director
Mr. Navin C. Chokshi (Member) @	Non-Executive and Independent Director

Sitting fee paid at a maximum amount of Rs.20,000/- per meeting of the Board of Directors or any committee meeting to the Non-Executive Directors including independent Directors and also there are no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors except those disclosed in the financial statements for the year ended 31st March, 2013. During the year 2012-13 there was no meeting of the Remuneration Committee.

Mr. Rakesh Srivastava, Director of the Company was appointed as a member of the Remuneration Committee w.e.f. 09th February, 2013.

@ Mr. Navin C. Chokshi has resigned from the directorship of the Company effective from 25th November, 2012 and also as a member of the Remuneration Committee.

3. Shareholders' /Investors' Grievances Committee:

The Shareholders' /Investors' Grievances Committee is specifically responsible for the redressal of the shareholder grievances in accordance with the provisions of Clause 49 of the Listing Agreement(s).

The Shareholders' /Investors' Grievance Committee was re-constituted on 09th February, 2013. The following is the composition of the Shareholders' /Investors' Grievance Committee with the information of resignation and appointment of members during and subsequent to 31st March, 2013 and as on the date of this Report:

Name of Members	Category	Meeting Held during the tenure of directors	Meeting Attended
Mr. Muralidharan Iyengar (Chairman)	Non-Executive and Independent Director	1	1
Mr. Rakesh Srivastava (Member) #	Non-Executive and Independent Director	1	N.A.
Mr. Yogesh P. Kela (Member)	Managing Director	1	1
Mr. Navin Chokshi (Member) \$	Non-Executive and Independent Director	1	1

The terms of reference of the Shareholders / Investor Grievances Committee are to look into the redressal of shareholder and investors complaints like transfer/transmission of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. none of the complaints are pending. The Company has appointed M/s. Bigshare Services Private Limited to act as Registrar and Share Transfer Agent of the Company. During the year 2012-13 a meeting of the Shareholders / Investor Grievances Committee was held on 10th November, 2012.

Mr. Rakesh Srivastava, Director of the Company was appointed as a member of the Shareholders' /Investors' Grievances Committee w.e.f. 09th February, 2013.

\$ Mr. Navin Chokshi has resigned from the directorship of the Company effective from 25th November, 2012 and also as a member of the Shareholders' /Investors' Grievances Committee.

Disclosures

a) Related Party Transactions

Related party transactions during the year have been disclosed as required under Accounting Standard 18 issued by ICAI. The transactions with the firms where the Directors of the Company are interested were in normal course of business and there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

b) Details of non-compliance

There was no non-compliance during the year and no penalties were imposed on the Company by the Stock Exchange, SEBI or any other statutory authority with respect to the capital market, however, the Company has received Show cause notices for submitting various details with respect to the buying / selling of the shares of the Company by the promoters and others and required details have been submitted in this respect.

c) Remuneration of Directors

The compensation to the Board of Directors is approved by the shareholders and disclosed separately in Notes to Accounts. Compensation to Whole-time Director(s) consists of fixed salary and/or incentives.

Sr. No.	Name	Aggregate Salary including incentive/commission (Amount in Lacs)
1.	Mr. Yogesh P. Kela	28.08
2.	Mr. Umesh P. Kela	22.80
	Total	50.88

d) Membership Term and Retirement Policy

According to the Articles of Association of your Company, at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Director on the same day those who are to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.



(e) Code of Conduct

In terms of Clause 49 of the Listing Agreement(s), the Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website. All the members of the Board and the Senior Management personnel of your Company have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director is given below:

This is to certify that in line with the requirement of Clause 49 of the Listing Agreement, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, have complied with the provisions of the Code of Conduct during the financial year 2012-13.

Yogesh Prakash Kela
Managing Director.

(f) Insider Trading Code

The Company has adopted the Employees Share dealing code in terms of the SEBI (prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors and designated Employees. The Code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

(g) Management Discussion and Analysis Report

Management Discussion and Analysis (MDA) Report is given as a separate statement, included in this Annual Report and forms a part of this Report.

As per the disclosure received from senior management no material, financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the year under report.

(h) Risk Management

The Company has laid down procedures to inform the Board Members about the Risk Assessment and minimization procedure, which are periodically reviewed, by the Board.

(i) Shareholders

Mr. Muralidharan Iyengar Directors of the Company retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board has recommended the re-appointment of the retiring Director.

The information about the brief resume and other information required to be disclosed under this section are provided in the notice of the Annual General Meeting.

(j) Adoption of Mandatory and Non-Mandatory Requirements

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the non-mandatory requirements relating to the constitution of the Remuneration Committee.

(k) Postal Ballot

There were no ordinary or special resolutions that are needed to be passed by the shareholders through a postal ballot for the year ended March 31, 2013.

(l) CEO/CFO Certification

The CEO and CFO certification of the financial statements for the last year is enclosed at the end of the report.

(m) Means of Communication

- 1) The quarterly, half yearly and annual results are published in the Free Press Journal (National Daily) and Nav Shakti (Regional language Newspaper). Press Releases made by the Company from time to time are informed to the Stock Exchange(s) on which the Company's equity shares are listed.
- 2) The Company's corporate website www.gloryfilms.in consists of "Investor" section which provides comprehensive information to the Shareholders.

3) The Annual Report of the Company is e-mailed/dispatched to all the Shareholders of the Company and also made available on the Company's website www.gloryfilms.in.

4) Press Releases & Corporate Presentations are also displayed on the Company's website www.gloryfilms.in.

A Management Discussion and Analysis Statement and Corporate Governance Report forms part of the Company's Annual Report..

(n) Reconciliation of Share Capital Audit

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.

General Body Meetings

The particulars of last Three Annual General Meetings of the Company are given hereunder.

Financial Year	Date and Time	Venue
2009-10	29.09.2010, 12.30 P.M.	Scarlet Hall, Hotel Shubhangan, 21 st Road, Khar Danda, Khar (West), Mumbai - 400 052
2010-11	29.09.2011, 12.30 P.M.	Scarlet Hall, Hotel Shubhangan, 21 st Road, Khar Danda, Khar (West), Mumbai - 400 052
2011-12	29.09.2012, 10.00 A.M.	Scarlet Hall, Hotel Shubhangan, 21 st Road, Khar Danda, Khar (West), Mumbai - 400 052

Details of Special Resolutions passed in the above referred meeting are as under as per the Provisions of the Companies Act, 1956:

AGM held on 29.09.2012:

Change of Name of the Company from 'Glory Polyfilms Limited' to 'Glory Films Limited' under Section 21 of the Act.

AGM held on 29.09.2011:

- 1) Preferential Issue of Optionally Fully Convertible Warrants (OFCWs) to the Promoters of the Company u/s 81 (1A);
- 2) Re-appointment of Mr. Prakash N. Kela as the Executive Chairman of the Company;
- 3) Re-appointment of Mr. Yogesh P. Kela as the Managing Director of the Company;
- 4) Re-appointment of Mr. Umesh P. Kela as the Executive Director of the Company;
- and 5) Alteration of Articles of Association of the Company u/s. 31 of the Act.

AGM held on 29.09.2010:

There was no Special Resolution passed in the Annual General Meeting for the year 2009-10.

All the resolutions referred above were passed with requisite majority.

General Shareholder Information

Day, Date and Time of 16 th AGM	30 th day of September, 2013 at 10.00 a.m.
Venue	Scarlet Hall, Hotel Shubhangan, 21 st Road, Khar Danda, Khar (West), Mumbai - 400 052
Financial Year	01 st April, 2012 to 31 st March, 2013
Book Closure Date	26 th September, 2013 to 30 th September, 2013 (both days inclusive)
Registered Office Address	201, Vintage Peal, A Wing, 29 th Road, Bandra (W), Mumbai – 400 050
Website Address	www.gloryfilms.in



Quarterly results will be declared as per the following tentative schedule (subject to change for the financial year 2013-14):

Financial reporting for the quarter ending June 30, 2013	On or before 14 th August, 2013 (Un-audited)
Financial reporting for the half year ending September 30, 2013	On or before 14 th November, 2013 (Un-audited)
Financial reporting for the quarter ending December 31, 2013	On or before 14 th February, 2014 (Un-audited)
Financial reporting for the year ending March 31, 2014	On or before 30 th May, 2014 (Audited)

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of Stock Exchange	Address	Scrip Code
BSE Limited	P.J. Tower, Dalal Street, Mumbai – 400 001	532857
The National Stock Exchange of India Limited	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	GLORY

Annual Listing fees for the financial year 2013-14: The Company is making necessary arrangements to pay the Annual listing fees to the Stock Exchanges

Market Price Data:

Month	National Stock Exchange of India Limited			BSE Limited		
	High (₹)	Total No. of Shares Traded	Low (₹)	High (₹)	Total No. of Shares Traded	Low (₹)
Apr. 12	4.00	2.70	15,76,790	4.10	2.75	13,71,706
May 12	3.20	2.40	6,82,879	3.28	2.75	4,48,055
June 12	3.20	2.65	18,02,286	3.15	2.68	8,37,190
July 12	3.00	2.30	14,34,093	3.05	2.37	7,07,655
Aug. 12	2.85	2.30	5,35,167	2.80	2.31	5,79,875
Sep. 12	3.35	2.35	19,16,894	3.34	2.36	14,27,294
Oct. 12	3.20	2.55	5,23,785	3.35	2.60	5,99,172
Nov. 12	2.80	2.35	9,13,852	2.94	2.44	5,07,494
Dec. 12	2.75	2.15	12,51,375	2.89	2.01	10,35,299
Jan. 13	2.45	1.95	13,27,276	2.49	1.98	8,19,412
Feb. 13	2.15	1.20	8,22,195	2.20	1.25	5,16,809
Mar. 13	1.75	1.25	3,12,394	1.80	1.05	23,61,904

Shareholding as on 31st March, 2013

a) Distribution of Shareholding as on 31.03.2013

Range (in ₹)	Total Share Holders	% Total Share Holders	Share Amount (₹)	% of Total Share Capital
01-5000	9903	54.52	2,28,25,060	3.83
50001-10000	3094	17.03	2,73,87,640	4.60
10001-20000	1971	10.85	3,23,71,500	5.44
20001-30000	875	4.81	2,30,18,880	3.87
30001-40000	494	2.72	1,81,84,520	3.05
40001-50000	427	2.36	2,05,27,380	3.45
50001-100000	687	3.79	5,19,87,650	8.74
100001 above	711	3.92	39,83,78,850	66.99
Grand Total	18162	100.00	59,46,81,480	100.00

b) Categories of Shareholders as on 31.03.2013

Category of Shareholders	No. of Equity Shares	Percentage (%)
Promoters Holding	2179632	3.67
Indian Public / Others	41399328	69.62
Bodies Corporate	13729717	23.09
Foreign Institutional Investors	Nil	Nil
NRIs/OCBs/Foreign Nationals	1157150	1.95
Clearing Members₹	1002321	1.68
Shares held by custodian and against which depository receipts have been issued	Nil	Nil
GRAND TOTAL	5,94,68,148	100.00

Registrar and Share Transfer Agent

For lodgment of transfer deed and other documents or any grievances / complaints, investor may contacts the Company's Registrar and Transfer Agent at the followings address:

M/s. Bigshare Services Pvt. Ltd.

E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072

Telephone: 91-22-2847 0652, Fax: 91-22-2847 5207, Email: ipo@bigshareonline.com

Share Transfer System

Shares sent for the transfer in physical form are registered and returned by Registrar and Share Transfer Agents within 15 days from the date of receipt of documents, provided the documents are found in order. Shares under objection are returned within 21days. As regards remat of shares the document can be lodged with Bigshare Services Private Limited at the address mentioned above. During the financial year 2012-13, there was no instance of transfer of shares in the physical form.

Dematerialization of Shares and liquidity

The Company's Equity Shares are traded compulsorily in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31.03.2013, 99.99% of the Equity Shares have been dematerialized.

The Company's' shares are regularly traded on The National Stock Exchange of India Limited and the BSE Limited, in electronic form. Under the Depository system, ISIN allotted to the Company's shares is INE408H01012.

Address for correspondence

Shareholders correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned above.

Investors can also send their complaints at investor@gloryfilms.in, a special e-mail ID created pursuant to amendment in Clause 47(f) of the Listing Agreement. Shareholders may also contact at the Registered Office of the Company for any assistance.

Outstanding GDRs/ADRs/Warrants, its conversion date and likely impact on equity

Outstanding GDRs: There are no outstanding GDRs / ADRs / Warrants which are convertible into Equity Shares of the Company as on 31st March, 2013.

Plant Location: Survey No. 261, 262, 263 & 292, Village Dunetha, Nani Daman (U.T) Tel: 0260 – 2992526, E-mail: factory@gloryfilms.in.



AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members,

GLORY FILMS LIMITED

We have examined the compliance of conditions of Corporate Governance by GLORY FILMS LIMITED ("Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respects complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except to the extent reflected in the Directors' Report and Corporate Governance Report.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. ANANTHA & Co.,
Company Secretaries

Date : August 12, 2013

Place : Mumbai

S. Anantha Rama Subramanian

Proprietor

C.P. No. 1925

DECLARATION

We, Yogesh P. Kela, Chairman and Managing Director and Umesh P. Kela, Whole-Time Director of Glory Films Limited hereby certify that:

- a. we have reviewed financial statements and cash flow statement for the year and that to best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to best of our knowledge and belief, no transactions entered into by Glory Films Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting in Glory Films Limited, and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take rectify these deficiencies.
- d. We further declare that all Board Members and senior management have affirmed compliance with the Company's code of conduct for the current Year.

For Glory Films Limited

Yogesh P. Kela
Chairman & Managing Director

Date : August 12, 2013
Place : Mumbai

For Glory Films Limited

Umesh P. Kela
Whole-Time Director



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GLORY FILMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GLORY FILMS LIMITED**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the "**LOSS**" of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Mittal & Associates
Firm Reg. No-106456W
Chartered Accountants

M. Mehta
Partner
M.No. 42990

Place : Mumbai
Date : May 30, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT - 31ST MARCH 2013

(Referred to in our Report of even date)

We report the following:

- (i) In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to above verification no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) During the year, in our opinion, no substantial part of fixed assets has been disposed off by the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, inventories were physically verified by the management at the end of the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loans to 3 parties covered in the register maintained u/s 301 under Companies Act, 1956 and maximum amount involved during the year was ₹ 106.16 Lacs and year end balance of loan granted to such parties was ₹ (13.46) Lacs.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - (c) The Company is regular in receipt of principal amount and interest wherever stipulated.
 - (d) There is no overdue more than ₹ 1.00 Lac from such parties.
 - (e) The Company has taken unsecured loans from 1 party covered in the register maintained u/s 301 under Companies Act, 1956 and maximum amount involved during the year was ₹ 5.30 Lacs and year end balance of loan taken from such parties was ₹ Nil.
 - (f) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions are not *prima facie* prejudicial to the interest of the Company.
 - (g) The Company is regular in payment of principal amount and interest wherever stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weaknesses has been noticed in the internal controls.
- (v) (a) According to information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into register in pursuance of Section 301, of the Act, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us the transactions of purchases of goods and materials and sale of goods, material and services, made in pursuance of contracts and arrangements entered in register maintained under Section 301 of the Companies Act 1956, and exceeding the value of rupees five lakhs in respect of one party during the year “**have not been made on cash basis**”, at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us the Company has accepted deposit falling within the purview of sections 58 A and 58 AA and the compliances for the same is pending.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.



- (viii) We have broadly reviewed the books of account and records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us, in our opinion, the undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues, except TDS / TCS deducted but not paid ₹ 20,88,726/- as mentioned above as at 31st March, 2013 for the period of more the six months from the date they became payable.
- (b) According to the records of the Company and the information and explanations given to us, there are no dues of Sales tax, Income tax, Custom duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute except for the following Income Tax dues:

Assessment Year	Amount (In ₹)	Remark
2006-2007	44,05,855	CIT Appeal effect order pending. Pending this refund of AY 09-10 of ₹ 12,68,950/- adjusted against this demand.
2007-2008	12,70,056	CIT Appeal has partly allowed and TDS credit not allowed of ₹ 4,60,204/-
2007-2008	5,576	FBT
2008-2009	60,43,410	Rectification filed for non granting of TDS credit of ₹ 42,93,134/- & Advance Tax of ₹ 10,00,000/-

- (x) The company does not have accumulated losses as at 31st March 2013 exceeding fifty percent of its net worth and has incurred cash losses during the financial year as also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has non payment / delayed payment of loans taken from Banks details of which are as under:

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Period of default	Amount of default	Period of default	Amount of default
Term Loans				
SBI T/L 30333132640				
Principal	15 months	45,240,914	3 months	7,899,267
Interest	15 months	53,759,086	3 months	10,100,733
SBI T/L 30863834293 (WCTL)				
Principal	6 months	17,957,647	3 months	2,691,169
Interest	6 months	5,042,353	3 months	708,831
SBI T/L 30963573756 (FITL)				
Principal	6 months	5,632,179	3 months	225,301
Interest	6 months	1,467,821	3 months	174,699
IOB Term Loan A/c 280800010				
Principal	14 months	14,380,731	2 months	2,274,731
Interest	14 months	12,317,269	2 months	1,539,269
Other loans				
Vehicle Loans				
Kotak Mahindra Prime Ltd - CF - 6148966				
Principal	1 month	52,900	Nil	Nil
Interest	1 month	1,500	Nil	Nil

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Period of default	Amount of default	Period of default	Amount of default
Kotak Mahindra Prime Ltd - CF - 6273439			Nil	Nil
Principal	1 month	60,146	Nil	Nil
Interest	1 month	2,460	Nil	Nil
Loan against Keyman Insurance Policy				
Principal		5,253,750	Nil	Nil
Interest		629,574	Nil	Nil

Further, Company has over utilization of Cash Credit Facilities from State Bank of India, Indian Oversea Bank, Central Bank of India & Dena Bank resulting the account of the Company is considered as Non Performing by these bank.

Name of Bank	Sanction Amount	Balance as on 31.3.13
State Bank of India	16,50,00,000	25,34,47,610
Indian Overseas Bank	7,65,00,000	14,88,71,522
Central Bank of India	15,00,00,000	15,46,71,793
Dena Bank	12,85,00,000	15,24,55,002

- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- (xiii) The provisions of any special statute as specified under clause (xiii) of the order are not applicable to the company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) The Company has given a corporate guarantee of ₹ 760 lacs to a bank for loans taken by a company in which directors relatives are interested. According to the information and explanations given to us, the guarantee if not revoked, the other term and conditions, whereof, are not prejudicial to the interest of the company.
- (xvi) In our opinion, and according to the information and explanations given to us, no new term loan has been disbursed during the year.
- (xvii) On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) As the company has no debentures outstanding at any time during the year, Clause 4 (19) of the order is not applicable to the company.
- (xx) During the Year company has not raised any fund through public issue.
- (xxi) According to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported.

For Mittal & Associates
Firm Reg. No-106456W
Chartered Accountants

M. Mehta
Partner
M.No. 42990

Place: Mumbai
Date: May 30, 2013



BALANCE SHEET AS AT 31ST MARCH 2013

	Note No.	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		₹	₹	₹	₹
Equity & Liabilities					
(1) Shareholders' Funds					
(a) Share Capital	2	594,681,480		594,681,480	
(b) Reserves and Surplus	3	352,927,422	947,608,902	607,708,396	1,202,389,876
(2) Money received against share warrants					
			-		-
(3) Non-Current Liabilities					
(a) Long-term borrowings	4		190,425,831		251,429,564
(b) Deferred tax liabilities (Net)	5		71,392,739		39,560,709
(c) Other Long term liabilities			-		-
(d) Long term provisions			-		-
(4) Current Liabilities					
(a) Short-term borrowings	6		850,813,308		757,613,648
(b) Trade payables	7		378,929,224		324,024,724
(c) Other current liabilities	8		276,229,172		163,771,728
(d) Short-term provisions	9		11,740,964		11,930,137
			<u>2,727,140,140</u>		<u>2,750,720,386</u>
Assets					
(1) Non-Current Assets					
(a) Fixed Assets					
(i) Tangible assets (Net)	10	1,232,705,697		1,370,288,374	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-	1,232,705,697	-	1,370,288,374
(b) Non-Current Investments			-		-
(c) Deferred Tax Assets (net)			-		-
(d) Long term loans and advances	11		255,094,158		156,928,867
(e) Other non-current assets	12		460,100		1,303,920
(2) Current assets					
(a) Current Investments			-		-
(b) Inventories	13		105,417,417		120,446,386
(c) Trade Receivables	14		551,735,689		508,109,717
(d) Cash and Bank Balance	15		36,422,053		41,101,201
(e) Short-term loans and advances	16		485,821,576		299,182,354
(f) Other current assets	17		59,483,450		253,359,567
			<u>2,727,140,140</u>		<u>2,750,720,386</u>

As per our even date report

For Mittal & Associates
Firm Reg. No. 106456W
Chartered Accountants

For and on behalf of the Board of Directors

M. Mehta
Partner
M. No 42990

Yogesh Kela
Chairman &
Managing Director

Umesh Kela
Executive Director

Ranjeet Sharma
Company Secretary

Place : Mumbai
Date : May 30, 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	Note No.	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		₹	₹	₹	₹
I. Revenue from operations	18	860,036,920		1,340,462,434	
Less: Excise Duty		92,473,242		91,602,845	
Revenue from operations			767,563,678		1,248,859,589
II. Other Income	19		4,760,398		68,712,574
III. Total Revenue (I + II)			772,324,076		1,317,572,163
IV. Expenses:					
Cost of Material Consumed	20	639,529,657		746,104,554	
Purchase of Stock in trade	21	-		185,485,632	
Increase/(Decrease) in stock	22	18,897,105		33,019,666	
Employees benefits expense	23	28,883,722		30,231,758	
Finance Cost	24	65,153,000		213,439,529	
Depreciation and amortisation expense	25	143,162,137		143,218,530	
Other Expense	26	99,647,399		136,795,695	
Compensation receivable - Written Off	27	-		28,929,203	
Total Expenses			995,273,021		1,517,224,567
V. Profit before exceptional and extraordinary items and tax (III- IV)			(222,948,944)		(199,652,404)
VI. Exceptional Items			-		-
IX. Profit before Tax (VII - VIII)			(222,948,944)		(199,652,404)
X. Tax Expense					
Current Year Tax		-		-	
Earlier Year Tax		-		-	
Deferred Taxes -		31,832,030	31,832,030	(2,196,195)	(2,196,195)
XI. Profit / (Loss) for the period from continuing operations (IX - X)			(254,780,974)		(197,456,209)
XII. Profit / (Loss) for the period from discontinuing operations			-		-
XIII. Tax Expense of discontinuing operations			-		-
XIV. Profit / (Loss) for the period from discontinuing operations (after tax) (XII - XIII)			-		-
XV. Profit / (Loss) for the period (XI + XIV)			(254,780,974)		(197,456,209)
XVI. Earning Per Share			(4.28)		(3.32)

As per our even date report

For Mittal & Associates

Firm Reg. No. 106456W

Chartered Accountants

M. Mehta

Partner

M. No 42990

Yogesh Kela

Chairman &

Managing Director

Umesh Kela

Executive Director

Ranjeet Sharma

Company Secretary

Place : Mumbai

Date : May 30, 2013



NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2013 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS AND INFORMATION PURSUANT TO REVISED SCHEDULE VI OF THE COMPANIES ACT, 1956

NOTES 1 - SIGNIFICANT ACCOUNTING POLICIES:

1 General:

Accounting Policies, not specifically referred to otherwise, are consistent and in consonance with Generally Accepted Accounting Principles except Bonus / Exgratia payable to employees is accounted for on cash basis.

2 Fixed Assets:

The Gross block & additions to fixed assets are stated at cost (net of Modvat / Cenvat credit, if any) of acquisition inclusive of freight, duties, taxes and other direct incidental expenses.

3 Investments:

Investments are stated at cost.

4 Depreciation:

Depreciation has been provided at the rates prescribed for Straight Line Method in Schedule XIV to the Companies Act, 1956.

5 Sales:

Sales are accounted at net of sales tax, trade discount, fluctuations etc.

6 Inventory:

- a) Stocks of raw material, packing material and consumables are valued at cost or net realizable value, whichever is lower.
- b) Work In Progress is valued at average estimated cost.
- c) Stocks of finished good and saleable scarp are valued at cost.
- d) The Company accounts for excise duty liability at the time of clearance of the goods from the factory premises.

7 Purchases:

The Company accounts for purchases at net of Cenvat credit received / receivable.

8 Gratuity:

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.

9 IPO Expenses:

The Company follows the policy of deferring write off of major IPO expenses over a period 5 years after the IPO issue. Other expenses are written off during the year when incurred.

Notes forming part of the Balance Sheet as at 31st March 2013**NOTE : 2****SHARE CAPITAL**

(₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Authorised Capital		
6,30,00,000 (6,30,00,000) Equity Shares of ₹ 10/- each	630,000,000	630,000,000
Issued Capital		
5,94,68,148 (5,94,68,148) Equity Shares of ₹ 10/- each	594,681,480	594,681,480
Subscribed and Paid Up Capital		
5,94,68,148 (5,94,68,148) Equity Shares of ₹ 10/- each	594,681,480	594,681,480
Total	594,681,480	594,681,480

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Particulars	Quantity	As at	As at
		31st March, 2013	31st March, 2012
	Value	₹	₹
Equity Shares			
Numbers of Shares outstanding at the beginning of the Year	Qty value	59,468,148 594,681,480	59,468,148 594,681,480
Add : Further Shares issued during the year		-	-
Less : shares brought back during the year		-	-
Numbers of Shares outstanding at the end of the Year	Qty value	59,468,148 594,681,480	59,468,148 594,681,480

b) Terms/ rights attached to shares

The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

c) Details of Shares held by each shareholder holding more than 5% shares

Name of the shareholders	As at 31st March, 2013		As at 31st March, 2012	
	% held	No. of shares	% held	No. of shares
Yogesh Kela	-	-	5.65	3,361,839
Streamline Shipping Company Private Limited (Pledged shares of company's promoters)	7.29	4,355,144	-	-

NOTE 3 : RESERVE AND SURPLUS

Sr. No.	Particulars	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
1	Capital Reserve		
	Opening Balance	17,280,000	17,280,000
	Addition During the Year	-	-
	Less: Transferred/utilized during the year	-	-
	Closing Balance	17,280,000	17,280,000
2	Securities Premium reserve		
	Opening Balance	584,200,953	584,200,953
	Addition During the Year	-	-
	Less: Transferred/utilized during the year	-	-
	Closing Balance	584,200,953	584,200,953
3	Surplus as per statement of Profit & Loss Account		
	Opening Balance	6,227,443	203,683,652
	Add: Profit/(Loss) for the year	(254,780,974)	(197,456,209)
	Less: Transfer to General Reserves	-	-
	Closing Balance	-248,553,531	6,227,443
	Total	352,927,422	607,708,396



Notes forming part of the Balance Sheet as at 31st March 2013

NOTE : 4

I. LONG TERM BORROWINGS

(₹)

Sr. No.	Particulars	Non-Current Portion		Current Maturities	
		As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Secured Loan					
(A)	Term Loan				
	From Bank				
(i)	State Bank of India				
	T/L 30333132640	167,875,202	200,630,733	72,000,000	36,000,000
	T/L 30863834293(WCTL)	-	3,308,831	24,010,875	20,400,000
	T/L 30963573756(FITL)	-	2,274,699	7,061,104	4,800,000
(ii)	Indian Overseas Bank				
	Term Loan A/c 280800010	16,667,305	39,183,574	45,768,000	22,884,000
(B)	Car Loan				
(i)	Kotak Mahindra Prime Limited	-	777,977	579,130	2,947,691
(ii)	Reliance Capital Limited	-	-	-	32,527
(C)	Loan against Keyman Insurance Policy (as certified by Managing Director)	5,883,324	5,253,750	-	-
	Total	190,425,831	251,429,564	149,419,109	87,064,218

a) Additional Information to Long Term Borrowings

The Long term portion of term loan are shown under long term borrowings and current maturities of the Long term borrowings are shown under the current maturities as per the disclosure requirements of the Revised Schedule VI.

b) Details of Securities and Terms of Repayments

A i) Term Loan from State Bank of India

	Rate of Interest	No. of Installment Due	Ending on
T/L 30333132640	2.50% + SBAR	30	June 2015
T/L 30863834293 (WCTL)	1.75% + SBAR	6	July 2013
T/L 30963573756 (FITL)	1.75% + SBAR	6	July 2013

ii) Term Loan from Indian Overseas Bank

	Rate of Interest	No. of Installment Due	Ending on
Term Loan 280800010	1.25% + BPLR	32	Sept 2015

Term Loans from State Bank of India and Indian Overseas Bank are secured by way of first charge on pari-passu basis on entire fixed assets both present and future. These loans are further collaterally secured by way of extension of second charge on the entire current assets of the company consisting of raw materials, stock in process, finished goods, stores & spares, other consumables and receivables with State Bank of India, Indian Overseas Bank, Dena Bank, Central Bank of India and HSBC Bank on pari passu basis.

Due to non payment of Term Loan the account of the company is considered as NPA by the banks. Non Provision of Interest of Rs. 492.85 lacs & 107.78 lacs on term loan of State Bank of India and Indian Overseas Bank respectively, due to this, the term loan liability is lower by Rs. 600.63 lacs with corresponding effect on loss for the year. The Company has requested for consideration of Corporate Debt Restructuring (CDR) and application has been filed with Lead bank in April 2012 and is under their consideration.

Notes forming part of the Balance Sheet as at 31st March 2013

B Car Loan

Loan against Vehicles from Kotak Mahindra Bank and Reliance Capital Limited are secured against hypothecation of vehicles belongs to the company including third party.

Sr No	Name of Financial Institution	Rate of Interest	No. of Installment Due	Maturity
1	Kotak Mahindra Prime Ltd	15.068%	5	July 2013
2	Kotak Mahindra Prime Ltd	17.288%	5	July 2013

C Loan against Keyman Insurance Policy is granted from Life Insurance Corporation of India against Keyman Insurance policy Against these policies, loan was obtained based on the prevailing surrender value which is @ 90% of surrender value from LIC Of India, by assigning the policies to LIC Of India. In absence of relevant policy documents & loan documents, statement & confirmation, these details are certified by Managing Director and relied by auditor on the same.

D The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Period of default	₹	Period of default	₹
Term loans from banks				
SBI T/L 30333132640				
Principal	15 months	45,240,914	3 months	7,899,267
Interest	15 months	53,759,086	3 months	10,100,733
SBI T/L 30863834293 (WCTL)				
Principal	6 months	17,957,647	3 months	2,691,169
Interest	6 months	5,042,353	3 months	708,831
SBI T/L 30963573756 (FITL)				
Principal	6 months	5,632,179	3 months	225,301
Interest	6 months	1,467,821	3 months	174,699
IOB Term Loan A/c 280800010				
Principal	14 months	14,380,731	2 months	2,274,731
Interest	14 months	12,317,269	2 months	1,539,269
Other loans				
Vehicle Loans				
Kotak Mahindra Prime Ltd - CF - 6148966				
Principal	1 month	52,900	-	-
Interest	1 month	1,500	-	-
Kotak Mahindra Prime Ltd - CF - 6273439				
Principal	1 month	60,146	-	-
Interest	1 month	2,460	-	-
Loan againsts Keyman Insurance Policy				
Principal		5,253,750	-	-
Interest		629,574	-	-



Notes forming part of the Balance Sheet as at 31st March 2013

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities for the period ended March, 2013 has been provided on the estimated tax computation of the year.

Components of deferred tax liabilities arising on account of Timing difference are :

Particulars	(₹)	
	As at 31st March, 2013	As at 31st March, 2012
Tax Effect of items constituting deferred tax liability		
WDV as per Companies Act	1,232,705,697	1,370,288,374
WDV as per Income Tax Act	745,688,201	1,026,448,159
	<u>487,017,496</u>	<u>343,840,215</u>
Deferred Tax Liabilities	158,012,827	116,871,289
Less: Adjustment on account of Book Loss		
	Income tax loss	
AY 11-12	74,706,590	
AY 12-13	192,268,563	
	<u>266,975,153</u>	
	86,620,088	10,736,378
Less: MAT Credit effect on Book Loss of ₹ 22,29,48,944 (₹ 19,96,52,404/-)	-	66,574,204
Closing Balance of Deferred Tax Liability	<u>71,392,739</u>	<u>39,560,709</u>

NOTE 6 : SHORT TERM BORROWINGS

Sr. No.	Particulars	(₹)	
		As at 31.03.2013	As at 31.03.2012
I	Secured		
A	Working Capital		
(a)	State Bank of India	253,447,610	208,343,031
(b)	Indian Oversea Bank	148,871,522	89,667,728
(c)	Central Bank of India	154,671,793	153,632,262
(d)	Dena Bank	152,455,002	135,758,542
(e)	HSBC	29,954,212	29,954,212
II	Unsecured Loan		
A	From Bank		
a)	DBS Bank	34,494,041	34,494,041
b)	Kotak Mahindra Bank	43,062,406	43,062,406
B	From Directors & Relatives	1,346,721	-
C	From Others	32,510,001	62,701,426
	Total	<u>850,813,308</u>	<u>757,613,648</u>
I	SECURED LOAN		Rate on Interest
a)	State Bank of India		BR + 5.00%
	Cash Credit Facility		
	Term Loan		
	Letter of Credit / Buyers Credit / Bank Guarantee		

Notes forming part of the Balance Sheet as at 31st March 2013

b)	Indian Overseas Bank	BR + 4.00%
	Cash Credit Facility	
	Term Loan	
	Letter of Credit / Buyers Credit	
c)	Central Bank of India	BR + 3.50%
	Cash Credit Facility	
	Letter of Credit	
d)	Kotak Mahindra Bank	BR + 5.50%
	Cash Credit Facility	
	Letter of Credit	
e)	Dena Bank	BR + 5.50%
	Cash Credit Facility	
	Letter of Credit / Buyers Credit	
f)	HSBC Bank	10% - 11.50%
	Letter of Credit	

The above facilities are secured by way of 1st *pari passu* charge between State bank of India, Indian Overseas Bank, Dena Bank, Central Bank of India & HSBC Bank on entire current assets of the company consisting of Raw Material, Work in Progress, Finished Goods, Stores & Spares, Other Consumables and Book Debts and 2nd charge on *pari passu* between State Bank of India, Indian Overseas Bank, Dena Bank, Central Bank of India & HSBC Bank bank on the fixed assets of the company both present and future consisting of Plant & Machinery, Land & Building, Factory Furniture & Fixture alongwith personal gurantee of Shri Prakash Kela, Shri Yogesh Kela, Managing Director and Shri Umesh Kela, Executive Director.

Due to overdrawings in the above accounts, the banks have considered accounts as NPA. Non-provision of Interest on working capital loan for State Bank Of India for Rs. 427.02 lacs, Indian Overseas Bank for Rs. 181.25 lacs and Central Bank Of India for Rs 145.68 Lacs. Due to this working capital liability is lower by Rs. 753.95 lacs with corresponding effect on loss for the year. The Company has requested for consideration of Corporate Debt Restructuring (CDR) and application has been filed with Lead bank in April 2012 and is under their consideration.

Non-provision of interest on loan facilities from HSBC Bank computed on 10% basis Rs. 29.90 lacs for the year and Interest for earlier year Rs. 29.90 lacs. Due to this Loan from HSBC Bank is lower by Rs. 59.80 lacs with corresponding effect on loss for the year.

II Unsecured Loan

- a) from Banks
 - i) DBS Bank - Sale Bill Discounting facility
 - ii) Kotak Mahindra Bank

The working capital loan due to Kotak Mahindra Bank was repaid on 31/12/2011. On 31/12/2011 Kotak Mahindra Bank has transferred outstanding Letter of Credit (L/c) amounting to working capital account. The lead bank i.e. State Bank of India has considered outstanding L/c amount as unsecured facility and filed charge accordingly on 21/02/2012. In view of this outstanding amount due to Kotak Mahindra Bank is considered as unsecured loan.

Kotak Mahindra Bank, HSBC Bank & DBS Bank and 4 of its creditors have filed winding up petition with the High Court against the company.

Kotak Mahindra Bank & HSBC Bank have also filed Recovery case with DRT Mumbai against the Company.



Notes forming part of the Balance Sheet as at 31st March 2013

NOTE 7 : TRADE PAYABLE

(₹)

Sr. No.	Particulars	As at 31.03.2013	As at 31.03.2012
Trade Payable for			
a	Capital Goods	13,931,086	13,794,035
b	Raw Material	265,538,351	86,622,238
c	Letter of Credit		
	IOB L/c Accounts	-	68,306,635
	SBI L/c	-	49,402,478
	Central Bank of India	27,863,537	35,654,774
	Dena Bank	71,596,250	70,244,564
		<u>378,929,224</u>	<u>324,024,724</u>

NOTE 8 : OTHER CURRENT LIABILITIES

1	Current Maturities (Refer to Notes No. 4)	149,419,109	87,064,218
2	Sundry Creditor for Expense		
3	Advance from Customers	22,850,875	15,171,454
		<u>103,959,188</u>	<u>61,536,056</u>
		<u>276,229,172</u>	<u>163,771,728</u>

NOTE 9 : SHORT TERM PROVISIONS

1	Temporary Bank Overdrawn	1,769,719	1,831,210
2	Statutory Dues Payable	30,850	7,252
3	TDS / TCS Payable	4,378,871	4,618,527
4	Outstanding Expenses	5,561,524	5,473,147
		<u>11,740,964</u>	<u>11,930,137</u>

Notes forming part of the Balance Sheet as at 31st March 2013

NOTE NO. 10

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As on 01.04.2012	Addns / Deductions	As on 31.03.2013	As on 01.04.2012	Less	Depreciation on additions	Depreciation on opening	Deperication for the year	As on 31.03.2013	As on 01.04.2012	As on 31.03.2013
Block A : Land											
Land	268,932,352	-	268,932,352	-	-	-	-	-	-	268,932,352	268,932,352
Block B : Building	121,874,355	-	121,874,355	11,597,226	-	-	3,936,820	3,936,819	15,534,045	110,277,129	106,340,310
Block C : Plant and Machinery	1,286,315,609	1,593,421	1,287,909,030	335,597,858	-	121,094	133,005,034	133,126,131	468,723,989	950,717,751	819,185,041
Block D : Electrical Equipment	29,169,350	-	29,169,350	8,519,804	-	-	3,016,111	3,016,110	11,535,914	20,649,546	17,633,436
Block E : Office Equipment	620,428	-	620,428	211,796	-	-	64,152	64,153	275,949	408,632	344,479
Block F : Furniture & Fixtures	7,275,887	4,110,672	11,386,559	1,928,966	-	136,544	460,564	597,107	2,526,073	5,346,921	8,860,486
Block G : Vehicles	23,237,941	-	22,944,855	9,947,500	132,345	-	2,191,432	2,191,431	12,006,586	13,290,440	10,938,268
Block H : Computers and Peripherals	3,723,589	36,108	3,759,697	3,057,986	-	5,006	225,381	230,386	3,288,372	665,603	471,325
Total	1,741,149,510	5,740,201	1,746,596,625	370,861,136	132,345	262,643	142,899,493	143,162,137	513,890,928	1,370,288,374	1,232,705,697
Capital Work in progress	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1,741,149,510	5,740,201	1,746,596,625	370,861,136	132,345	262,643	142,899,493	143,162,137	513,890,928	1,370,288,374	1,232,705,697
Previous Year	1,739,126,004	3,588,440	1,741,149,510	228,241,354	598,748	212,749	143,005,781	143,218,530	370,861,136	1,511,897,512	1,370,288,374



Notes forming part of the Balance Sheet as at 31st March 2013

NOTE 11 : LONG TERM LOANS AND ADVANCES

		(₹)	
Sr. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Advances on Capital Assets (out of above ₹ 8,00,000/- considered doubtful; Previous Year ₹ 8,00,000/-)	255,094,158	156,928,867
		<u>255,094,158</u>	<u>156,928,867</u>

NOTE 12 : OTHER NON-CURRENT ASSETS

1	Miscellaneous Expense (written off in one year)	460,100	1,303,920
		<u>460,100</u>	<u>1,303,920</u>

NOTE 13 : INVENTORIES

1	Opening Stock	<u>120,446,386</u>	202,683,996
	i) Raw Material	8,613,936	70,084,748
	ii) Packing Material	835,424	190,719
	iii) Stores & Consumable	299,161	687,324
	iv) WIP	43,624,100	48,433,659
	v) Printing Cylinders	51,989,095	39,992,770
	vi) Finished Stock	14,791,502	43,105,444
	vii) Plastic Scrap	293,168	189,333
2	Closing Stock -Raw Material	<u>105,417,417</u>	120,446,386
	i) Raw Material	8,051,272	8,613,936
	ii) Packing Material	436,360	835,424
	iii) Stores & Consumable	1,020,435	299,161
	iv) WIP	29,434,917	43,624,100
	v) Printing Cylinders	56,097,685	51,989,095
	vi) Finished Stock	10,328,827	14,791,502
	vii) Plastic Scrap	47,921	293,168

NOTE 14 : TRADE RECEIVABLE

Trade Receivable (unsecured, considered good)			
1	Outstanding for more than Six months	378,655,436	202,447,246
2	Outstanding for less than Six months	173,080,253	305,662,471
		<u>551,735,689</u>	<u>508,109,717</u>

NOTE 15 : CASH AND BANK BALANCE

1	Cash and Bank Balances		
	Cash in hand	3,015,574	698,640
2	Balance with Banks		
	Current accounts	13,765,887	347,488
	Fixed Deposit for L/C Margin Money	19,640,592	40,055,073
		<u>36,422,053</u>	<u>41,101,201</u>

NOTE 16 : SHORT TERM LOANS AND ADVANCES

1	Other loans and Advances	38,362,408	39,900,996
2	Inter Corporate Loans	447,459,168	259,281,358
		<u>485,821,576</u>	<u>299,182,354</u>

Notes forming part of the Balance Sheet as at 31st March 2013**NOTE 17 : OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (₹)**

Sr. No	Particulars	As at 31 March, 2013	As at 31 March, 2012
1	Advances Recoverable in cash or in kind or for value to be received	3,786,687	4,995,599
2	Advances against Raw Material Purchases - Good	12,192,361	204,901,750
	- Doubtful	-	3,000,000
3	TDS & Advance Payment of Taxes (Net of provisions)	9,483,985	8,905,125
4	Excise Duty Deposits / VAT	21,747,149	19,308,280
5	Deposits	11,429,447	11,404,991
6	Misc Expense to the extend not written off	843,822	843,822
		59,483,450	253,359,567

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2013**NOTE 18 : REVENUE FROM OPERATIONS (₹)**

Sr. No	Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
18.1	Sale of Products	748,238,970	1,224,506,454
18.2	Other Operating Income		
1	Income from Job work	3,669,989	406,957
2	Designing & Development	391,756	1,724,910
3	Sales - Scrap	15,262,964	22,221,268
		767,563,678	1,248,859,589

NOTE 19 : OTHER INCOME

1	Dividend	-	120
2	Interest Income	4,755,975	68,587,454
3	Other Income	4,423	125,000
		4,760,398	68,712,574

NOTE 20 : COST OF MATERIAL CONSUMED

Opening stock	8,613,936	70,084,748
Add: Purchases	638,966,994	684,633,743
Less: Closing Stock	8,051,272	8,613,936
Cost of Material Consumed	639,529,657	746,104,554

NOTE 21 : PURCHASES AND ADDITION IN STOCK-IN-TRADE

1	Purchases	-	184,960,232
2	Add: Transport Charges	-	525,400
		-	185,485,632



Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2013

NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE (₹)

Sr. No	Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
	Inventories at the end of the year		
1	Finished goods	10,328,827	14,791,502
2	Work-in progress	29,434,917	43,624,100
3	Plastic Scrap	47,921	293,168
		<u>39,811,665</u>	<u>58,708,770</u>
	Inventories at the beginning of the year		
1	Finished goods	14,791,502	43,105,444
2	Work-in progress	43,624,100	48,433,659
3	Plastic Scrap	293,168	189,333
		<u>58,708,770</u>	<u>91,728,436</u>
	Net increase/(decrease)	<u>(18,897,105)</u>	<u>(33,019,666)</u>

NOTE 23 : EMPLOYMENT BENEFIT EXPENSES

1	Salary, Wages & Other Benefits	23,795,722	23,622,758
2	Remuneration to Director	5,088,000	6,609,000
	Total	<u>28,883,722</u>	<u>30,231,758</u>

NOTE 24 : FINANCIAL COST

1	Bank Charges and Commission	7,546,443	26,147,332
2	Bank Interest	49,812,818	175,733,624
3	Interest paid to suppliers	7,793,739	11,558,573
	Total	<u>65,153,000</u>	<u>213,439,529</u>

NOTE 25 : DEPRECIATION & AMORTISED COST

1	Depreciation as per Companies Act	143,162,137	143,218,530
	Total	<u>143,162,137</u>	<u>143,218,530</u>

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2013

NOTE 26 : OTHER EXPENSES

(₹)

Sr. No	Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
A	MANUFACTURING EXPENSES		
1	Jobwork Expenses	1,130,638	1,073,307
2	Power & Fuel Expenses	21,685,093	23,096,780
3	Repairs & Maintenance	3,625,572	4,865,529
4	Demurage Charges	-	650,000
5	Stores and Consumables Consumed	8,023,450	11,348,404
6	Cylinders Engraving Charges	-	167,100
7	Packing Material Consumed	7,808,969	9,759,666
8	Factory Insurance Charges	1,680,395	1,306,250
	A	43,954,116	52,267,036
B	ADMINISTRATIVE & SELLING EXPENSES		
1	Auditors' Remuneration	150,000	150,000
2	Internal Audit Fees	60,000	60,000
3	Insurance Charges	617,276	2,095,520
4	Office Repairs and Maintenance	400,623	683,246
5	Professional and Legal Fees	4,914,069	3,786,923
6	Sales & Business Promotion Expenses	5,968,986	3,252,832
7	Freight Outward, Octroi & Transport	21,309,100	24,404,131
8	Telephone, Mobile & Internet Expenses	877,343	1,124,047
9	Daman Sales Tax	1,098,242	-
10	Rent	151,800	278,300
11	Rate & Taxes	6,014	235,331
12	Travelling Expenses	1,666,721	1,613,016
13	Miscellaneous Expenses	1,630,764	5,264,199
14	Sundry Balance Written off	15,782,782	35,054,007
15	Loss on Sale of Motor Vehicle	215,741	317,187
16	Miscellaneous Expenses Written off	843,822	6,209,920
	B	55,693,283	84,528,658
	Total (A + B)	99,647,399	136,795,695

NOTE 27 : PRIOR PERIOD ITEMS

1	Written off - Provision for Compensation receivable	-	28,929,203
	Total	-	28,929,203



Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2013

NOTE 28 : OTHER NOTES

- 1 a) Estimated contract remaining to be executed and not provided for ₹ Nil. (Previous Year: ₹ Nil)
- b) Bank Guarantee ₹ 15 Lacs (Previous Year: ₹ 53.00 Lacs)
- c) Corporate Guarantee ₹ 760 Lacs to the Bank for a associate company (Previous Year ₹ 760 Lacs.)
- 2 a) i) Term Loan from Banks are secured by way of first charge on pari-passu basis on fixed assets both present and future. These loans are further collaterally secured by way of second charge on pari-passu basis on Stocks and Receivables and personal guarantee of Directors including Managing Director of the Company.
- ii) Loan against Vehicles are secured against hypothecation of vehicles belongs to the company including third party.
- b) Working Capital loans from banks are secured by way of hypothecation of Stocks and Receivables on pari-passu basis. These loans are further collaterally secured by way of second charge on pari-passu basis on Fixed Assets of the Company and personal guarantee of Directors including Managing Director of the Company.
- 3 Balance of Debtors, Creditors, Loans and Advances, given as well as taken, are subject to confirmations.

- 4 Auditor's remuneration:

(₹)

Particulars	31.03.2013	31.03.2012
Statutory Audit & Tax Audit	1,50,000	1,50,000
Service Tax on above	18,540	18,540
Total	1,68,540	1,68,540

- 5 Related Party Transactions

- a) Name of related parties and description of relationship

Sr. No.	Description	Name of the Party
i)	Associate Concern	M/s. Immense Packaging Pvt. Ltd.
ii)	Key Managerial Personnel	Mr. Prakash N. Kela
		Mr. Yogesh P Kela
		Mr. Umesh P Kela

- b) Related Party transactions for the year ended as on 31st March, 2013

Particulars	Party Name	Referred in 7 (i) above (₹ in lakhs)	Referred in 7 (ii) above (₹ in lakhs)
Sales	Immense Packaging Pvt. Ltd	25,88,06,951 (20,34,18,313)	
Directors Remuneration	Yogesh Kela, Umesh Kela and Prakash Kela		50,88,000 (66,09,000)
Outstanding:-			
Debtors	Immense Packaging Pvt. Ltd	10,43,54,005 (9,26,56,567)	

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2013

6 Expenditure in Foreign Exchange (on Accrual basis)

(₹)

Sr No	Head	Current Year	Previous Year
1	On C.I.F. Value of Import of Raw Material	3,54,67,693	6,59,98,599
2	On C.I.F. Value of Import of Machinery	Nil	Nil
3	Listing Fees	Nil	Nil
4	Bank Charges	Nil	Nil
	Total	3,54,67,693	6,59,98,599

7. Value of Imported and Indigenous Raw Material, Stores and Spares Consumed:

(₹)

Particulars	31.03.2013				31.03.2012			
	Raw Materials		Stores & Spares		Raw Materials		Stores & Spares	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	3,54,67,693	5.55	---	--	6,59,98,599	8.85	---	--
Indigenous	60,40,61,964	94.45	80,23,450	100.00	68,01,05,955	91.15	1,13,48,404	100.00
Total	63,95,29,657	100.00	80,23,450	100.00	74,61,04,554	100.00	1,13,48,404	100.00

8 Earnings Per Share:

Particulars	31.03.2013	31.03.2012
Net Profit as per Profit and Loss account (₹)	-25,47,80,974	-19,74,56,209
Weighted Average number of Equity shares (Nos)	5,94,68,148	5,94,68,148
Basic Earnings Per Share of Rs 10 each (₹)	-4.28	-3.32

9 In the absence of information with the company regarding the status of the supplier as defined under the "Micro Small and Medium Enterprises Development Act, 2006" the details if any, the provision or payment of interest and related disclosure under the said Act has not been disclosed.

10 Previous Year's figures have been regrouped/ rearranged wherever necessary to make them comparable with the current year's figures.

As per our even date report

For Mittal & Associates

Firm Reg. No. 106456W

Chartered Accountants

M. Mehta

Partner

M. No 42990

Place : Mumbai

Date : May 30, 2013

For and on behalf of the Board of Directors**Yogesh Kela**

Chairman &

Managing Director

Umesh Kela

Executive Director

Ranjeet Sharma

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	PARTICULARS	For the year ended 31.03.2013		For the year ended 31.03.2012	
		₹	₹	₹	₹
A]	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit / (Loss) before Taxation	(222,948,944)		(199,652,404)	
	Adjustments to reconcile profit before tax to cash provided by operating activities -				
	Depreciation & Non Cash Expenses	144,005,959		149,428,450	
	Interest Expense	65,153,000		213,439,529	
	Loss on sale of Fixed Assets	215,741		317,187	
	Operating Profit before working capital changes	(13,574,245)		163,532,762	
	Adjustments for				
	Debtors	(43,625,972)		(31,100,445)	
	Inventories	15,028,968		82,237,610	
	Loans & Advances given	(186,639,222)		32,127,635	
	Other Current Assets	194,454,977		(137,953,290)	
	Current Liabilities	104,680,828		183,244,146	
	Cash generated from operating Activities	70,325,335		292,088,418	
	Tax Paid	(578,860)		(2,709,876)	
	Net Cash generated from Operating Activities		69,746,475		289,378,542
B]	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchases of Fixed Assets/ Capital WIP	(5,740,201)		(3,588,440)	
	Sale of Motor Car	55,000		649,000	
	Payment/Advances on Capital Account	(98,138,241)		(112,334,389)	
	Net Cash generated from Investing Activities		(103,823,442)		(115,273,829)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	PARTICULARS	For the year ended 31.03.2013		For the year ended 31.03.2012	
		₹	₹	₹	₹
C]	CASH FLOW FROM FINANCING ACTIVITIES:				
	Increase / Decrease in Secured Loans from banks				
	Term Loan	1,351,158		(120,327,361)	
	Working Capital Loan	122,044,364		170,242,645	
	Increase / Decrease in Unsecured Loans from directors & relatives	(28,844,704)		6,614,299	
	Interest Expenses	(65,153,000)		(213,439,529)	
	IPO Expenses	-		-	
	Net Cash generated from Financing Activities		29,397,818		(156,909,946)
	Net Increase in Cash and Cash Equivalents during the period		(4,679,149)		17,194,767
	Cash and Cash Equivalents at the beginning of the period		41,101,202		23,906,434
	Cash and Cash Equivalents at the end of the period		36,422,053		41,101,202
	Notes:				
	1) Cash and Cash Equivalents at the end of the period		36,422,053		41,101,202
	Less: Fixed deposit kept as security deposit with bank for L.C. Balance		19,640,592		40,055,074
	2) Cash Flow has been prepared under indirect method as set out AS-3.		16,781,461		1,046,128

As per our even date report

For Mittal & AssociatesFirm Reg. No. 106456W
Chartered Accountants**M. Mehta**
Partner
M. No 42990**Yogesh Kela**
Chairman &
Managing Director**Umesh Kela**
Executive Director**Ranjeet Sharma**
Company SecretaryPlace : Mumbai
Date : May 30, 2013**For and on behalf of the Board of Directors**



ATTENDANCE SLIP

GLORY FILMS LIMITED

REGD. OFFICE: 201, Vintage Pearl, "A" Wing, 29th Road, Bandra (W), Mumbai 400 050

(Please fill the attendance slip and hand it over at the entrance of meeting venue.
Joint shareholders may obtain additional attendance slip on request.)

I hereby record my presence at the **SIXTEENTH ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 30th day of September, 2013 at Scarlet Hall, Hotel Shubhangan, 21st Road, Khar Danda, Khar (W), Mumbai - 400 052 at 10.00 a.m.

Shares held _____

Regd. Folio No. _____ DP ID* _____ Client ID No. _____

Full Name of Shareholder/Proxy : _____
(in block letters)

Signature of Shareholder / Proxy

Note: Member/ Proxy are requested to bring their copy of the Annual Report with them at the Meeting.



PROXY FORM

GLORY FILMS LIMITED

REGD. OFFICE: 201, Vintage Pearl, "A" Wing, 29th Road, Bandra (W), Mumbai 400 050

Shares held _____

Regd. Folio No. _____ DP ID* _____ Client ID No. _____

Full name of the Shareholder/Proxy _____
(in block letters)

I/ We _____ of _____

in the district of _____ being a member/ members of GLORY FILMS LIMITED
hereby appoint _____ of _____

in the district of _____ or failing him _____

of _____ in the district of _____

as my/our proxy to vote for me/us and on my/our behalf at the **SIXTEENTH ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 30th day of September, 2013 at Scarlet Hall, Hotel Shubhangan, 21st Road, Khar Danda, Khar (W), Mumbai - 400 052 at 10.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature

Affix
One Rupee
Revenue
Stamp

Note: This form duly completed should be deposited at the Registered Office of the Company before 48 hours of the meeting. A Proxy need not be a Member.

BOOK - POST

If not delivered, please return to:

Glory Films Limited
201, Vintage Pearl, "A" Wing,
29th Road, Bandra (W),
Mumbai 400 050

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	GLORY FILMS LIMITED
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	N. A.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Auditors' Qualifications - Sr. Nos. (v)(b), (vi), (xi), (xv) of the Annexure to the Auditors' Report. Management' Response – Please refer page no. 5 in the Annual Report for the full text of response.
6.	Additional comments from the board/audit committee chair:	Nil

For Mittal & Associates
Chartered Accountants
(Firm's Regn Number: 106456W)

For GLORY FILMS LIMITED

M. Mehta
M. Mehta
(Partner)
M. No: 42990



Yogesh P. Kela
Yogesh P. Kela
Chairman & Managing Director

M. K. Muralidharan
Muralidharan Iyengar
Chairman – Audit Committee

Place: Mumbai
Date: September 25th, 2013

Place: Mumbai
Date: September 25th, 2013

