



GLORY POLYFILMS LIMITED

(Originally incorporated as **GLORY POLYFILMS PRIVATE LIMITED** on 15th December, 1997 and obtained certificate of Incorporation from Registrar of Companies, Maharashtra, under the provisions of The Companies Act, 1956. Subsequently, the company was converted into a Public Limited Company under section Sec. 31/44 of the Companies Act, 1956 on 30th December 2005 and the name of the Company was changed to GLORY POLYFILMS LIMITED and a fresh Certificate of Incorporation was obtained from the Registrar of Companies, Maharashtra).

Registered Office: 201 Vintage Pearl, A Wing, 29th Road, Bandra (W), Mumbai - 400 050.

Tel: +91-22-2651 4811, **Fax:** +91-22-2651 4812,

Factory: 51/4-A, 51/4-B, 51/4-C, 51/4-D, 54/1-A, 54/1-C, 54/2-A, 54/2-E, 54/2-F, and 54/2-H, 54/3-D, 54/6-A Daman Industrial Estate, Village Kadiya, Daman (UT). **Tel:** +91-260-222 0304 **Fax:** +91-260-222 0305.

Contact Person/Compliance Officer - Mr. Nitesh Kumar Jain, Company Secretary

Website: www.glorypolyfilms.com **Email:** ipo@glorypolyfilms.com

INITIAL PUBLIC ISSUE OF 82,20,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PREMIUM OF RS. 38 PER EQUITY SHARE AGGREGATING RS. 3945.60 LACS (HEREINAFTER REFERRED TO AS "THE ISSUE"). THE ISSUE WOULD CONSTITUTE 47.06% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF GLORY POLYFILMS LIMITED

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of Equity Shares of Glory Polyfilms Limited, there has been no formal market for the securities of the Company. **The face value of the equity share is Rs.10/- and the issue price is 4.8 times of the face value.** The issue price (has been determined and justified by the Lead Manager and the issuer company as stated under the paragraph "Basis for Issue Price" on page 38 of this Prospectus) should not be taken to be indicative of the market price of the Equity shares after the shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the Company nor regarding the price at which the Equity Shares will be traded after listing.

The Company has not opted for IPO grading.

GENERAL RISKS


Investment in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or the adequacy of this document. **Specific attention of investors is drawn to the statement of Risk Factors appearing on page no vii of this Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity shares of the Company are proposed to be listed on Bombay Stock Exchange Limited (BSE) (The Designated Stock Exchange) and the National Stock Exchange of India Ltd (NSE). The Company has received in-principle approval from BSE and NSE vide their letter no. DCS/IPO/PS/IPO-IP/56/2006 dated November 23, 2006 and Letter no. NSE/LIST/36590-3 dated January 5, 2007 respectively for listing of the Equity shares being issued in terms of this Prospectus.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 SREI CAPITAL MARKETS LIMITED 'Vishwakarma', 86 C, Topsia Road (South), Kolkata - 700 046 Telephone #91-33 - 3987 3845/3810 Fax # 91-33-3987 3863/3987 3861 Website: www.srei.com Email: capital@srei.com Contact Person: Mr. Manoj Agarwal	 BIGSHARE SERVICES PRIVATE LIMITED 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 Website: www.bigshareonline.com Email: ipo@bigshareonline.com Contact Person: Mr. N V K Mohan

ISSUE SCHEDULE

ISSUE OPENS ON : May 9, 2007

ISSUE CLOSES ON : May 15, 2007

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SECTION I

DEFINITIONS AND ABBREVIATIONS

Term	Description
"Glory Polyfilms Limited", "We", "Us", "Our", "Issuer", "the Company", "Glory" "GPL",	Unless the context otherwise requires, refers to Glory Polyfilms Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 201 Vintage Pearl, A wing, 29th Road, Bandra (W), Mumbai - 400 050.
Promoter(s)	Mr. Prakash N Kela, Mr. Yogesh P Kela, Mr. Umesh P Kela and Yogesh P Kela jointly with Girdharilal Hinduja
Promoters' Group	As defined in Explanation II of clause 6.8.3.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and amendments thereof. Promoters' Group includes: Mrs. Lata P Kela Mr. Kishor N Kela Mrs. Vandana K Kela Mrs. Abhilasha Y Kela Mrs. Pragya U Kela
You, Your, Yours	Unless the context otherwise requires, refers to, investors

CONVENTIONAL/GENERAL TERMS

Term	Description
Articles/ Articles of Association/ AoA	Articles of Association of Glory Polyfilms Limited.
Board/Board of Directors	Board of Directors of Glory Polyfilms Limited or a committee constituted thereof
Directors	Directors of Glory Polyfilms Limited from time to time, unless otherwise specified.
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each unless otherwise specified in the context thereof
Fiscal / FY / Financial Year	Twelve months ending March 31 st of a particular year, unless otherwise specified.
Memorandum/ Memorandum of Association/ MoA	The Memorandum of Association of Glory Polyfilms Limited.
Statutory Auditors/Auditors	The statutory auditors of the Company, M/s B. S. Pandit, Chartered Accountants

ISSUE RELATED TERMS

Term	Description
Allotment	Issue or transfer of equity shares pursuant to the issue to the successful applicants to the issue
Allottee	The successful applicant to whom the Equity Shares are being/ or have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the investors shall apply for the Equity Shares of the Company
Act/Companies Act	The Companies Act, 1956 as amended from time to time
Banker(s) to the Issue	Bankers to the Issue being ICICI Bank Ltd. & HDFC Bank Ltd.
BSE	Bombay Stock Exchange Limited
Committee	Committee of the Board of Directors of the Company authorized to take decisions on matters related to/incidental to this issue
Companies Act/The Act	The Companies Act 1956, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DP/Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Stock Exchange	Bombay Stock Exchange Limited
Equity Shareholders	Persons holding Equity Shares of the Company unless otherwise specified in the context thereof

HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
Issue/Offer	Initial Public Issue of 82,20,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 38/- per equity share, in terms of this Prospectus.
Issue Opening Date	The date on which the issue Opens for subscription (i.e., May 9, 2007)
Issue Closing Date	The date on which the issue Closes for subscription (i.e., May 15, 2007)
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days
Issue Price	The price at which the equity shares will be issued by the Company in terms of this Prospectus (i.e., Rs. 48/- per Share).
Lead Manager/LM	Lead Manager to the Issue i.e. SREI Capital Markets Limited.
Mutual Funds	Means Mutual Funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NSE	National Stock Exchange of India Limited
Net Issue to public/Net Offer to Public/Net Issue	The present issue of 82,20,000 Equity Shares
Non-Institutional Investors	All investors that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 1,00,000/-.
OCB/Overseas Corporate Body	Means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which has its existence on the date of commencement of the withdrawal of general permission to Overseas Body Corporate Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Foreign Exchange Management (Deposit) Regulations, 2000.
Offer Document/ Prospectus	The Prospectus filed with RoC in accordance with the provisions of section 60 of the Companies Act containing inter alia the Issue Price and the number of Equity Shares to be issued and certain other information.
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies for the Public Issue.
Qualified Institutional Buyers or QIBs	Public Financial Institutions as defined in Section 4A of the Companies Act, Foreign Institutional Investors registered with SEBI, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs. 2500 Lacs, Pension Funds with minimum corpus of Rs. 2500 lacs, and Multilateral and Bilateral Development Financial Institutions.
Registrar of Companies /RoC	Registrar of Companies, Maharashtra, Mumbai situated at Everest, 100 Marine Drive, Mumbai 400 002, Maharashtra
Registered Office	201 Vintage Pearl, A wing, 29 th Road, Bandra (W), Mumbai - 400 050
Registrar / Registrar to the Offer /Issue	Being the Registrar appointed for the Issue, in this case Bigshare Services Private Limited having its registered office at E/2 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai 400 072
Retail Individual Investors	"Retail Individual Investor" means an individual investor (including HUF and NRI's) who applies for securities of or for a value of not more than Rs. 1,00,000/-
SCML/SREI	SREI Capital Markets Limited, a public limited company incorporated under the provisions of the Companies Act with its registered office at "Vishwakarma", 86 C, Topsia Road, (South), Kolkata-700 046
Stock Exchanges	BSE and NSE
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time and for the time being in force

SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended including instructions and clarifications issued by SEBI from time to time
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COMPANY/ INDUSTRY RELATED TERMS

TERM	DESCRIPTION
BOPP	Biaxially Oriented Polypropylene
BOPET	Biaxially Oriented Polyethylene Terephthalate
CENVAT	Central Value Added Tax
EVOH	Ethylene Vinyl Alcohol
FMCG	Fast moving Consumer goods
HDPE	High Density Polyethylene
LDPE	Low Density Polyethylene
MT	Metric Tonnes
NEFT	National Electronic Fund Transfer
PE	Polyethylene
PET	Polyethylene Terephthalate

ABBREVIATIONS

TERM	DESCRIPTION
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
AGM	Annual General Meeting
BIFR	Board for Industrial & Financial Reconstruction
Billion (bn)	One thousand million
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Crore (Cr.)	One Hundred Lac
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extra Ordinary General Meeting
EPS	Earning Per Share
ESOP	Employee Stock Option Plan
Face Value	Value of paid up equity capital per Equity Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed there under for the time being in force.
FI	Financial Institution
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investor) Regulations, 1995) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board, Ministry of Finance and Company Affairs, Government of India
FY/ Fiscal	Financial year ending on March 31
FDI	Foreign Direct Investment
GIR Number	General Index Registry Number
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GoI	Government of India
Government	Either Central Government or State Government, as applicable
HUF	Hindu Undivided Family
IOB	Indian Overseas Bank
IPO	Initial Public Offering
INR/ Rs	Indian Rupees
ISO 9001:2000	International Standard Organisation 9001:2000 Certification Standard
IT Act	The Income Tax Act, 1961, as amended from time to time and for the time being in force
Lac	One hundred thousand

million (mn)	Ten lac
MoU	Memorandum of Understanding
NA/ N.A./ na	Not Applicable
NAV	Net Asset Value being Paid-up Equity Share Capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit & Loss account, divided by number of issued Equity Shares
Non Residents	All Bidders who are not NRIs or FIIs and are not persons resident in India
NRE Account	Non Resident External Account
NRI/Non Resident Indian	Non Resident Indian, is a Person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depositories Limited
OCB	Overseas Corporate Bodies
P/E Ratio	Price/ Earning Ratio
PAN	Permanent Account Number
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context otherwise requires
PIO/Person of Indian Origin	Shall have the same meaning as is ascribed to such term in the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000
P&M	Plant & Machinery
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RONW	Return on Net worth
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SSI	Small scale Industries
Sq. mt.	Square Metre
Sq. ft.	Square Feet
TAN No.	Tax Deduction Account Number
TIN No.	Tax Identification Number
USD/\$/US\$	United States Dollar
U.T.	Union Territory

SECTION II - RISK FACTORS

FORWARD-LOOKING STATEMENTS AND MARKET DATA

In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

All statements contained in this Prospectus that are not statements of historical fact constitute "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "aspire", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue", "would" or other words or phrases of similar import. Similarly, statements that describe the Company's objectives, strategies, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about the company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions in India, and the Asia-Pacific region;
- Company's ability to successfully implement its strategy, its growth and expansion plans and technological changes;
- The size, timing and profitability of product sales;
- The mix of product revenues;
- The ability to modify and enhance the product offerings based on customer needs and evolving technologies;
- Increasing competition in; and the conditions of the global and Indian packaging industry;
- The ability to retain the existing clients and acquire new clients;
- Changes in the pricing policies or those of the competitors;
- Cancellations, contract terminations or deferrals of projects;
- Changes in the value of the Rupee and other currencies;
- Changes in the political and social conditions in India;
- Inadequate availability of Raw Materials;
- Increase in labour cost, raw material price, cost of plant & machinery and insurance premia.

For further discussion of factors that could cause Company's actual results to differ, please see the section entitled "Risk Factors" included in this Prospectus. In light of inherent risks and uncertainties, the forward-looking statements, events and circumstances discussed in this Prospectus might not occur and are not guarantees of future performance.

Neither the Company, its Directors and Officers, any member of the Issue Management Team nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, for purposes of the Issue, the Company and the Lead Manager to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

Financial Data

Unless indicated otherwise, the financial data in this Prospectus is derived from the restated financial statements prepared in accordance with Indian GAAP and included in this Prospectus. The fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to be the twelve-month period ended March 31 of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Market Data

Market data presented in this Prospectus was obtained from industry publications and internal company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that market data presented in this

Prospectus is reliable, such data has not been independently verified. Similarly, internal Company Reports, while believed by the Company to be reliable, have not been verified by any independent sources.

Currency of Presentation

In this Prospectus, all references to "Rupees" and "Rs." and "Indian Rupees" are to the official currency of the Republic of India. All references to "USD" or "US Dollars" are to the United States Dollars, the official currency of United State of America. "Euro" is the currency of twelve-member state's of the European Union.

RISK FACTORS

An investment in Equity shares involves a high degree of risk. Prospective investors should carefully consider all information in this Prospectus, including the risks and uncertainties described below, before making an investment decision. Any of the following risks as well as the other risks and uncertainties discussed in this Prospectus could have a material adverse effect on the Company's business, financial condition and result of operations and could cause the market price of the Company's Equity Shares to decline, which could result in loss of all or part of your investment. Unless specified or quantified in the relevant risk factors below, the Company is not in a position to quantify the financial or other implications of any risks mentioned herein under:

Materiality:

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually, but may be found material collectively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material at present but may be having material impacts in future.

INTERNAL RISK FACTORS

1. **The Company is dependent on few customers. The Company's top ten customers have purchased 79.69% of the total gross sales of the Company as on 31.12.2006. This over dependence on few customers may affect the Company's operations in the long term. Further, the Company's gross sales include Rs. 1128.25 lacs to a venture promoted by the promoters, which constitutes 36.14% of the gross sales.**

Management perception

As a matter of strategy, the Company has been working to enlarge its client base and product range. The Company is also expanding its product base and bringing on shelf better quality products, which will widen the clientele base and increase the turnover. This initiative of the Company will reduce its dependence on few clients in future.

2. **Out of the total debtors of the Company of Rs.1,314.05 lacs as on 31.12.2006, an amount of Rs. 604.34 lacs representing 46% of the total debtors is due from Immense Packaging, a venture promoted by the Promoters. These outstanding from Group ventures may put pressure on the working capital of the Company.**

Management perception

The above dues from Immense Packaging, a venture promoted by the Promoters are outstanding for a period of less than six months. Immense Packaging is one of the major customers of the Company and the dues as on 31.12.2006 represent outstandings in the normal course of business.

3. **The Company does not have any tie-up/ alliance with reputed major suppliers or customers, in absence of which it may not be able to generate continuous revenues.**

Management Perception

The Company's products are accepted by reputed Companies & organizations. The Company is consistently getting repeat orders from the existing clients. Hence, the Company does not foresee any difficulty in continuous generation of revenues.

4. **The Company is yet to place orders amounting to Rs. 1169.61 lakhs, being 42.67% of the total cost of the plant and machinery and printing cylinders for the proposed expansion project**

Management Perception

The Company has floated enquiries for the plant and machineries and printing cylinders for the expansion project and has received quotations from suppliers. The Company has placed orders worth Rs. 1571.59 lacs for plant & machinery to be supplied by various domestic and international

suppliers. The above orders constitute 57.33% of the total cost of plant & machinery and printing cylinders as appraised by Indian Overseas Bank (IOB).

For the orders, which are yet to be placed, any increase in prices of these machineries may adversely affect the Company's estimates of the project cost. The Company however, does not foresee any price increase in the immediate future. Further, the Company has taken adequate provision for any such escalations under the head contingencies in the project cost.

5. **The promoters have three proprietorship ventures, which are in the similar lines of business as of the Company. This may lead to conflict of interest and may also affect Company's business growth and prospects in the future.**

The Promoters, Mr. Prakash N. Kela, Mr. Yogesh P. Kela and Mr. Umesh P. Kela, are having interest in the below-mentioned ventures. All the promoters of Glory Polyfilms Limited may be considered to be interested in these proprietorship firms. At present, these ventures supply only to the Government, Semi Government & Co- operative milk dairies as they are registered SSI units and get a preference in getting such orders. However, since the Company and these proprietorship ventures are in similar kind of business, in future, it may lead to a conflict of interest between Glory Polyfilms Limited and these proprietorship firms:

Name of the Venture	Nature of activities	Name of the Promoter(s) & their Interest
Immense Packaging	Printing of films for liquid milk packaging to be supplied to the Government, Semi Government & Co operative milk dairies	Mr. Umesh P. Kela [Proprietor]
Trishul Industries	Manufacturing films for liquid milk to be supplied to the Government, Semi Government & Co operative milk dairies	PN Kela HUF [Proprietor]
Tristar Industries	Manufacturing films for liquid milk to be supplied to the Government, Semi Government & Co operative milk dairies	Mr. Yogesh P. Kela [Proprietor]

Management Perception

The three proprietorship ventures promoted by the promoters are Small Scale Industries (SSI) registered with the Directorate of Industries. Registered SSI units get preference in getting orders for supplying films for liquid milk packaging purchased by the Government, Semi Government & Co-operative milk dairies. The Company does not foresee any conflict from these ventures in its market segment as these ventures supply only to the Government, Semi Government & Co- operative milk dairies.

6. **One of the Group concern, M/s Trishul Industries has incurred losses in the past**

One of the proprietorship ventures has incurred losses in the last three years.

Name of the Proprietorship Firm	Profit/Loss for the year ended		
	31 st March, 2004	31 st March, 2005	31 st March, 2006
M/s. Trishul Industries	(101.63)	(60.68)	(25.14)

For details, please refer to section titled "Financial Information of Companies, Firms & Ventures promoted by promoters" at page no. 120 of this Prospectus

7. **Various licences/approvals required for the proposed new unit are yet to be applied. Non-receipt /delay in receipt of these licences/approvals may affect the completion of the proposed project of the Company.**

The Company is yet to apply for certain approvals/licenses required for the proposed expansion project of the Company and the failure/delay to obtain the same in a timely manner may affect the completion of the proposed project of the Company.

Management Perception

The Company requires various consents/permissions/licenses/approvals from various Governmental Authorities for its proposed expansion unit at Daman. The applications for such licenses/approvals would be made to the respective authorities at various stages of project implementation.

8. **The Company will not be eligible for any Income tax exemption under section 80IB of the IT Act, 1961, which it enjoyed till the last financial year i.e., 2006-07. This may increase the income tax liabilities and reduce profit margins of the Company in the future.**
9. **The Manufacturing facilities of the Company - existing as well as proposed are located at Daman, UT. As a result, any localized social unrest, natural disaster or breakdown of services and utilities in Daman could have material adverse impact on the business, financial position and results of operations of the company. Further, continuous addition of industries in and around Daman without commensurate growth of its infrastructure facilities may put pressure on the existing infrastructure in Daman.**

Management Perception

Since both the units of the Company will be situated at one place it will help in smooth management of the operations, effective co-ordination and would result in reduction of costs.

10. **The Land & Building for the expansion project is yet to be acquired.**

The Company has entered into a Memorandum of Understanding with M/s Super Pack Industries (Vendor) dated 4th February 2006. The MoU is for the acquisition of Land and Building from Super Pack Industries. The total value of the land & building to be purchased from Super Pack Industries is Rs. 77.00 lacs. The Company is yet to pay advance against the acquisition of Land & Building.

11. **The Registered Office of the company, factory land and other properties have not been registered. This may affect the future operations of the Company.**

Description of Property	Agreement Date	Area (Sq. Mt.)	Status
FACTORY			
51/4-A & 54/1-A situated at Village Kadiya, Marwad Village Panchayat, Daman	22/12/97	1080 sq mt	Admitted for registration on 23.12.97. Not yet registered.
51/4-B & 54/2-F situated at Village Kadiya, Marwad Village Panchayat, Daman	22/12/97	1080 sq mt	Admitted for registration on 23.12.97. Not yet registered.
54/2-A, 54/1-C & 51/4-C situated at Village Kadiya, Marwad Village Panchayat, Daman	22/12/97	1080 sq mt	Admitted for registration on 23.12.97. Not yet registered.
54/2-E & 54/1-D situated at Village Kadiya, Marwad Village Panchayat, Daman	22/12/97	1080 sq mt	Admitted for registration on 23.12.97. Not yet registered.
54/2-H, 54/6-A, 54/3-D situated at Village Kadiya, Marwad Village Panchayat, Daman	14/02/05	1080 sq mt	The company yet to register the property with registrar of Daman.
REGISTERED OFFICE			
2 nd Floor A- Wing, 29 th Road, Bandra (West) Mumbai-400050	21/11/99	900 Sq. ft.	The company yet to register the property with Registrar of Mumbai.
OTHERS			
Flat No. A – 2 on Plot No. 23/P of Survey No. 413/3/A – 415/1A/2B + 416/1P at Village Chala, Vapi Daman Road, Vapi, Taluka – Pardi, Gujarat.	19/04/01	1050 Sq. ft.	The company yet to register the property with Registrar of Pardi.
Flat No. C- 5 at Mithun Park, Chala Road, Vapi, Gujarat	08/05/01	300 Sq. ft.	The company yet to register the property with Registrar of Pardi.

- 12. The Company is undertaking an expansion project appraised by the Indian Overseas Bank. The Company may face difficulty in ensuring proper internal control measures for the proposed expansion project.**

Management Perception

The Company has previously expanded its capacity in the years 1999 and 2004 and thus the promoters & key employees have past experience of implementing such expansion projects.

The Company has taken adequate steps to ensure proper internal control measures for implementation of the proposed expansion project, which are as follows: -

- a. The project cost has been arrived after appraisal by Indian Overseas Bank, who are also participating in the project by way of term loan.
- b. The Company has appointed State Bank of India, Industrial Finance Branch as monitoring agency for the deployment of funds on the Project.

- 13. The competence of promoters in handling Project of this size is yet to be tested.**

Management Perception

The Promoters Mr. Prakash Kela, Mr. Yogesh Kela and Mr. Umesh Kela have industry experience of 25 years, 9 years and 8 years respectively in the field of manufacturing and trading of Multilayer Packaging Products. The Company has also employed a team of professionals with several years of relevant experience to look after day-to-day operations. Please refer page no 96 for profile of the promoters.

- 14. The Company has not started recruiting the manpower for the proposed expansion.**

Management perception

The Company does not foresee any difficulty in recruiting the required manpower in time for the proposed expansion project.

- 15. There is a delay in implementation of the project vis-à-vis project implementation schedule considered by IOB while carrying out appraisal of the project.**

Management Perception

The commercial production is expected to start in January, 2008 as estimated by the Company as against October, 2006 (as estimated by IOB). The delay is essentially due to delay in the IPO process. The Company is taking necessary steps to complete the project as per the revised schedule.

- 16. There are restrictive covenants in the loan agreements with term lenders which may impact the Company's business and the rights of the shareholders of the company.**

The Lenders have certain rights under the loan agreements with the Company, which include certain restrictive covenants. These restrictive covenants require Lenders' prior approval in writing for the following matters:

- a. Effect any change in the Capital structure of the Company
- b. Formulate scheme of amalgamation or reconstitution,
- c. Undertake any new project/scheme, unless the expenditure on such expansion etc. is covered by the Company's net cash accruals after providing for dividends, investments etc. or from long term funds received for financing such new projects or expansion
- d. Invest by way of Share Capital in or lend or advance funds to or place deposits with any other concern.
- e. Enter into borrowing arrangement, either secured or unsecured with any other bank, financial institution, company or accept deposits, save and except the Working Capital facilities granted/ to be granted by other consortium member banks under consortium arrangement with the Bank

and the term loans proposed to be obtained from financial institutions/Banks for completion of the replacement-cum-modernization programme.

- f. Undertake guarantee obligations on behalf of the Company.
- g. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations. The outgo on this account shall not be more than 25% of the net profit earned by the company during the year
- h. Invest in fixed assets (beyond Rs.50.00 lacs) without tying up long term funds
- i. Monies brought in by the principal shareholders/directors/depositors will not be allowed to be withdrawn without the Bank's permission.
- j. The bank will have option of appointing its nominee on the Board of Directors of the company to look after its interests.
- k. The company should not make any drastic change in their management set up without the Bank's permission
- l. The company shall not create without prior consent of the Bank charges on their any or all properties or assets during the currency of the credit facilities granted by the Bank

17. The Company's products are not branded. The Company's logo is not registered.

Management Perception

The Company's products are marketed to various consumer companies. The Company typically does not need to brand its products, as the consumers of its products are large companies. The Company has already applied for registration of its logo and is taking steps to brand its various grades.

18. There are very few suppliers of granules and printing inks in India, which are the principal raw materials for the Company; hence, the Company is constantly exposed to possible unpredictability in the supply of raw materials. Disruption in the supply of other raw material may lead to hampering of the production process flow. Uncertainty over the availability of raw material and other sources such as water, power, skilled manpower etc may also affect the Company's operations and in turn the profitability of the Company.

Management Perception

Since in India, there are very few suppliers of the major raw materials required by the Company, the Company has developed capabilities to source raw materials globally. As the quantities sourced are large, the Company has developed an efficient supply chain, which allows it to reduce its input costs and enhance its competitiveness.

The factory of the Company is located at Daman which has abundant supply of water, power and skilled manpower and the company does not perceive any shortage of these critical resources.

19. There are number of units in the unorganized sector and they can give competition on pricing front.

Management Perception

The Company is a supplier to leading Multi-National and Indian companies who are quality conscious and hence does not foresee severe competition from the units in unorganized sector.

20. Certain critical risk factors as per Appraisal Report

Appraiser of the Project, IOB has mentioned the following weakness as Critical Risk Factors in its Appraisal Report

Risk Factor: Rapid growth resulting in inadequate controls

The Company's business will expand significantly after the completion of the expansion project, which may lead to inadequate management control over the operations of the Company.

Management Perception

The Company has drawn out a business plan for the activities to be pursued in the packaging industry. The promoters of the Company have considerable experience of running this business successfully and profitably for more than 9 years. The Company has also on board senior and experienced Professionals who have the experience of the industry.

Risk Factor: Professionalisation in financial management is not adequate.

Management Perception

The company is taking necessary steps to professionalise its financial management by putting in place various checks and procedures like MIS, Internal audit etc. The Company has also appointed an internal auditor to strengthen its internal systems & procedures.

Threats, mentioned in the appraisal report, as perceived by IOB:

Threat: Inadequate management controls can result in losing market share and profits.

Management Perception

The company is taking necessary steps to implement better management controls.

Threat: Raw material availability and its prices shooting up due to unforeseen circumstances (Petroleum prices).

Management Perception

Rising petroleum prices has today become a global phenomenon. The Company constantly endeavors to procure raw materials at competitive prices from domestic as well as international suppliers. The Company also follows prudent pricing policy to keep the costs under check.

The risk on account of price fluctuation in raw material is reduced to a significant extent by passing incremental raw material cost to the prices of finished products thereby insulating the Company from fluctuation in raw material prices. Profitability will depend upon the extent up to which the company is able to pass on the burden of rise in the price of raw material to the consumers.

- 21. The Company's sustained growth depends on its ability to attract and retain skilled personnel. Failure to attract & retain skilled personnel could adversely affect the Company's growth prospects.**

Management Perception

Today competition for skilled personnel in every industry is intense, however, the Company has devised a human resource policy to develop and retain its key management personnel and as a result of this the attrition rate of the company is low. The Company has till date been able to retain its key management personnel.

- 22. The expansion plan of the Company is partially funded from this Public Issue. Any delay/failure of the same, may adversely impact the implementation of the project and cost overrun.**

Management Perception

The Company requires significant capital to finance its expansion plan, which is to be funded through the IPO. There has been delay in schedule of implementation as estimated by IOB due to delay in IPO. In case there is further delay in Public Issue/failure of the same, the Company will make alternate funding arrangements through an equitable mix of secured/unsecured loans, private placement of equity and contribution from the promoters.

- 23. The promoters of the Company will continue to retain significant control of the company's shareholding post - IPO, which will allow them to influence the outcome of matters submitted to shareholders for approval.**

Management Perception

Upon completion of this issue, the promoters of the Company will continue to hold 52.94% of the post issue equity. As a result, the promoters will have significant influence over all matters requiring shareholders approval, including the election of directors and approval of significant corporate transactions. The promoters will also be in a position to influence any shareholders action or approval requiring a majority vote, except where it is required by applicable laws to abstain from voting. Such a concentration of ownership may also have the effect of delay, preventing or deterring a change in control.

24. **The Company may require further infusion of funds to satisfy its future capital needs, which it may not be able to procure. Any future equity offering by the Company may lead to dilution of equity and may affect the market price of its equity shares.**

Management perception

In the near future, there are no plans to issue further equity shares. The major part of this issue is being raised for meeting capital expenditure for the proposed expansion. In case the Company decides to raise additional funds through the issuance of equity, it would be for further value creation for the shareholders of the Company and after taking adequate consent from them.

25. **The Company's dependence on its promoters is tremendous, and any inability on the part of the promoters to contribute to the growth and business of the Company may affect its performance.**

Management Perception

The Company is dependent on the experience and efforts of its promoters, as is applicable to any other company/industry. However, the Company has been in this business for over 8 years. The promoters' family has been associated with the Company and its business since inception. The promoters have been involved with critical functions like development of new products, marketing, and other operations of the Company. The Company also has a qualified team of professionals who are involved in the day-to-day operations of the Company. This reduces the company's dependence on the promoters to manage the operations of the company.

26. **The Company would be using the funds proposed for the issue on temporary basis pending utilization of the same**

Management Perception

Pending utilization for the purposes described earlier, the Company intends to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposit with banks for necessary duration. The Company may also use the same to fund its working capital requirement on a temporary basis.

27. **The Company has taken unsecured loans amounting to Rs. 500.65 lacs as on 31.12.2006. Unsecured loans are repayable on Demand. In the event of any demand, the cash outgo may affect the Company's operations and profitability.**

Management Perception

The Company has reasonable assurance from its Promoters, Directors, Shareholders that there will be no bulk and sudden withdrawal of the above loan. However, in the event of such a withdrawal, the Company has adequate reserves to make such payment, and therefore is of the opinion that it will not affect the Company's operations or profitability.

28. **The future success of the Company will depend on the Company's ability to respond to technological advances taking place in the packaging industry. The development and implementation of such technology entails significant technical and business risk. The Company cannot ensure that it will implement new technology effectively or adapt its processing system to emerging industry standards. If the Company is unable for technical, financial, legal and /or other reasons to adapt in timely manner to the changing market conditions, its business, financial performance and the trading price of our equity shares could be adversely affected.**

Management Perception

The promoters are committed to implant the best technology for manufacturing packaging material all the time. The Company will keep itself abreast with the changing world of technology and will update its operations accordingly on a continuous basis.

29. **The Company's Business is dependent on its manufacturing facilities. Any loss of or breakdown of operations at any of its manufacturing facilities may have a material adverse effect on the business, financial condition and result of operations.**

Management Perception

Currently, the Company's manufacturing operations are concentrated at Daman itself. All the manufacturing facilities are subject to operating risks such as the breakdown or failure of equipment, power supply or processes. The occurrence of any of these risks may affect its operating results. The Company is required to carry out planned shutdowns of its plants for maintenance, statutory inspections and testing. The Company takes necessary precautions to minimize the risk of any significant operational issues at its manufacturing facilities and its business.

30. **The shortage or non-availability of electricity may adversely affect the manufacturing processes and have an adverse impact on the results of operations and financial condition of the Company.**

Management Perception

The manufacturing processes of the Company require a substantial amount of electricity. In order to have an efficient and reliable electricity supply and reduce production losses, the Company uses the high voltage state electricity supply as the primary source and maintains power generators as our backup source. However, the plant has experienced some minor power interruptions in the past and cannot assure that in the future the results of operations or financial condition will not be adversely affected by power interruptions.

31. **The Company is dependent on third party transportation providers for the supply of raw materials and delivery of products.**

Management Perception

The Company uses third party transportation providers for supply of most of the raw materials and for delivery of finished products to the customers. Transportation strikes by members of various Indian Truckers' unions (have had in the past) may have adverse effect on the receipt of supplies and delivery of the finished products. However, to overcome this problem the Company has adopted a system of stocking the adequate quantity of raw materials at any given point of time.

32. **The Company has contingent liabilities under Indian GAAP not provided for and the profitability could be adversely affected if any of these contingent liabilities materialize.**

As per the Audited Financial Statements, the Company has certain contingent liabilities, which, if determined against the Company in future, may impact the financial position, adversely. Details of the contingent liabilities as on December 31, 2006 are given in the following table:

(Rs. In lacs)

Contingent Liabilities		
Sr. No.	Particulars	As on 31.12.2006
1	Bank Guarantee	8.75
2	Letter of Credit	479.20
2.	Contract remaining to be executed on capital account not provided for *	1852.25
	Total	2,340.20

* Entities with whom contracts entered into are not related in any manner with either the Issuer Company or promoters of the Issuer Company.

33. **There is negative Cash Flow of Rs. 30.02 lacs in the Year 2002-03 & Rs. 4.66 lacs in the year 2005-06.**

Management Perception

The Company has reported a net cash flow from operating activities of Rs. 176.97 lacs in the Year 2002-03 & Rs. 143.99 lacs in the year 2005-06. The negative cash flow during the year 2002-03 is on account of repayment of term loan.

34. **The Company has in the last 12 months issued Equity Shares at a price which is lower than the Issue Price.**

The Company has in the last 12 months made the following issuances of Equity Shares at a price which is lower than the Issue Price:

Date of allotment and date on which fully paid up	Number of Equity Shares	Issue price	Consideration	Reasons for allotment
06.02.06	21,00,000	0	Bonus	Allotment to the shareholders as a 3:10 Bonus Issue

35. **The Total Income of the Financial Year 2005-06 included an Income under the head "Product traded by the Company" of Rs.1508.73 lacs (27.8% of the total Income) against which there is no corresponding figure in the Previous Year. The whole of the amount of Rs.1508.73 lacs is the aggregate of contract value of transactions executed in the name of the Company on Multi Commodity Exchange on futures contracts in Crude Oil. The transaction has been so executed as to square up the position on the same day.**

Management Perception:

Crude oil is the base material for manufacturing plastic granules which are used as raw material for the Company's finished products. To understand the volatility in the prices of crude oil in future market, the Company has executed certain transactions on Multi Commodity Exchange. As the Company did not have any expertise in dealing on Commodity Exchange, these transaction were squared up on the same day. The Company has earned a meager income of Rs. 0.02 lakhs out of it and the remaining profit of Rs.419.87 lakhs for the year 2005-06 was out of its manufacturing activities only.

EXTERNAL RISK FACTORS

1. **The Company is exposed to foreign currency risk.**

The Company sources raw materials from overseas market on the basis of specific requirements of the clients and accordingly the Company quotes the price to the customers. Further, the Company is also importing some machinery for its expansion plan. For the import of raw materials and capital equipment, the Company is exposed to foreign currency risks. The Company plans to take foreign exchange cover to mitigate its risks.

2. **Increasing employee compensation in India may erode some of the Company's competitive advantage and may reduce the profit margins.**

Wage costs in India have historically been lower than the wage costs in the developed countries for comparably skilled professionals in the industry, which has been one of the competitive strengths. However, wage increases in India may prevent the Company from sustaining this competitive advantage and may negatively affect the profit margins. The buoyancy in the Indian packaging industry with the opening up of global trade may lead to an increase in wage costs which could result in increased cost for packaging professionals. This can have an adverse impact on the profitability and performance of the Company.

3. **Global economic, political and social conditions may harm the Company's ability to do business, increase its costs and negatively affect its stock price.**

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could prevent or block the Company's ability to do business, increase the costs and negatively affect the stock price. These geopolitical social and economic conditions could result in increased volatility in India and worldwide financial markets and economy, and such volatility could prevent or block the Company's ability to do business, increase the costs and negatively affect the stock price.

4. **Regional conflicts in Asia and other export markets could adversely affect the Indian economy, which in turn may disrupt the operations and cause business to suffer.**

The Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including between India and Pakistan. In past there have been military confrontations along the India-Pakistan border. Also, since early 2003, there have been military hostilities and civil unrest in Afghanistan and Iraq. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including the Company's Equity Shares and on its business.

5. **The price of the Company's Equity Shares may be highly volatile.**

The price of the Company's Equity Shares on the Indian Stock Exchange may fluctuate after this Issue as a result of several factors including:

- Volatility in Indian and global securities market;
- Company's results of operations and performance;
- Performance of the competitors and perception in the Indian market about investment in the packaging sector;
- Adverse media reports, if any, on the Company or the Indian packaging industry;
- Changes in the estimates of the performance or recommendations by financial analysts;
- Significant development in India's economic liberalization and de-regulation policies;
- Significant changes in the political scenario and
- Significant development in India's fiscal and environmental regulations.

6. **The Issue price of the Equity Shares may not be indicative of the market price of the Company's Equity Shares after the Issue.**

The issue price of the equity shares may not be indicative of the market price for the Company's Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. The company cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price.

7. **The Company operates in globally competitive business environment. Growing competition may force the Company to reduce the prices of its products/ services rendered which may reduce its revenue and margins and/or decrease its market share, either of which could have a material adverse effect on its business, financial conditions and result of operations.**
8. **Changes in domestic tax laws in India particularly the Income tax might lead to increased tax liability on the Company, thereby putting pressures on profitability.**
9. **The operations of the Company may be adversely affected in case the manufacturing process of the products being manufactured by the Company is patented by any other manufacturer.**
10. **The Company faces substantial competition in the Printing & packaging business, both from Indian and international companies, which may adversely affect its revenues.**
11. **The manufacturing facility of the Company is situated near to seashore. So any peril of nature may cause losses to the company.**
12. **Any change in India's import – export policy, with reference to tariff and non-tariff barriers, will have an impact on the profitability of the company.**

13. The Company imports raw material from various countries, some ports in India are facing congestion problem due to inadequate facility and/ or traffic of ships. This may result delay in delivery of raw materials on the premises of the company, thus causing a delay in meeting the deadline for delivery of finished product to the client.
14. Insurance cover is unavailable for certain risks or may be inadequate.

NOTES

1. The Net worth of the Company as on 31st March 2006 was Rs. 1310.66 lacs and on 31st December 2006 was Rs. 1560.27 Lacs.
2. Present Issue of 82,20,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 38/- per Equity Share aggregating Rs. 3945.60 lacs.
3. Book Value of the Equity Shares of the Company as on 31st March 2006 was Rs. 14.17 and on 31st December 2006 was Rs. 16.87.
4. Investors are advised to refer to the paragraph on "Basis for Issue Price" on page 38 of this Prospectus before making an investment in this Issue.
5. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis and for details; reference may be made to Para "Basis of Allotment" beginning from page no. 165 of the Prospectus.
6. The investors are advised to refer the Paragraph on promoter's background and past financial performance of the Company before making an investment in the proposed issue.
7. There is no relationship with the Statutory Auditors of the Company other than auditing and certification of financial statements.
8. Investors may note that allotment and trading in shares of the Company shall be done in dematerialized form.
9. Contingent Liability not provided for as at 31st December 2006:

(Rs. In Lacs)

Particulars	31-Dec-06
Bank Guarantee	8.75
Letter of Credit	479.20
Contracts remaining to be executed on capital account not provided for	1852.25
Total	2340.20

10. The average cost of acquisition of Equity Shares of the Promoters are given in the following table:

Name of the Promoter	Average cost of acquisition of Equity shares of the Promoters (Rs.)
Prakash N Kela	8.53
Yogesh P. Kela	8.53
Umesh P. Kela	8.53
Yogesh P. Kela with Girdharilal Hinduja	9.23

11. None of the Promoters, Promoter Group Companies have undertaken transactions in the shares of the Company in the last six months preceding the date on which the Prospectus is filed with SEBI.
12. For details of Related Party Transactions, please refer to Annexure III of the Auditors' Report dated 28th February 2007 in Section V: Financial Information commencing on page no. 101 of this Prospectus.
13. Investors may contact the Lead Manager or the Compliance Officer for any complaint/ clarification/ information pertaining to the Issue.
14. The company, its directors, company's associates or group companies have not been prohibited from accessing the capital market under any order or direction passed by SEBI.
15. The promoters, their relatives, issuer, group companies, associate companies are not detained as willful defaulters by RBI/Government authorities and there are no violations of securities laws committed in the past or pending against them.
16. The Lead manager and the Company shall update this Prospectus and keep the shareholders/public informed of any material changes till the listing and trading commencement.
17. An over-subscription to the extent of 10% of the net offer to the public can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net issue to the Public, as a result of which, the post issue paid up capital after the issue would also increase by the excess amount of allotment so made. In such an event, the shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the Post Issue paid up Capital is locked in.

PART I

SECTION III - INTRODUCTION

SUMMARY

Investors should read the following summary together with the Risk Factors beginning from page no. vii of this Prospectus and the more detailed information about Glory Polyfilms Limited and its financial data included in this Prospectus.

INDUSTRY OVERVIEW - PACKAGING INDUSTRY

It is truly said, *"One look is better than thousand words"*. Today we reside in a visual world where images influence our buying decisions and within a fraction of second it captures consumer attention. Attractive, economical and practical packaging is designed to generate maximum marketing response. Packaging has grown in importance and is regarded as a vital marketing tool. Better Packaging results in protection and safe transportation of products, reduces losses and prevents damage and wastage of products. Packaging is a multi-technology business that touches almost everything made. Right from chocolate, food, clothing, shelter, automotive, appliance, electronics – packaging is everywhere.

Established global players in various industries are setting up operations in India, China, etc., to derive the benefit of lower costs as well as access to large potential markets. This makes India and China very attractive destinations for the packaging industry.

The current wave of economic development in India is being seen from all over the world. The consumer behavior in Urban India is changing very rapidly. It will further accelerate with the commitment of the government in globalization. The fast growing scenario of electronic media, communications and traveling facilities would also help to infect the shopping behavior of Rural India in near future.

The expansion of the Indian primary and secondary packaging market has been accelerated broadly due to growing middle class, conversion of traditional form of packaging into modern forms, favorable excise structure, liberalization of Indian economy, globalization, Increasing hygiene consciousness, usage of small flex pack pouches, increasing textile exports packed in plastic bags, entry of multinationals fueling the demand for sophisticated plastic-based flexible packaging products.

A great degree of potential exists for most of the user segments in India and are expanding appreciably. With a promising growth rate, an expanding consumer base, and more than 1 billion inhabitants, India has one of the most rapidly expanding packaging industries in the world.

(Source: IOB Appraisal Report)

For further details, see the section on 'Industry Overview' on page 47 of the Prospectus.

BUSINESS OVERVIEW

Glory Polyfilms Limited (GPL) is an existing profit making Company, promoted by Mr. Yogesh P Kela and Mr. Umesh P Kela. The Registered Office of the Company is located at 201 Vintage Pearl', A wing, 29th Road, Bandra (W), Mumbai - 400 050. The concerned Registrar of Companies is Registrar of Companies, Maharashtra.

The Company is a medium sized manufacturing company with ISO 9001: 2000 and HACCP certification from TUV South Asia Private Limited. The Company commenced commercial production in March, 1998 with an initial capacity of 1500 MT per annum.

The Company is engaged in the manufacture of Co extruded multi layer barrier film and printed/ unprinted flexible laminates. Co extruded film has multiple/ diverse applications as a packaging material for food, liquids like milk, edible oil and nonfood items. The plant has the facility to manufacture multilayer films. Co extruded multilayer Barrier film manufactured acts as a barrier to water, Gas, Aroma, odour, light and air.

The Company supplies its products to large scale industries, co-operative unions, federations, boards and various small scale industries, multinational and domestic customers in dairy, personal products industry, detergent and fabric wash industry, biscuits, tea, candies and chocolates, agro industries etc.

The Company's clients include Mother Dairy, Ruchi Soya Industries Ltd., Hatsun Agro Product Ltd., etc. The manufacturing facility of the Company is situated at Daman - Union Territory of India.

The following table depicts the capacity utilisation of GPL for the past four years i.e., 2005-06, 2004-05, 2003-04, 2002-03 and 2001-02.

	(In MT)					
Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06 (9 months)
Installed capacity Multilayer Film	1980.00	1980.00	1980.00	3000.00	3000.00	2250.00
Utilized capacity	1199.98	1736.75	1440.52	2710.01	2916.44	2207.00
% utilized capacity	60.61%	87.71%	72.75%	90.33%	97.21%	98.09%
Installed Printing capacity	1980.00	1980.00	1980.00	5544.00	5544.00	4158.00
Utilized capacity	1254.95	1786.94	1536.18	2751.32	2983.99	2670.95
% utilized capacity	63.38%	90.25%	77.58%	49.63%	53.82%	64.23%
Installed capacity Laminates	N.A	N.A	750.00	1500.00	1500.00	1125.00
Utilized capacity	N.A	N.A	320.25	823.23	1063.26	860.17
% utilized capacity	N.A	N.A	42.70%	54.88%	70.88%	76.46%

The Multilayer film capacity was utilized at above 98% for the 9 months ended 31.12.2006. The company is getting films made on Job Work basis from outside (For the 9 months, 820 tonnes of films were made on Job Work). Thus there is pressure on the existing production line, which calls for expansion. Besides adding one 7 Layer machine, the company is also converting the existing 5 Layer machine to 7 Layer machine and modernizing the 3 Layer machine. Thus after installation / modernisation the capacity will increase from 3,000 MT (Metric tonne per annum) to 14,652 MT.

The Printing Capacity was used at 64% levels for the 9 months ended 31.12.2006. The company is adding one more printing machine and the printing capacity will increase from 5,544 MT to 10,500 MT. The printing capacity could not be optimally utilised during the year ended 2004 because of under utilization of Multilayer film capacity. In 2005, printing capacity was increased in view of management's future expansion plans but due to non increase of equivalent capacity in multilayer film & lamination capacities, the same could not be optimally utilised. After the expansion project is completed, the extrusion capacity and lamination capacity will be enhanced and the printing capacity will be optimally utilized.

The company's existing Lamination capacity is 1,500 MT and was utilized at 76% for the 9 months ended 31.12.2006. Considering the ever-expanding market for laminated films the company has decided to increase the same to 5,000 MT.

Competitive Strengths of the Company

The Company believes that the following are its principal competitive strengths, which differentiates it from other companies in similar line of business:

Experience of the Promoters

The promoters have past experience in the packaging industry and have successfully implemented expansion projects earlier.

Experienced Staff

The Key Managerial personnel of the Company have past experience in the packaging industry and were involved in implementation of past expansion projects. The Company has adequate technical, commercial and managerial personnel's to handle implementation of the proposed expansion project.

Global Sourcing Capability

The Company has developed capabilities to import raw materials. Since the quantities sourced are large, it has developed an efficient supply chain. Moreover alternative global suppliers help the company to source raw materials at competitive rates. This also reduces lead-time in sourcing raw materials, by being able to source from various suppliers, which helps in meeting delivery time schedules of the company.

Design and Sampling Capabilities

The Company's design and sampling capabilities can be considered qualitatively good, which is indicated by the repeat orders from its existing clients.

Existing Profit making Company

The Company is an existing profit making company in this business operating for the last 9 years.

Manufacturing Scale And Cost Efficiency

The company has a factory located at village Kadiya, Dist. Daman (UT). The facilities at the factory include various automatic imported and indigenous machines. The scale of operations and high level of automation, allows the company to reduce costs and lead times.

Location Advantages of Daman

The company has its factory at Daman, which is around 160 kms from Mumbai and is well connected with road and rail network. It is also close to two international ports JNPT and Nhava Sheva.

Business Strategy

The company's strategy is to enhance the quality, design and product up gradation in accordance with International Standards and by adding new products through horizontal integration. Emphasis has always been maintaining on long-term customer relationship and customer satisfaction. Need based production is again a strategy which is being followed by the Company.

For further details, see the section on Business Overview on page 55 of this Prospectus.

THE ISSUE

Equity Shares offered:	
Fresh Issue to Public	82,20,000 Equity Shares
As per SEBI Guidelines, a minimum of 50% of the net offer to the public is reserved for Retail individual investors	At least 41,10,000 Equity Shares (Allocation on proportionate basis)
As per SEBI Guidelines, a maximum of 50% to other than Retail individual investors	Not more than 41,10,000 Equity Shares (Allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	92,48,148 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue	1,74,68,148 Equity Shares of Rs. 10/- each
Objects of the Issue	Please refer to the section titled "Objects of the Issue" at page no. 21 of this Prospectus.

NOTES:

- i. Undersubscription in any of the category shall be allowed to be met from oversubscription in the other category in terms of clause 7.6.1.2.1 of the SEBI (DIP) Guidelines.
- ii. The fresh issue of Equity Shares in terms of this Prospectus has been authorized by a Special Resolution (pursuant to the provisions of Section 81(1A) of the Companies Act, 1956) passed at the Extra Ordinary General Meeting of the Company held on August 30, 2006.

SELECTED FINANCIAL DATA

The following tables which set forth the summary of financial and operating information should be read in conjunction with the Financial Statements and notes thereto included in the "Financial Statements" and "Management Discussion and Analysis of Financial Condition and Result of Operations" beginning from pages 101 and 124 respectively in the Prospectus.

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lacs)

Particulars	As at					
	31-03-02	31-03-03	31-03-04	31-03-05	31-03-06	31-12-06
Fixed Assets:						
Gross Block	1,159.64	1,185.23	1,563.84	2,490.64	2,794.77	3,150.91
Less: Accumulated Depreciation	190.51	283.91	383.15	504.36	681.67	783.95
Net Block	969.13	901.32	1,180.69	1,986.28	2,113.10	2,366.96
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	969.13	901.32	1,180.69	1,986.28	2,113.10	2,366.96
Investments	6.26	6.26	6.26	6.26	6.26	6.26
Current Assets, Loans and Advances:						
Inventories	284.91	333.85	546.73	943.2	1451.28	1,761.79
Sundry Debtors	330.39	294.03	425.11	1,135.16	1,406.59	1,314.05
Cash and Bank Balances	56.12	26.10	65.56	109.95	111.13	207.78
Loans and Advances	69.54	127.77	147.48	158.63	266.80	332.84
Sub Total	740.96	781.75	1,184.88	2,346.94	3,235.80	3,616.46
Liabilities and Provisions						
Secured Loans	926.51	856.50	1,262.35	2,306.23	2,706.74	2,683.82
Unsecured Loans	72.19	125.58	253.29	119.29	126.63	500.65
Current Liabilities and Provisions (including deferred tax liability)	243.11	241.69	354.31	942.52	1211.13	1,244.95
Total	1,241.81	1,223.77	1,869.95	3,368.04	4044.50	4,429.41
Net worth	474.54	465.56	501.88	971.44	1310.66	1,560.27
Represented by						
1. Share capital	350.00	350.00	350.00	700.00	924.81	924.81
2. Reserves	124.64	168.76	151.94	271.48	402.15	669.04
Less: Revaluation Reserve	-	-	-	-	-	-
Less: Deferred Tax Liability for earlier Years	-	53.12	-	-	-	-
Reserves (net of revaluation reserves)	124.64	115.64	151.94	271.48	402.15	669.04
Less: Miscellaneous Expenses	0.10	0.08	0.06	0.04	16.30	33.58
Net worth	474.54	465.56	501.88	971.44	1,310.66	1,560.27

1. There was an increase in inventories in the year ended 31.03.2006, due to build up of inventory for future orders.
2. There was an increase in loans & advances from Rs. 158.63 lacs in the year ended 31.03.2005 to Rs.266.80 lacs in the year ended 2006 due to advances given for capital contracts amounting to Rs. 105.69 lacs.
3. The Sundry Debtors includes dues from ventures promoted by the promoters. The Break up of Sundry Debtors are as follows:

(Rs. In Lacs)

Particulars	31-03-04	31-03-05	31-03-06	31-12-06
From Related Parties	104.92	758.70	1039.84	604.34
From Others	320.19	376.46	366.75	709.71
Total	425.11	1,135.16	1,406.59	1,314.05

STATEMENT OF PROFITS AND LOSSES

(Rs. in lacs)

Particulars	For the Year/Period ended					
	31-03-02	31-03-03	31-03-04	31-03-05	31-03-06	31-12-06
Income						
Sale of Manufactured Goods (Net of Excise Duty)	1,212.78	1,258.62	1,819.81	3,180.66	3,529.72	2,701.44
Job Work Income	43.35	46.86	34.53	58.25	61.92	56.15
Other income	1.89	3.87	2.35	5.65	27.49	6.34
Increase / (Decrease) in Inventories	1.01	126.59	40.67	415.82	298.47	204.21
Total Income	1,259.03	1,435.94	1,897.36	3,660.38	3,917.60	2,968.14
Expenditure						
Raw Materials consumed	824.81	952.75	1,330.60	2,810.92	2,757.77	2,192.62
Staff Cost	19.97	25.93	25.59	26.70	23.97	35.25
Manufacturing Expenses	64.93	75.94	114.72	142.82	176.10	87.46
Administration Expenses	25.60	29.39	33.28	55.91	48.32	49.93
Selling and Distribution Expenses	40.62	44.00	56.82	87.65	96.89	85.18
Depreciation	91.28	93.4	99.25	121.20	177.31	102.28
Interest & Financial Charges	152.63	141.58	167.47	255.94	217.31	112.14
Preliminary Expenses w/o	0.02	0.02	0.02	0.02	0.04	-
Total Expenditure	1,219.86	1,363.01	1,827.75	3,501.16	3,497.71	2,664.86
Net Profit Before Tax, Extraordinary Items and Prior Period Adjustments	39.17	72.93	69.62	159.22	419.89	303.28
Prior Period Adjustments	2.18	(2.25)	(0.07)	1.11	-	(2.47)
Current Tax	3.10	5.30	5.35	12.57	35.33	33.75
Deferred Tax	-	21.26	27.90	28.22	117.76	-
Fringe Benefit Tax	-	-	-	-	0.21	0.17
Net Profit After Tax before Extraordinary Items	38.25	44.12	36.30	119.53	266.59	266.90
Net Profit after Extraordinary Items	38.25	44.12	36.30	119.53	266.59	266.90

Reasons for taking up trading of products by the Company during the period 2005-06:

Crude oil is the base material for manufacturing plastic granules which are used as raw material for the company's finished products. To understand the volatility in the prices of crude oil in future market, the company has executed certain transactions on multi commodity exchange. As the Company did not have any expertise in dealing on commodity exchange, these transactions were squared up on the same day.

GENERAL INFORMATION

GLORY POLYFILMS LIMITED

The Company was originally incorporated as Glory Polyfilms Private Limited on 15th December, 1997 and obtained certificate of Incorporation from Registrar of Companies, Maharashtra under the provisions of The Companies Act, 1956. Subsequently, the company was converted into a Public Limited Company under Section 31/44 of the Companies Act, 1956 on 30th December 2005 and the name of the Company was changed to Glory Polyfilms Limited vide a fresh Certificate of Incorporation obtained from the Registrar of Companies, Maharashtra.

Registered Office of the Company

Glory Polyfilms Limited

201 'Vintage Pearl', A – wing,
29th Road, Bandra (W),
Mumbai - 400 050.
Tel (022) 2651 4811
Fax (022) 2651 4812

Company Registration No: 11 – 112461

(The Registered Office of the Company was originally situated at Abhyankar Tower, 4th Floor, M.G. Road, Nashik – 422 001. Subsequently w.e.f February 1, 1998 the registered office was shifted to c/o Kabra Agro Industries, 3rd Floor, 314, Neelam building, R.G. Thadani Marg, Worli, Mumbai – 400 018 and was again shifted to the present location w.e.f December 27, 1999).

Factory:

Plot No. 51/4-A, 51/4-B, 51/4-C, 51/4-D, 54/1-A, 54/1-C, 54/2-A, 54/2-E, 54/2-F, 54/2-H, 54/3-D, 54/6-A
Daman Industrial Estate, Village Kadiya, Daman (UT).
Tel: +91-260-222 0304
Fax: +91-260-222 0305

Registrar of Companies:

Registrar of Companies, Maharashtra

Everest, 100 Marine Drive,
Mumbai 400 002, Maharashtra.

Board of Directors

The Board of Directors of the Company is as follows:

Sr. No.	Name of the Director	Designation	Status
1	Mr. Prakash N. Kela	Executive Chairman	Whole time Director
2	Mr. Yogesh P. Kela	Managing Director	Whole time Director
3	Mr. Umesh P. Kela	Executive Director	Whole time Director
4	Mr. Kishor N. Kela	Director	Non – Executive & Non – Independent Director
5	Mr. Deviprasad K. Taparia	Director	Non – Executive & Independent
6	Mr. Navin C. Chokshi	Director	Non – Executive & Independent
7	Mr. Ramakant B. Jhunjunwala	Director	Non – Executive & Independent
8	Mr. Vilas R. Shah	Director	Non – Executive & Independent

For more details on the Board of Directors, please refer to the section titled “The Management” beginning on page 81 of this Prospectus.

Brief details of the Chairman, Managing Director & Executive Director

1) Mr. Prakash N. Kela, Executive Chairman

Mr. Prakash N. Kela, the Executive Chairman of the Company is of 57 years of age. He is one of the promoters of the company and has been associated with the company since 30th November, 2000. Mr. Prakash N Kela is a Commerce Graduate from the Pune University. He has 26 years experience in Multilayer Blown film Extrusion & Flexible Laminates and an overall Business experience of 31 years. He looks after the overall Policy Planning and its implementation and also provides broad directives for administration of the company. He has been instrumental in development and growth of the company. He is a whole time Director of the Company and has been appointed as an Executive Chairman of the Company for a period of 5 years with effect from 1st January, 2006.

2) Mr. Yogesh P. Kela, Managing Director

Mr. Yogesh P. Kela, the Managing Director of the Company is of 32 years of age. He is one of the founder promoters of the company and has been actively associated with the company since incorporation. Mr. Yogesh P Kela is a commerce graduate from the Pune University. He looks after the Purchase, Marketing & Administrative functions of the Company. He has an overall experience of 9 years in the business of Multilayer Blown film Extrusion & Flexible Laminates. He is a whole time Director of the Company and has been appointed as a Managing Director of the Company for a period of 5 years with effect from 1st January, 2006.

3) Mr. Umesh P. Kela, Whole Time Director (Designated as Executive Director)

Mr. Umesh P. Kela, the Executive Director of the Company is of 29 years of age. He is one of the founder promoters of the Company along with Mr. Yogesh P. Kela and has been associated with the working of the Company since incorporation. Mr. Umesh P. Kela holds a Bachelor of Engineering Degree in Production Engineering from Mumbai University and Diploma in Business Management from S P Jain Institute of Management Sciences, Mumbai. He is handling Production Department and finance function and is looking after Customer Service. He has an overall experience of 8 years in the business of Multilayer Blown film Extrusion & Flexible Laminates. He is a whole time Director of the Company and has been appointed as an Executive Director of the Company for a period of 5 years with effect from 1st January, 2006.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Nitesh Jain
Company Secretary
201 "Vintage Pearl", A – Wing,
29th Road, Bandra (W),
Mumbai – 400 050.
Tel.: +91 22 2651 4811
Fax: +91 22 2651 4812
Email: ipo@glorypolyfilms.com

Investors can contact the Compliance Officer or the Registrar to the issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Legal Advisor to the Issue

Arpan M. Rajput & Co.
Advocates, High Court
154/21, Rashid Mansion,
1st Floor, Bora Bazaar Street, Fort,
Mumbai – 400 001
Tel: +91-22-2262 2035
Fax: +91-22-2262 2035
Email: arpanmrajput@rediffmail.com
Contact person : Mr. Arpan Rajput

Bankers to the Company

State Bank of India

Industrial Finance Branch,
The Arcade, 2nd Floor,
World trade Center,
Cuffe Parade, Mumbai 400 005
Tel.: +91-22-2216 0926/28
Fax: +91-22-2216 0918/27
Email: sbi.08965@sbi.co.in

Indian Overseas Bank

Fort Branch
Elphinston Building,
2/10 Veer Nariman Road,
Fort, Mumbai 400 023.
Tel.: +91-22- 2204 7341/5761
Fax: +91-22-2204 5669
Email: forttrbr@mummr01.iob.net.co.in

Lead Manager



SREI CAPITAL MARKETS LTD.

SEBI Regn. No.: INM000003762
'Vishwakarma', 86 C, Topsia Road (South),
Kolkata - 700 046
Contact Person: Mr. Manoj Agarwal
Tel: +91-33- 3987 3845/3810
Fax: 91-33-3987 3863/3987 3861
Email: capital@srei.com
Website: www.srei.com

Registrar to the Issue



BIGSHARE SERVICES PRIVATE LIMITED

SEBI Regn. No.: INR00001385
E/2, Ansa Industrial Estate, Saki Vihar Road
Saki Naka, Andheri (East)
Mumbai – 400 072
Contact Person: Mr. N V K Mohan
Tel : +91-22-28470652
Fax: +91-22-28475207
E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com

Bankers to the Issue

ICICI Bank Limited

Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001
Phone: 022-22627600
Fax: 022-222611138
Email: sidhartha.routray@icicibank.com
Contact Person: Mr. Sidhartha Sankar Routray
Website: www.icicibank.com

HDFC Bank Limited

Manekji Wadia Building,
Nanik Motwani Marg
Fort, Mumbai - 400 001
Phone No: 022 - 66573663/22693329
Fax No: 022 – 22671661
Email: tushar.gavankar@hdfcbank.com
Contact Person: Mr Tushar Gavankar
Website: www.hdfcbank.com

Brokers to the Issue

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

Statutory Auditor

B. S. Pandit

Chartered Accountant
486, Opp. Ashok Stambh,
Near Rungtha High School,
Nashik – 422 002.
Tel: +91-253-2582715
Contact Person: Mr. B.S. Pandit

Statement of Inter-se Allocation of Responsibilities of the Lead Manager

Since SREI Capital Markets Limited is the Sole Lead Manager for the Issue, all the Issue related activities are handled by SREI.

Credit Rating

This being a Public Issue of Equity Shares, no Credit Rating is required.

IPO Grading

The company has not opted for IPO grading.

Trustees

This being a Public Issue of Equity Shares, the appointment of Trustee is not required.

Monitoring Agency

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI DIP Guidelines. However, the Company has appointed State Bank of India as the monitoring agency for the Issue and shall monitor the deployment of funds on the Project. Details of the Monitoring Agency is as under:

State Bank of India

Industrial Finance Branch,
"The Arcade" 2nd Floor,
World Trade Centre, Cuffe Parade,
Colaba, Mumbai – 400 005
Tel. : # 91-22-2216 0926
Fax: # 91-22- 2216 0918

Appraising Entity

The project has been appraised by Indian Overseas Bank, Central Office, 763, Anna Salai, Chennai - 600 002. Details of the appraising entity is as under:

Indian Overseas Bank

Merchant Banking Division
Central Office,
763, Annasalai,
Chennai – 600 002
Tel.: 2851 9448
Fax: 2852 2747
Email: ksk@iobnet.co.in

UNDERWRITERS TO THE ISSUE

The issue is not being underwritten.

CAPITAL STRUCTURE

Share capital as on the date of filing of the prospectus with SEBI is set forth as below:

(In Rupees except share data)

	Particulars	Nominal Value	Aggregate Value
A	AUTHORISED CAPITAL		
	1,85,00,000 Equity Shares of Rs.10/-each	18,50,00,000	
B	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
	92,48,148 Equity Shares of Rs. 10/-each fully paid-up	9,24,81,480	9,98,88,880
C	PRESENT ISSUE THROUGH THIS PROSPECTUS		
	Fresh Issue of:		
	82,20,000 Equity Shares of Rs. 10/-each	8,22,00,000	39,45,60,000
D	NET ISSUE TO PUBLIC IN TERMS OF THIS PROSPECTUS		
	82,20,000 Equity Shares of Rs.10/- each	8,22,00,000	39,45,60,000
E	PAID UP CAPITAL AFTER THE PUBLIC ISSUE		
	1,74,68,148 Equity Shares of Rs. 10/-each	17,46,81,480	49,44,48,880
F	SHARE PREMIUM ACCOUNT		
	Before the Public Issue		74,07,400
	After the Public Issue		31,97,67,400

Notes To The Capital Structure

Share Capital History of the Company

Capital Build up: The existing equity share capital of the Company has been subscribed and allotted as under:

Date of allotment	No. of equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Consideration	No. of Equity Shares (Cum.)	Paid-up Capital (Rs.) (Cum.)	Cumulative share premium
17.12.97	10	100	100	Subscription on signing of MOA	Cash	10	1000	-
30.03.00	100*	10	--	Sub Division in face value from Rs.100/- to Rs.10/-	Reduction in face value	100	1000	-
31.03.00	34,99,900\$	10	10	Further Allotment	Cash	35,00,000	35000000	-
21.03.05	35,00,000	10	10	Further Allotment	Cash	70,00,000	70000000	-
06.02.06	21,00,000 #	10	0	3: 10 Bonus Issue	Bonus	91,00,000	91000000	-
06.02.06	1,48,148	10	60	Further Allotment	Cash	92,48,148	92481480	7407400
Total	92,48,148					92,48,148	92481480	7407400

Note:

*The Issued, Subscribed and Paid Share Capital of Rs.1,000/- divided into 10 Equity Shares of Rs.100/- each was sub-divided into 100 Equity Share of Rs.10/- each vide approval of the members at Extraordinary General Meeting held on 30th March, 2000.

\$ The application money of Rs.3,31,30,481/- was brought in by the applicants in the year 1998-1999 which was lying in the share application money.

21,00,000 Equity Shares of Rs. 10 each were allotted as Bonus shares out of capitalization of general reserves to shareholders in the ratio of 3:10 (3 bonus shares allotted for every 10 equity shares held) on 6th February 2006. No bonus issue has been made out of revaluation reserves or reserves without accrual of cash resources.

Details of Increase in Authorized Capital

The Authorised Share Capital of the Company has been built-up as per the details given below:

Date	No. of Shares	Cumulative Number of shares	Face Value (Rupees)	Authorised Capital (Rupees)	Particulars
15.12.1997	5,000	5,000	100	5,00,000	Incorporation
30.03.2000		50,000	10*	5,00,000	Change in Face value of Equity Shares from Rs. 100/- to Rs. 10/-
30.03.2000	34,50,000	35,00,000	10	3,50,00,000	Increase
03.05.2004	35,00,000	70,00,000	10	7,00,00,000	Increase
10.12.2005	90,00,000	1,60,00,000	10	16,00,00,000	Increase
30.08.2006	25,00,000	1,85,00,000	10	18,50,00,000	Increase

* The Authorized Share Capital of Rs.5,00,000/- divided into 5,000 Equity Shares of Rs.100/- each was sub-divided into 50,000 Equity Share of Rs.10/- each vide approval of the members at Extraordinary General Meeting held on 30th March, 2000.

1. Share Capital History of the Promoter and the Promoter Group:

2.

Promoter / Promoter Group	Date of Allotment/ Transfer, and made fully paid-up	Nature of Issue	No. of Shares	Face Value (Rs.)	Issue Price / Transfer Price / (Rs.)	%age of Pre Issue Paid up Capital	%age of Post Issue Paid up Capital
Promoter							
Prakash N Kela	31.03.2000	Acquired on allotment	2,54,400	10	10	28.33	15.00
	21.03.2005	Acquired on allotment	17,28,375	10	10		
	02.12.2005	Sold	(75)	10	10		
	06.02.2006	Acquired on Bonus Allotment	5,94,810	10	N.A.		
	06.02.2006	Acquired on allotment	41,970	10	60		
Total			26,19,480			28.33	15.00
Yogesh P Kela	17.12.1997	Subscription to Memorandum	5*	100	100	47.22	25.00
	31.03.2000	Conversion of Rs.100/- share into Rs.10/- share	50	10	10		

	31.03.2000	Acquired on allotment	22,38,850	10	10		
	21.03.2001	Sold	(12)	10	10		
	29.03.2002	Sold	(13)	10	10		
	21.03.2005	Acquired on allotment	10,66,775	10	10		
	02.12.2005	Sold	(50)	10	10		
	06.02.2006	Acquired on Bonus Allotment	9,91,680	10	N.A.		
	06.02.2006	Acquired on allotment	69,956	10	60		
Total			43,67,236			47.22	25.00
Umesh P. Kela	17.12.1997	Subscription to Memorandum	5*	100	100	24.45	12.94
	31.03.2000	Conversion of Rs.100/- share into Rs.10/- share	50	10	10		
	31.03.2000	Acquired on allotment	10,06,650	10	10		
	21.03.2005	Acquired on allotment	7,04,850	10	10		
	06.02.2006	Acquired on Bonus Allotment	5,13,465	10	N.A.		
	06.02.2006	Acquired on allotment	36,222	10	60		
Total			22,61,237			24.45	12.94
Yogesh P Kela & Girdharilal Hinduja	21.03.2001	Acquired by way of Purchase	1	10	10	0.0001	0.0000
	02.12.2005	Sold	(1)	10	10		
	02.12.2005	Acquired by way of Purchase	10	10	10		
	06.02.2006	Acquired on Bonus Allotment	3	10	N.A.		
Total			13			0.0001	0.0000
TOTAL (A)			92,47,966			100.00	52.94
PROMOTER GROUP							
Lata P Kela	02.12.2005	Acquired by way of Purchase	100	10	10	<0.001	<0.001
	06.02.2006	Acquired on Bonus Allotment	30	10	N.A.		
Total			130				
Kishor N Kela	02.12.2005	Acquired by way of Purchase	10	10	10	<0.0001	<0.0001
	06.02.2006	Acquired on Bonus Allotment	3	10	N.A.		
Total			13				
Vandana K Kela	02.12.2005	Acquired by way of Purchase	10	10	10	<0.0001	<0.0001
	06.02.2006	Acquired on Bonus Allotment	3	10	N.A.		

Total			13				
Abhilasha Y Kela	02.12.2005	Acquired by way of Purchase	10	10	10	<0.0001	<0.0001
	06.02.2006	Acquired on Bonus Allotment	3	10	N.A.		
Total			13				
Pragya U Kela	02.12.2005	Acquired by way of Purchase	10	10	10	<0.0001	<0.0001
	06.02.2006	Acquired on Bonus Allotment	3	10	N.A.		
Total			13				
TOTAL (B)			182			<0.002	<0.001
GRAND TOTAL (A+B)			92,48,148			100.00	52.94

3. Promoters Contribution and Lock-in:

In terms of chapter IV of the SEBI DIP Guidelines, the shareholdings of the following Promoters will be offered as the Promoters Contribution for this Issue and the following Equity Shares would be locked-in for a period of three years as under:

Name of the Promoter	Date on which fully paid up Equity Shares were acquired/transferred	Nature of payment of Consideration	Par Value (Rs)	No. of Equity Shares of Rs. 10/- each	Issue Price	Nominal Value of Equity Shares (Rs.)	% of post-issue paid up capital
Prakash N Kela	21.03.2005	Acquired on allotment	10	3,52,790	10	35,27,900	02.02
	06.02.2006	Acquired on Bonus Allotment	10	5,94,810	N.A.	59,48,100	03.41
	06.02.2006	Acquired on allotment	10	41,970	60	4,19,700	00.24
Yogesh P Kela	21.03.2005	Acquired on allotment	10	5,88,189	10	58,81,890	03.37
	06.02.2006	Acquired on Bonus Allotment	10	9,91,680	N.A.	99,16,800	05.67
	06.02.2006	Acquired on allotment	10	69,956	60	6,99,560	00.40
Umesh P. Kela	21.03.2005	Acquired on allotment	10	3,04,548	10	30,45,480	01.74
	06.02.2006	Acquired on Bonus Allotment	10	5,13,465	N.A.	51,34,650	02.94
	06.02.2006	Acquired on allotment	10	36,222	60	3,62,220	00.21
TOTAL				34,93,630			20.00

In terms of chapter IV of the SEBI DIP Guidelines, the shareholdings of the following Promoters will be offered as the Promoters Contribution for this Issue and the following Equity Shares would be locked-in for a period of one year as under:

Name of the Promoter	Date on which fully paid up Equity Shares were acquired/transferred	Nature of payment of Consideration	Par Value (Rs)	No. of Equity Shares of Rs. 10/- each	Issue Price	Nominal Value of Equity Shares (Rs.)	% of post-issue paid up capital
Prakash N Kela	31.03.2000	Acquired on allotment	10	2,54,400	10	25,44,000	1.45
	21.03.2005	Acquired on allotment	10	13,75,510	10	1,37,55,100	7.87
Yogesh P Kela	31.03.2000	Conversion of Rs.100/- share into Rs.10/- share	10	50	10	500	0.0002
	31.03.2000	Acquired on allotment	10	22,38,825	10	2,23,88,250	12.81
	21.03.2005	Acquired on allotment	10	4,78,536	10	47,85,360	2.73
Umesh P. Kela	31.03.2000	Conversion of Rs.100/- share into Rs.10/- share	10	50	10	500	0.0002
	31.03.2000	Acquired on allotment	10	10,06,650	10	1,00,66,500	5.76
	21.03.2005	Acquired on allotment	10	4,00,302	10	40,03,020	2.29
Yogesh P Kela & Girdharilal Hinduja	02.12.2005	Acquired by way of Purchase	10	10	10	100	0.00005
	06.02.2006	Acquired on Bonus Allotment	10	3	N.A.	30	0.000017
TOTAL				5754336			32.91

Shareholding pattern of persons in Promoters Group and their Relatives and Lock in of their Contribution:

Notes:

- Out of the total Promoters' holding, 20% of the Post-Issue Equity Share Capital i.e., 34,93,630 Equity Shares will be locked in for 3 years. In terms of Clause 4.12.1 of the SEBI Guidelines, the additional 57,54,336 Equity Shares (in excess of the aforesaid 20%) held by the Promoters shall be locked in for period of one year. The Promoters' Contribution has been brought in from persons defined as Promoters under the SEBI DIP Guidelines.
- In terms of Clause 4.13.1 of the SEBI Guidelines, the lock-in shares mentioned above has been arrived on the basis of 'Issued Last, Locked First'. The promoters have given a written undertaking that these shares shall not be transferred except inter se transfer as per the SEBI guidelines.
- In terms of Clause 4.14.1 of the SEBI Guidelines, the entire pre issue Equity Share Capital of the Company, other than as stated above shall be subject to a lock in of one year from the date of allotment of shares in this issue. Accordingly, 182 Equity Shares held by the Promoters Group shall be locked in for a period of one year.

4. As per Clause 4.15.1 of the SEBI Guidelines locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions. In terms of Clause 4.16(b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and amongst the Promoter/Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
5. Further, in terms of Clause 4.16(a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoters may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
6. In case the final allotment of equity shares exceeds the number of equity shares offered through this issue on account of rounding off to the nearest integer as decided at the time of allotment, the number of shares to be locked in for three years shall be calculated on the increased allotted share capital.
7. The Promoter's contribution has been brought in to the extent that it is not less than the specified minimum lot of Rs. 25,000 per application from each individual and Rs. 1 lac from Companies as applicable.
8. The lock in period shall commence from the date of allotment in the Public Issue and the last date of the lock-in shall be reckoned as three years from the date of commercial production or date of allotment of shares in the public issue, whichever is later.

Pre-issue and Post-issue Shareholding pattern before the proposed Issue and as adjusted for the Issue:

Name of the Shareholder	Pre Issue		Post Issue *	
	No. of Shares	%age Holding	No. of Shares	%age Holding
Promoters				
Mr. Prakash N. Kela	26,19,480	28.33	26,19,480	15.00
Mr. Yogesh P. Kela	43,67,236	47.22	43,67,236	25.00
Mr. Umesh P Kela	22,61,237	24.45	22,61,237	12.94
Yogesh P Kela & Girdharilal Hinduja	13	-	13	0.00
Sub Total (a)	92,47,966	100.00	92,47,966	52.94
Promoters Group				
Relatives of Promoters				
Mrs. Lata P. Kela	130	0.00	130	0.00
Mr. Kishor N. Kela	13	0.00	13	0.00
Mrs. Vandana K. Kela	13	0.00	13	0.00
Mrs. Abhilasha Y Kela	13	0.00	13	0.00
Mrs. Pragya U Kela	13	0.00	13	0.00
Sub Total (b)	182	0.00	182	0.00
Shareholding of Promoters' Group I = a+b	92,48,148	100.00	92,48,148	52.94
Non Promoter				
Friends & Associates	0.00	0.00	0.00	0.00
Public	0.00	0.00	0.00	0.00
Other Body corporate	0.00	0.00	0.00	0.00
Public Issue	0.00	0.00	82,20,000	47.06
Shareholding of Non Promoters II	0.00	0.00	82,20,000	47.06
Total I + II	92,48,148	100.00	1,74,68,148	100.00

* Since the Promoters/Promoter Group will not participate in the proposed issue, the entire offering of 82,20,000 Equity Shares has been shown to have been taken by the Non-Promoters.

The Promoters and the Promoters' Group Company have not purchased or sold any Equity Shares from the market during a period of six months preceding the date on which the Prospectus is filed with SEBI.

1. Top ten shareholders as on the date of filing of Prospectus with the Registrar of Companies are as follows:

Sr. No.	Name of the shareholder	No of Shares	% Holding
1	Yogesh P. Kela	43,67,236	47.22
2	Prakash N. Kela	26,19,480	28.33
3	Umesh P. Kela	22,61,237	24.45
4	Lata P. Kela	130	0.00
5	Kishor N. Kela	13	0.00
6	Vandana K. Kela	13	0.00
7	Abhilasha Y. Kela	13	0.00
8	Pragya U. Kela	13	0.00
9	Yogesh P. Kela with Girdharilal Hinduja	13	0.00
	Total	92,48,148	100.00

2. Top ten shareholders being 10 days prior to the date of filing of Prospectus with the Registrar of Companies are as follows:

Sr. No.	Name of the shareholder	No of Shares	% Holding
1	Yogesh P. Kela	43,67,236	47.22
2	Prakash N. Kela	26,19,480	28.33
3	Umesh P. Kela	22,61,237	24.45
4	Lata P. Kela	130	0.00
5	Kishor N. Kela	13	0.00
6	Vandana K. Kela	13	0.00
7	Abhilasha Y. Kela	13	0.00
8	Pragya U. Kela	13	0.00
9	Yogesh P. Kela with Girdharilal Hinduja	13	0.00
	Total	92,48,148	100.00

3. Details of top ten shareholders being 2 years prior to the date of filing of Prospectus with the Registrar of Companies are as follows:

Sr. No	Name of the Holder	No of Shares	% Holding
1	Yogesh P. Kela	33,05,650	47.22
2	Umesh P. Kela	17,11,550	24.45
3	Prakash N. Kela	19,82,775	28.33
4	Yogesh P. Kela with Girdharilal Hinduja	1	0.00
5	Yogesh P. Kela with Ashok P Thakurel	1	0.00
6	Yogesh P. Kela with Rishabh Kela	1	0.00
7	Yogesh P. Kela with Karthikeya	1	0.00
8	Yogesh P. Kela with Rajesh Rajpuria	1	0.00
9	Yogesh P. Kela with Meena Jain & S. P. Jain	1	0.00
10	Yogesh P. Kela with Karwa Prakash	1	0.00
	Total	70,00,000	100.00

- The Company, its Promoters, Directors, and/or the Lead Manager(s) have not entered into any 'buy-back' and/or 'standby arrangement' for purchase of Equity Shares of the Company offered through this Prospectus.
- An over-subscription to the extent of 10% of the net offer to the public can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the allotment.
- The Company has raised a bridge loan of Rs. 2.00 crores from Indian Overseas Bank vide their sanction letter dated 3rd April, 2006 against the proceeds of this issue. The Company has taken a disbursement of Rs. 110 lacs against this bridge loan. The salient terms and conditions are as follows:

Salient terms & conditions:

- Interest at 13.50% per annum payable monthly
- The loan is to be repaid in one shot from the proceeds of the IPO within 6 months or finalisation of IPO whichever is earlier.
- The Loan of Rs. 2.00 crores is against creation of pari passu first charge on the entire fixed assets of the Company
- Prepayment charges at 2% of the outstanding portion of loans/limit should be paid by the company
- The limits are to be collaterally secured by residual charge on the entire fixed assets of the Company
- The loan is guaranteed by the personal guarantee of Mr. Prakash Kela, Mr. Yogesh Kela and Mr. Umesh Kela.

Other salient features:

- The Loan for meeting cost of the IPO will be released in stages and the end use of the funds to be ensured.
 - On finalisation of the IPO process, the Loan will be repaid at the first instance.
 - In case of any shortfall in subscription, Company should arrange for the funds to liquidate the loan.
 - Change if any in the constitution of the company or changes in directors, proposals for merger/takeover etc shall be advised to the bank in writing.
- iv. The Equity Shares offered through this Issue will be fully paid up, and hence there shall be no partly paid shares in this Issue.
- v. As per SEBI Guidelines, a minimum of 50% of the net offer to the public is reserved for allotment to individual investors applying for Equity Shares of or for a value of not more than Rs. 1,00,000/-. The remaining 50% of the offer to the public is reserved for individuals applying for Equity Shares of a value more than Rs. 1,00,000/- and corporate bodies/institutions etc.
- vi. The Company shall not make further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, or public issue or otherwise during the period commencing from the submission of offer document to the SEBI for this public issue, till the securities offered to in the said document have been listed or the application money refunded on account of non-listing or under-subscription, etc.
- vii. Presently, the Company does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, whether by way of split or consolidation of the denomination of the Equity Shares or by way of further issue of Equity capital (including issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares) whether preferential or otherwise, except that the Company may issue options to its employees pursuant to any employee stock option plan, or if the company goes for acquisitions, mergers or joint ventures, it may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition and/or participation in such joint ventures or issue of Shares on such merger, if any.
- viii. The Company has not revalued its Fixed Assets in the last five years.
- ix. An investor cannot apply for more than the number of Equity Shares offered under this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- x. The Company has not issued any shares out of revaluation reserves or reserves without accrual of cash resources
- xi. The Company has issued Equity shares, by way of Bonus Issue in the ratio of 10:3 on 6th February, 2006.
- xii. The Company has not issued any Equity shares for consideration other than cash.
- xiii. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- xiv. The Company has a total of 9 (Nine only) Equity Share Holders as on date.
- xv. There are no transactions in the securities of the Company during preceding 6 months which were financed directly or indirectly by the promoters, their relations, their group Companies or associates or by the above entities directly or indirectly to other persons.
- xvi. The shareholders of the Company do not hold any warrant, option or convertible loan or any debentures, which would entitle them to acquire further shares of the Company.

- xvii. Written consent for lock-in has been obtained from the persons whose shares form part of promoters' contribution and form part of lock in.
- xviii. An applicant in the net public category cannot make an application for a number of securities, which exceeds the net offer to the Public.
- xix. The unsubscribed portion in any category may be added to any other category interchangeably.
- xx. In case of over-subscription, allotment will be on proportionate basis as detailed in Para on "Basis of Allotment".
- xxi. Allotment shall be on a proportionate basis rounded off to the nearest integer subject to the minimum allotment being equal to the minimum application size. In case of over-subscription the proportionate allotment will be subject to the reservation for Retail Individual Investors as below: -
 - a) A minimum of 50% of the net offer to the public will initially be made available for allotment to retail individual investors.
 - b) The balance net offer to the public shall be made available for allotment to applicants other than retail individual investors.
- xxii. Under-subscription, if any, in the Non Institutional Retail category would be allowed to be met with spill over inter se from the other category, at the sole discretion of the Company in consultation with the LM.
- xxiii. Applicant cannot make an application for more than the number of Equity Shares offered to the public, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

OBJECTS OF THE ISSUE

The objects of the Issue are as stated herein below:

- To part finance the expansion of Multilayer film producing capacity by 11652 MTPA, printing capacity by 4956 MTPA and lamination capacity by 3500 MTPA.
- To meet the working capital margin requirements of the Company on account of the proposed expansion.
- To meet the expenses of the public Issue.
- To List the equity shares of the Company on the Bombay Stock Exchange Limited (BSE), and the National Stock Exchange of India Limited (NSE), which will enhance the Company's brand name and provide liquidity to its existing and future shareholders.

OBJECTS OF THE ISSUE - BREAK UP OF COSTS (As estimated by the Company)

Particulars	Amount (in Lacs)
Proposed expansion of Multilayer film producing capacity by 11652 MTPA, printing capacity by 4956 MTPA and lamination capacity by 3500 MTPA	3172.83
Working capital margin requirements for the proposed expansion	623.86
Expenses of the public Issue	275.00
General Corporate Purposes	246.60
Total	4318.29

The main Objects Clause, and objects incidental or ancillary to the main objects clause, of the Company's Memorandum of Association permits the Company to undertake existing activities and activities for which the funds are being raised by the Company, through the present issue.

The aggregate installed capacity of the Company subsequent to implementation of the project would enhance as follows:

Multilayer Film	:	14,652 MTPA
Printing Capacity	:	10,500 MTPA
Laminates	:	5,000 MTPA

COST OF THE PROJECT AND MEANS OF FINANCING

The Company is setting up an expansion project at its existing manufacturing facility as well as acquisition of new manufacturing facilities to be acquired at Daman (U.T.), at an estimated cost of Rs.3900 lacs. (As per the appraisal report of Indian Overseas Bank, dated 8th February, 2006).

BREAK UP OF PROJECT COST (As per Appraisal Report of Indian Overseas Bank)

Particulars	Amount (Rs. Lacs)
Building & Civil Works	175.00
Plant & Machinery	2,358.68
Printing Cylinders	443.16
Working Capital Margin	452.17
Contingencies	195.99
Initial Public Offering (IPO) Expenses	275.00
Total Project Cost	3900.00

The detailed components of the cost of the Project are: -

(Rs. In Lacs)

SL. NO.	PROJECT PARTICULARS	AMOUNT
A.	LAND & BUILDING	
	Land & Building to be acquired/purchased	77.00
	Cost of Construction of additional floor at the existing facilities	98.00
	Sub-Total (A)	175.00
B	PLANT & MACHINERY	
	5 layer Conversion to 7 Layer	507.03
	3 layer Blown Film Plant	280.66
	7 layer Blown Film Plant	604.86
	Lamination Machine	335.00
	1000mm 8 colour Rotogravure Printing Machine	362.92
	Duplex Slitting Machine (two units)	96.78
	Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor	6.96
	5MT Goods Lift	4.66
	Battery Powered Stacker	4.05
	Chilling Plant	15.12
	Pouch Making Machine (two units)	80.00
	Sub-Total (B)	2298.03
C	ELECTRICAL & UTILITIES	
	Cooling Tower & Tank	0.75
	Web Guiding System	6.00
	Weighing / Measuring Instruments	2.00
	Electrical Equipments	10.00
	Electrical Fittings	10.00
	Sub-Total (C)	28.75
D	MISCELLANEOUS FIXED ASSETS	
	Computers	5.00
	Computers Software	5.00
	Motor Vehicle- Four Wheelers	10.00
	Air Conditioners	4.00
	Fax Machine	0.40
	Office Electrical Fittings	2.50
	Office Furniture	5.00
	Sub-Total (D)	31.90
E	PRINTING CYLINDERS	
	Engraved MS Copper Plated Rollers – Printing Cylinders	443.16
F	Margin Money for Working Capital	452.17
G	Contingencies	195.99
H	Initial Public Offering (IPO) Expenses	275.00
	Total Project Cost	3900.00

IOB had considered working capital margin as part of project cost based on difference between the estimated working capital requirement as on 31st March, 2007 and estimated working capital requirement of the year ending 31st March, 2006. IOB had estimated that the commercial production of the expansion project to start in October, 2006. However, there is a delay in commercial production and the same is now estimated by the Company to start in January, 2008. Accordingly, the Company has reworked margin money for working capital based on the difference between estimated working capital requirement as on 31st March, 2008 (as estimated by IOB) and actual working capital margin as on 31st March, 2006. Accordingly, margin money for working capital increases to Rs. 623.86 lacs and the revised project cost is Rs.4071.69 lacs.

The revised margin money for working capital based on the estimated working capital requirement as on 31st March, 2008 (as estimated by IOB) and actual working capital margin as on 31st March, 2006 has been computed as follows:

(Rs. In Lacs)

Particulars	31.03.06	31.03.08	Difference (Projected 2008 – Actual 2006)
	Audited	Projected	
Raw Materials	330.33	1288.72	958.39
Work in progress	885.12	828.95	(56.17)
Finished Goods	70.66	82.73	12.07
Receivables	1406.59	2463.03	1056.44
Other Current Assets	431.96	956.67	524.71
TOTAL CURRENT ASSETS (A)	3124.66	5620.10	2495.44
Short Term Borrowings from others	131.39	26.82	(104.57)
Creditors	844.38	1246.89	402.51
Other Current Liabilities	118.48	107.07	(11.41)
TOTAL CURRENT LIABILITIES (B)	1094.25	1380.78	286.53
Working Capital Gap	2030.41	4239.32	2208.91
25% of Current Assets (A)	781.17	1405.03	623.86

TOTAL FUND REQUIREMENT

(Rs. In Lacs)

Particulars	Amount
Land & Building	175.00
Plant & Machinery	2298.03
Electrical & Utilities	28.75
Miscellaneous Fixed Assets	31.90
Printing Cylinders	443.16
Margin Money for Working Capital	452.17
Contingencies	195.99
Initial Public Offering (IPO) Expenses	275.00
TOTAL PROJECT COST	3900.00
Additional Long Term working Capital Margin	171.69
General Corporate Purposes	246.60
TOTAL FUNDS REQUIREMENTS	4,318.29

For details regarding the break-up of Cost of Project please refer page number 22 of this Prospectus.

MEANS OF FINANCE:

As per the Appraisal Report of IOB, the Project Cost of Rs.3900 lacs is proposed to be funded from public issue of equity shares and Rupee term loan. The proposed means of finance for the Project is as under:

Particulars	Amount (Rupees in Lacs)
Initial Public Offering (IPO)	3,699.00
Term Loan from Indian Overseas Bank	201.00
Total	3,900.00

The Company confirms that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed public issue has been made.

However, in view of the reworking of margin money for working capital by the Company as indicated in the cost of the project & General Corporate Purposes, the Means of Finance shall be as under:

Particulars	Amount (Rupees in Lacs)
Initial Public Offering (IPO)	3,945.60
Term Loan from Indian Overseas Bank	201.00
Internal Accruals	171.69
Total	4,318.29

APPRAISAL

The Indian Overseas Bank (IOB), Central Office, 763, Anna Salai, Chennai - 600 002 has carried out a Project Appraisal for the Company's proposed expansion project at Daman, for raising of funds from public/financial institutions/banks.

The appraisal report dated 8th February, 2006 of the GPL's expansion plan has been carried out by IOB on the basis of information provided by the Company, and other publicly available documents based on documents furnished and as per the discussions with the Company's officials. The Company has intimated IOB about the reworking of margin money for working capital for arriving at revised cost of the project based on the requirement of working capital for the year ended 31st March, 2008.

Brief note on the term loan sanctioning authority and basic terms and conditions of the term loan:

The Company has received sanction letter dated 3rd April, 2006 from Indian Overseas Bank for the term Loan of Rs. 201 Lacs for the proposed expansion project. The Company, however, has not taken any disbursement of the term loan.

Salient terms & conditions:

- i Interest at 13% per annum payable monthly
- ii The loan is to be repaid in 36 equal monthly instalments commencing from July, 2006
- iii The Term Loan of Rs. 2.01 crores is against creation of pari passu first charge on the entire fixed assets of the Company with State Bank of India.
- iv Prepayment charges at 2% of the outstanding portion of loans/limit should be paid by the company
- v The limits are to be collaterally secured by residual charge on the entire fixed assets of the Company
- vi The loan is guaranteed by the personal guarantee of Mr. Prakash Kela, Mr. Yogesh Kela and Mr. Umesh Kela.

Other salient features:

- i The Term Loan will be released only after completion of the formalities relating to IPO issue and raising of capital/share premium to the extent of Rs.3699 lacs.
- ii The approval from SEBI and other concerned authorities shall be obtained for issue of IPO before release of Term Loans
- iii In case of any shortfall in subscription, Company should arrange for the funds to liquidate the loan.
- iv Change if any in the constitution of the company or changes in directors, proposals for merger/takeover etc shall be advised to the bank in writing.

Disclaimer given by the IOB in the appraisal report

The disclaimer given by the IOB in their appraisal report is as follows:

This Project Appraisal Report ("PAR") contains proprietary and confidential information regarding Glory Polyfilms Limited ('GPL' or 'the Company'). This PAR has been prepared by Indian Overseas Bank, Merchant Banking Division, Central Office, Chennai (hereinafter referred to as "IOB") on the basis of the project report/information provided by the Company/its officials/promoters, its consultants and other publicly available information. The PAR has been prepared for raising funds from Public/FIs/Banks. Further, it is clarified that IOB has no role or obligation to monitor the end use /deployment of funds for the project, even the temporary use of funds pending deployment. Project appraisal of the project by IOB in no way shall cast any responsibility on it as regards compliance with various SEBI and other statutory rules, regulations and guidelines with respect to the envisaged public issue by the Company.

There are financial projections presented in this PAR based on information made available by GPL. A financial projection presents, to the best of management's knowledge and belief, a company's expected financial position, results of operations and cash flow for the projected period. Financial projections require exercise of the judgement and are subject to uncertainties concerning the effects that change in legislation or economic or other circumstances may have on future events, and different people may have a different view in future. There will usually be differences between projected and actual results because events and circumstances do not occur as expected, and those differences may be material. Under the circumstances, no assurance can be provided that the assumptions or data upon which these projections have been based are accurate or whether these business plan projections will actually materialize.

Neither IOB, nor any of their respective directors, employees or advisors make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them with respect to the accuracy, completeness or reasonableness of the facts, opinions, estimates, forecasts, projections, or other information set forth in this PAR or the underlying assumptions on which they are based or the accuracy of any computer model used and nothing contained herein is, or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company, or any future events or performance of the Company.

This PAR is furnished on strictly confidential basis. Neither this PAR, nor the information contained herein, may be reproduced or passed to any person or used for any purpose other than stated above. By accepting a copy of this PAR, the recipient accepts the terms of this Notice, which forms an integral part of this PAR.

Bridge Loan

Brief note on the bridge loan sanctioning authority and basic terms and conditions of the bridge loan:

The Company has received sanction letter dated 3rd April, 2006 from Indian Overseas Bank for the bridge Loan of Rs. 200 Lacs for the cost of IPO. The Company has taken a disbursement of Rs.110 lacs as on 31.12.2006 against this bridge loan.

Salient terms & conditions:

- i Interest at 13.50% per annum payable monthly
- ii The loan is to be repaid in one shot from the proceeds of the IPO within 6 months or finalisation of IPO whichever is earlier.
- iii The loan of Rs. 2.00 crores is against creation of pari passu first charge on the entire fixed assets of the Company
- iv Prepayment charges at 2% of the outstanding portion of loans/limit should be paid by the company
- v The limits are to be collaterally secured by residual charge on the entire fixed assets of the Company
- vi The loan is guaranteed by the personal guarantee of Mr. Prakash Kela, Mr. Yogesh Kela and Mr. Umesh Kela.

Other salient features:

- i The Loan for meeting cost of the IPO will be released in stages and the end use of the funds to be ensured.
- ii On finalisation of the IPO process, the Loan will be repaid at the first instance.
- iii In case of any shortfall in subscription, Company should arrange for the funds to liquidate the loan.
- iv Change if any in the constitution of the company or changes in directors, proposals for merger/takeover etc shall be advised to the bank in writing.

Weakness, mentioned in the appraisal report, as perceived by IOB:

- Rapid growth resulting in inadequate controls.
- Professionalisation in financial management is not adequate.

Threats, mentioned in the appraisal report, as perceived by IOB:

- Inadequate management controls can result in losing market share and profits.
- Raw material availability and its prices shooting up due to unforeseen circumstances (Petroleum prices).

The above details, regarding the weaknesses and threats stated in the appraisal report, have been adequately disclosed in the Prospectus as Risk factors.

DETAILED BREAK-UP OF COST

The detailed break-up of Cost of the Project, as appraised by the Indian Overseas Bank, is as under:

A. Land & Building

For the purpose of proposed expansion plan, the company at a consideration of Rs. 21.60 Lacs will be acquiring 1080 square meter of land at the rate of Rs. 2000 per square meter. This land along with complete constructed building of ground & first floors is located at Plot No. 5, Village Kadaiya, Nani Daman, Dist. Daman, which is adjacent to the existing facilities of the Company. The cost of the building as per the valuation report of Mahalaxmi and Associates dated 1st February 2006 is Rs. 55.40 lacs. The Company has entered into a Memorandum of Understanding with Super Pack Industries dated 4th February, 2006 for acquisition of the land & building. The break-up of the total cost of Land & Building as per the valuation report and MoU is as under:

	Sr. No.	Particulars	Amount (Rs.)	Amount Rs. in lacs
A		Main Factory Building		
	1.	RC Frame Structure with RCC Slab at 5.48 mt. Ht. on Ground Floor including toilet block= 430.69 sq. mt. @ Rs. 5000 per sq. mt.	21,53,450	21.53
	2.	RCC Frame Structure with RCC Slab at 3.88 mt. Ht. on First Floor = 430.69 sq. mt. @ Rs. 4500 per sq. mt.	19,38,105	19.38
	3.	RCC Frame Structure with A.C. Sheet roofing at 4.86 mt. Ht. on Second Floor = 218.35 sq. mt. @ Rs. 3500 per sq. mt.	7,64,225	7.64
	4.	Compound Wall brick masonry work with steel gate etc. = 134 Rmt @ Rs. 2500 per Rmt	3,35,000	3.35
	5.	Pacca Road inside = 500 sq. mt. @ Rs. 700 per Sq. mt.	3,50,000	3.50
		SUB TOTAL	55,40,780	55.40
B		Land		
	1	Area of Land – 1080.00 sq. mt. @ Rs. 2000 per sq. mt.	21,60,000	21.60
		TOTAL (A+B)	77,00,780	77.00

As per the valuation report of Mahalaxmi & Associates, brief details of the proposed Land & building to be acquired are as follows:

Name of the existing Owner	Super Pack Industries
Location, Street, ward no.	Plot No. 05, Village Kadaiya, Nani Daman, Dist. Daman, (U.T. of Daman & Diu)
Area of Land	Plot Area 1080.00 Sq. mt.
Freehold or Lease hold land	Free hold
Occupancy	Owner Occupied
Year of Construction of the Building	Commencement - Year 1998 Completion – Year 2000
Estimated Future Life	45 Years

Apart from acquiring the above mentioned Land & building, the Company also proposes to construct a first floor at the existing factory shed on Survey/ Plot No. 51/4B, 54/2F, 51/4A, 54/1A, 54/2A, 54/1C, 54/4C, 54/2E and 54/4D, at Daman Industrial Estate, Village Kadiya, Daman (UT). The estimates of costs for construction of the first floor is as per the valuation Report of Mahalaxmi & Associates dated 14th February, 2006. As per the Valuation Report, the total constructed area on the first floor will be 1205.72 Sq. mt. with 9" brick work, RCC column & beams, sand faced plaster, neeru finished plaster, polish kota stone flooring, M.S. windows & ventilation, white wash, outside snowcem with AC sheet roofing at 5.00 mt eves lvl. Complete with finishing etc. Break –up of the cost construction of the first floor at the existing factory shed is as under:

Sr. No.	Description	Qty.	Unit	Rate	Amt. (Rs.)	Amount (in lacs)
1	Column in Super Structure	20.00	C.M.	3500.00	70,000	0.70
2	All lintel beams and tie beams on F.F. (M20 grade)	40.00	C.M.	5800.00	2,32,000	2.32
3	RCC chhajja	185.00	S.M.	700.00	1,29,500	1.30
4	9" Brick Work (1:6)	1500.00	S.M.	700.00	10,50,000	10.50
5	Double Coat Sand Faced Plaster	850.00	S.M.	400.00	3,40,000	3.40
6	Neeru finished plaster	1000.00	S.M.	360.00	3,60,000	3.60
7	M.S. Window & ventilation	60.00	S.M.	3000.00	1,80,000	1.80
8	Rolling Shutter	24.00	S.M.	1500.00	36,000	0.36
9	a. Kota Flooring b. Scurting Kota	1275.00 1275.00	S.M. R.Mt	550.00 650.00	7,01,250 8,28,750	7.01 8.28
10	Removing old IPS Flooring	1275.00	S.M.	200.00	2,55,000	2.55
11	Breaking RCC Column up to 3'-0"	4.00	C.M.	3500.00	14,000	0.14
12	Steel reinforcement cutting, blending and fitting, etc.	40.00	Tonne	30,000.00	12,00,000	12.00
13	a.) Structural steel for roof trusses b.) Oil paint on trusses	60.50 1600.00	Tonne R.Mt	40,000.00 500.00	24,20,000 8,00,000	24.20 8.00
14	AC Sheet Roofing	1300.00	S.M.	350.00	4,55,000	4.55
15	Snowcem Colours	2000.00	S.M.	70.00	1,40,000	1.40
16	White Wash	3000.00	S.M.	30.00	90,000	0.90
Total					93,01,500	93.01
Architect Fees					3,00,000	3.00
Contingencies (2%)					1,92,000	1.92
GRAND TOTAL					97,93,500	97.93

Say Rs. 98 lacs

B. PLANT & MACHINERY

- IMPORTED

i. Up gradation of existing 5 layer blown film line to 7 layer line

PARTICULARS	Euro	INR	Amount Rs. in lacs
Extruder Varex – 1 No.	6,95,040		
	6,95,040		
Conversion Rate	1 € = 58.50 INR	4,06,59,840	406.60
Customs Duty	5.1%	20,73,652	20.74
CVD	16.32%	69,74,106	69.74
Sub Total		4,97,07,598	497.08
Clearing, forwarding, freight, insurance etc		9,95,402	9.95
TOTAL COST		5,07,03,000	507.03

ii. Laminating Machine

PARTICULARS	USD	INR	COST Rs. in lacs
Single Co-Ex Laminator – 1 Set	5,77,740		
Conversion Rate	1 \$ = 46.50 INR	2,68,64,910	268.65
Customs Duty	5.1%	13,70,110	13.70
CVD	16.32%	46,07,955	46.08
Sub Total		3,28,42,975	328.43
Clearing, forwarding, freight, insurance etc		6,57,025	6.57
TOTAL COST		3,35,00,000	335.00

The above conversion rate of dollar & the pound has been taken as per the IOB Appraisal Report which may vary at the time of release of payment against the said machines.

- INDIGENEOUS

i. 3 Layer Blown Film Plant

Estimated Cost of the Section:

Prices for Three Layer co-extruded blown film line comprising of digital IBC and fully automatic winder with output 350 kg/hr and lay-flat width 1500 mm are as under:

PARTICULARS	Rs. in lacs
Three Layer co-extruded blown film line comprising of digital IBC and fully automatic winder with output 350 kg/hr and lay-flat width 1500 mm	232.00
Basic Total	232.00
Excise Duty @ 16%	37.12
Cess on Excise @ 2%	0.74
Sub Total	269.86
CST @ 4%	10.79
TOTAL COST	280.66

ii. Five/Seven Layer Blown Film Plant

Estimated Cost for Five/Seven Layer Blown Film Plant

PARTICULARS	Rs. in lacs
Five/Seven Layer co-extruded blown film line RECF – 2760-55/2100 IBC – REL Make	330.00
Corona Treater – of Sherman U.K.	16.00
Gravimetric metering and throughput control system Doteco	63.00
External air ring with automatic thickness control (in lieu of the dual lip air ring) – of Octagon	91.00
Basic Total	500.00
Excise Duty @ 16%	80.00
Cess on Excise @ 2%	1.60
Sub Total	581.60
CST @ 4%	23.26
TOTAL COST	604.86

iii. 1000mm 8 colour Rotogravure Printing Machine

Estimated Cost for 1000mm 8 colour Rotogravure Printing Machine

Rs. in lacs

PARTICULARS	COST
1000mm 8 colour Rotogravure Printing Machine – Expert PAC-3000- One No.	300.00
Basic Total	300.00
Excise Duty @ 16.32%	48.96
Sub Total	348.96
CST @ 4%	13.96
TOTAL COST	362.92

iv. Duplex Slitter Rewinder

Estimated Cost for Duplex Slitter Rewinder

Rs. in lacs

PARTICULARS	COST
Duplex Slitter Rewinder - two No. @ Rs. 40 lacs each	80.00
Basic Total	80.00
Excise Duty @ 16.32%	13.06
Sub Total	93.06
CST @ 4%	3.72
TOTAL COST	96.78

v. Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor

Estimated Cost for Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor

Rs. in lacs

PARTICULARS	COST
Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor – Model CPC 60	5.75
Basic Total	5.75
Excise Duty @ 16.32%	0.94
Sub Total	6.68
CST @ 4%	0.27
TOTAL COST	6.96

vi. 5MT Capacity Goods Lift

Estimated Cost for 5MT Capacity Goods Lift

Rs. in lacs

PARTICULARS	COST
5MT Capacity Goods Lift – One No.	1.30
Control Panel + 3 Floor auto operational wiring	0.39
Cage 2000 mm L * 2000 mm W * 2100 mm H	0.65
Goods Lift structure 12000 mm height	1.50
Column foundation plates and bolts & cage sliding wheel with spring bracket & Buffer Springs	0.21
Collapsible gates – 3 nos.	0.31
Painting & erection & commissioning	0.26
TOTAL COST	4.66

vii. Battery Powered Stacker

Estimated Cost for Battery Powered Stacker

Rs. in lacs

PARTICULARS	COST
Battery Powered Stacker	3.10
Automatic Cutoff Charger	0.25
Basic Total	3.35
Excise Duty @ 16.32%	0.55

Sub Total	3.90
CST @ 4%	0.15
TOTAL COST	4.05

viii. Chilling Plant

Estimated Cost for Chilling Plant

Rs. in lacs

PARTICULARS	COST
Chilling Plant	15.12
Basic Total	15.12
TOTAL COST	15.12

ix. Automatic Pouch Making Machine

Estimated Cost for Automatic Pouch Making Machine

Rs. in lacs

PARTICULARS	COST
Automatic Pouch Making Machine	66.00
Sub-Total	66.00
Excise Duty @ 16.32%	10.77
Basic Total	76.77
CST @ 4%	3.07
TOTAL COST	79.84

SAY Rs. 80 lacs

TOTAL Rs. 2298.03 lacs

C. ELECTRICAL & UTILITIES

The break-up of Electricals & utilities required for the proposed expansion plan are as follows:

Sr. No	Particulars	Amount (Rs. Lacs)
1	Cooling Tower & Tank	0.75
2	Web Guiding System	6.00
3	Weighing / Measuring Instruments	2.00
4	Electrical Equipments	10.00
5	Electrical Fittings	10.00
	Total Electrical & Utilities (B)	28.75

D. MISCELLANEOUS ASSETS

The break-up of Miscellaneous Assets required for the proposed expansion plan is as follows:

Sr. No	Particulars	Amount (Rs. Lacs)
1	Computers	5.00
2	Computers Software	5.00
3	Motor Vehicle- Four Wheelers	10.00
4	Air Conditioners	4.00
5	Fax Machine	0.40
6	Office Electrical Fittings	2.50
7	Office Furniture	5.00
	Total Miscellaneous Assets (C)	31.90

GRAND TOTAL (A+B+C+D).....Rs.2,358.68 Lacs

E. 2770 NOS. PRINTING CYLINDERS

Estimated Cost for 2770 Nos. Printing Cylinders

Rs. in lacs

PARTICULARS	COST
2770 Nos. Printing Cylinders – Engraved MS Copper plated Rollers	346.25
Packing Charges	13.85
Sub-Total	360.10

Excise Duty @ 16.32%	58.77
Basic Total	418.87
CST @ 4%	16.75
Forwarding Charges	7.53
TOTAL COST	443.16

SUMMARISED DETAILS OF PLANT & MACHINERY FOR WHICH ORDERS HAVE BEEN PLACED

Name of Machine	Cost (Rs. In Lacs)	Name of Supplier from whom Quotation has been made	Quotation date	Date of placement of order	Expected date of Supply
Up gradation of existing 5 layer blown film line to 7 layer line	507.03	Windmoller & Holscher KG Munster str.50/49525 Lengerich P.O. Box 1660/49516 Lengerich Purchase order ref: Quotation No. 654807	18.05.2005	March 15,2007	June,07
Five/Seven Layer Blown Film Plant	604.86	Rajoo Engineers Limited Survey No.210, Plot No.1 Industrial Area, Shapar (Veraval) Rajkot – 360 002 (Gujrat) Purchase Order ref: Performa Invoice No. : 109 A/2005-2006 dated 04/02/06	04.02.2006	March15,2007	June, 07
1000mm 8 colour Rotogravure Printing Machine	362.92	Expert Industries Pvt. Ltd. 274-C,KIADB Industrial Area Bommasandra, Anekal Taluk Bangalore – 560099 (India) Purchase Order ref: Performa Invoice No. :027dated 31/01/06	31.01.2006	March15,2007	June, 07
Duplex Slitter Rewinder	96.78	Expert Industries Pvt. Ltd. 274-C, KIADB Industrial Area Bommasandra, Anekal Taluk Bangalore – 560099 (India) Purchase Order ref: Performa Invoice No. :	31.01.2006	March15,2007	June, 07

		028 dated 31/01/06			
Total	1571.59				

SUMMARISED DETAILS OF PLANT & MACHINERY AND PRINTING CYLINDER FOR WHICH ORDERS ARE YET TO BE PLACED

Name of Machine	Cost (Rs. In Lacs)	Name of Supplier from whom Quotation has been made	Quotation date	Expected Date of placement of order	Expected date of Supply
Laminating Machine	335.00	Daekwang Machinery Co. Ltd.	27.12.2005	June, 07	Sept, 07
Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor	6.96	Shah Enterprise	28.01.2006	June, 07	Sept, 07
3 Layer Blown Film Plant	280.66	Rajoo Engineers Limited	01.02.2006	June, 07	Sept, 07
5MT Capacity Goods Lift	4.66	M. M. Techno Engineering	30.01.2006	June, 07	Sept, 07
Battery Powered Stacker	4.05	Dilip Material handling Equipments	28.01.2006	June, 07	Sept, 07
Chilling Plant	15.12	Soham Technologies Pvt. Ltd.	30.01.2006	June, 07	Sept, 07
Automatic Pouch Making Machine	80.00	M/s. Mamata Machinery Pvt. Ltd.	28.01.2006	June, 07	Sept, 07
Printing Cylinders	443.16	Shilp Gravures Ltd	28.01.2006	Jan, 08	May, 08
Total	1169.61				

F. PROVISION FOR CONTINGENCIES

Provision for Contingencies has been provided at 5.02% of the total project cost which comes to Rs. 195.99 lacs.

G GENERAL CORPORATE PURPOSES:

The Company intends to deploy the proceeds of this Issue aggregating to Rs.246.60 lakhs for General Corporate Purposes including but not limited to strategic initiatives, entering into strategic alliances, brand building exercise, strengthening of the market capabilities, partnerships, acquisitions, developing vendors and ancillaries, future projects and meeting exigencies which the Company in the ordinary course may not foresee etc.

H DETAILS OF PUBLIC ISSUE RELATED EXPENSES

The expenses for the issue includes issue management fees, selling commission, distribution expenses, legal fees, fees to advisors, stationary costs, advertising expenses and listing fees payable to the stock exchanges, among others. The total expenses for this issue are estimated at Rs. 275 lacs.

Sr. No.	Particulars	Amount (Rs. In Lacs)	% age
1	Issue Management Fees	98.64	35.87
2	Registrar, Legal Advisor, Auditors etc.	10.00	3.64
3	Printing & Stationery, Distribution, Postage, etc.	50.00	18.18
4	Brokerage & Selling Commission	39.46	14.35
5	Advertisement & Marketing Expenses	50.00	18.18
6	Other Expenses (incl. Filing Fees, Listing Fees, Depository Charges, etc.)	10.00	3.64
7	Contingencies	16.90	6.14
	Total	275.00	100.00

The Company has received sanction letter dated 3rd April, 2006 for bridge Loan of Rs. 200 Lacs from Indian Overseas Bank for meeting the expenses of IPO. The Company has taken a disbursement of Rs.110 lacs as on 31.12.2006 against this bridge loan.

UNDERTAKING BY THE ISSUER COMPANY:

Pursuant to Clause 2.8 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, the Company has made firm arrangements for the stated Means of Finance as follows:

Rs in Lacs			
A	Total Means of Finance required		4,318.29
B	Amount to be raised through Public Issue		3,945.60
C	Amount excluding Public Issue		372.69
	- Term Loan from Indian Overseas Bank	201.00	
	- Internal Accruals	171.69	

The Company hereby confirms that firm arrangements of finance through verifiable means towards 75% of the stated Means of Finance, excluding the amount to be raised through the proposed public issue have been made.

Schedule of Implementation

The installation of several production units along with the construction of utilities and services requires co-operation for procurement of equipment, designing the areas and equipment foundations, award of all contracts and supervision of all construction jobs at plant site. The project implementation schedule has been drawn up to maintain a strict time schedule.

The Schedule is as follows:

▪ Schedule of Implementation – Time-wise

The Company proposes to implement the project by January 2008. The Company has already incurred an expenditure of about Rs. 137.50 lacs as on 28th February, 2007 on the project, which has been financed by bridge loan received from Indian Overseas Bank & the Internal Accruals.

The Schedule of implementation as per IOB Appraisal report is as follows:

Activity	Starting Date	Initial Closing Date
Building construction	June 2006	August 2006
Placing of orders for Plant & Machineries	April 2006	June 2006
Installation of Plant & Machineries	August 2006	September 2006
Commissioning & Trial Run	September 2006	October 2006
Commercial Production	October 2006	

Due to delay in raising the IPO proceeds, the project implementation schedule will undergo a change and will not be as per the IOB Appraisal Report. The Revised Schedule of Implementation will be as follows:

Activity	Commencement	Completion
Placement of orders for Plant & Machineries	June, 2007	September, 2007
Placement of orders for Printing Cylinders	January, 2008	May, 2008
Building Construction	June, 2007	September, 2007
Installation of Plant & Machineries	October, 2007	November, 2007
Commissioning & Trial Run	December, 2007	December, 2007
Commercial Production	January, 2008	-

(Estimated by the Company)

The Company has intimated to IOB about the revised estimated date of commercial production.

The Management confirms that there will be no impact on the project cost due to delay in commercial production.

Details of fund deployment – Cost Wise on Year-wise basis

Sr. No.	Description	Already Incurred (Up to 28.02.07)	2007-08	Amount (Rs. In Lacs)
1	Land & Building	--	175.00	175.00
2	Plant & Machinery	--	2298.03	2298.03
3	Electrical & Utilities		28.75	28.75
4	Miscellaneous Fixed Assets		31.90	31.90
5	Printing Cylinders	--	443.16	443.16
6	Working Capital Margin	--	452.17	452.17
7	Contingencies	--	195.98	195.98
8	Issue Expenses	137.50	137.50	275.00
	Total Project Cost	137.50	3762.50	3900.00
9	Long Term Working Capital	--	171.69	171.69
10	General Corporate Purposes	--	246.60	246.60
	Total	137.50	4180.79	4,318.29

(As estimated by the Company)

COST INCURRED ON THE PROJECT TILL DATE

The Company has incurred the following costs till, 28th February, 2007, details of which have been certified by the auditors M/s B. S. Pandit, Chartered Accountants, vide their certificate dated 28th February, 2007:

Rs. in Lacs

S.No.	Particular	Amount (Rs. in lacs)
1.	Expenditure	
	Expenses under Expansion (Land Purchase)	-
	Public Issue Expenses incurred till date	137.50
	Total	137.50
2	Means of Finance:	
	Amount utilized from Bridge loan obtained from Indian Overseas Bank vide their sanction letter dt. 03/04/2006	110.00
	Internal Accruals	27.50
	Total	137.50

Interim Use of Funds

The management, in accordance with the policies set up by the Board, will have the flexibility in deploying the proceeds received by the Company from the Issue. Pending utilization for the purposes described earlier, the Company intends to temporarily invest the funds in high quality interest/dividend bearing liquid

instruments including money market mutual funds, deposit with banks for necessary duration. The Company may also use the same to fund its working capital requirement on a temporary basis.

BASIC TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of this Prospectus, Application Form, the Revision Form, and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital, listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Registrar of Companies, Stock Exchanges, and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking Of Equity Shares

The Equity Shares being offered shall be subject to the provisions of Memorandum and Articles of the Company and shall rank *pari passu* in all respects with the other existing Equity Shares of the Company. Allottees of the Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of allotment.

Face Value

The Face Value of the Equity Share is Rs. 10/- and the Issue Price is 4.8 times the face value of the Equity Share.

Rights of the Equity Shareholders

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- i. Right to receive dividend, if declared;
- ii. Right to attend general meetings and exercise voting rights, unless prohibited by law;
- iii. Right to vote on a poll either in person or by proxy;
- iv. Right to receive offers for rights shares and be allotted bonus shares, if announced;
- v. Right to receive surplus on liquidation;
- vi. Right of free transferability; and
- vii. Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 1956.

For a detailed description of the main provisions of the Company's Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see 'Description of Equity Shares and Terms of Articles of Association' on Page 171 in the Prospectus.

Market Lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialized form. As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one Equity Share.

Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of 125 Equity Shares.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Net Issue to Public, including devolvement of Underwriters (if any) within 60 days from the date of closure of the issue, or if the subscription level falls below 90% after the closure of the issue on account of cheques having been returned unpaid or withdrawal of applications, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days, after the company becomes liable to pay the amount, the Company shall pay interest as per Section 73 of the Companies Act 1956.

Authority for the Present Issue

The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on 04.08.2006. Present Issue of Equity Shares has been authorized by

shareholders vide a Special Resolution passed at the Extra-Ordinary General Meeting of the Members held on 30.08.2006.

Terms of Payment

The entire Issue price is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

Interest on Excess Application Money

Payment of interest at rate of 15% per annum on the excess application money will be made to the applicants if the refund orders are not dispatched within 30 days from the date of closure of the public issue.

BASIS OF ALLOTMENT

In the event of the Present Issue of Equity Shares being oversubscribed, the allotment shall be made on a proportionate basis subject to minimum allotment being equal to the minimum application size i.e., 125 Equity Shares as explained below:

1. A minimum 50% of the Net Issue to the Indian Public will be made available for allotment in favour of those individual applicants who have applied for Equity Shares of or for a value of not more than Rs. 1,00,000/-. This percentage may be increased in consultation with the Designated Stock Exchange depending on the extent of response to the Issue from investors in this category. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category and allotment made on a proportionate basis as per relevant SEBI Guidelines. The Executive Director/Managing Director of the Designated Stock Exchange along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI Guidelines.
2. The balance of the net issue to Indian Public shall be made available to investors including Corporate Bodies/Institutions and individual Applicants who have applied for allotment of Equity Shares for a value of more than Rs. 1,00,000/-.
3. The Unsubscribed portion of the net Issue to any of the categories specified in (1) or (2) shall be made available for allotment to Applicants in the other category, if so required.
4. Applicants will be categorized according to the number of Equity Shares applied for.
5. The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of shares applied for in that category (number of applicants in the category multiplied by the number of shares applied for) multiplied by the inverse of the over subscription ratio.
6. Number of the shares to be allotted to the successful allottees shall be arrived at on a proportionate basis i.e., total number of shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio.
7. All the Application Forms where the proportionate allotment works out to less than 125 shares per Applicant, the allotment shall be made as follows:
 - i. Each successful Applicant shall be allotted a minimum of 125 Shares; and
 - ii. The successful Applicants out of the total applicants for that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (6) above.
8. All the Applicants in such categories shall be allotted shares arrived at after such rounding off.
9. If the shares allocated on a proportionate basis to any category are more than the shares allotted to the Applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful Applicants in that category.
10. The balance shares, if any, remaining after such adjustment shall be added to that category comprising applicants applying for minimum number of shares.
11. The process of rounding off to the nearest integer subject to a minimum allotment being equal to 125, which is the minimum application size in this Issue, may result in the actual allotment being less than the shares offered. However, it shall not exceed 10% of the net offer to public.

Despatch of Refund Orders

The Company shall give credit to the Beneficiary account with DPs within two (2) working days of finalisation of the basis of allotment of Equity Shares.

The Company shall make refunds to applicants in case of oversubscription using the following modes:

- (a) In case of applicants residing in any of the centers specified by SEBI, the refunds shall be credited to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
- (b) In case of other applicants – by despatch of refund orders by registered post, where the value is Rs 1500/- or more, or under certificate of posting in other cases, (subject however to postal rules); and
- (c) In case of any category of applicants specified by SEBI – by crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force, which is permitted by SEBI from time to time.

INTEREST IN CASE OF DELAY IN DESPATCH OF ALLOTMENT LETTERS / REFUND ORDERS IN CASE OF PUBLIC ISSUES

The Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 30 days from the date of the closure of the Issue.

BASIS FOR ISSUE PRICE

Qualitative factors

1. An established profit-making Company in the packaging industry for the last 9 years.
2. The Company is managed by a team of professionally qualified people. All the three promoters are having hands on experience in the packaging industry. Prakash N. Kela, Chairman of the Company has overall experience of 31 years. Yogesh P. Kela and Umesh P. Kela, both the Directors have 9 & 8 years of experience respectively.
3. The Company is one of the few organized player in the packaging industry.
4. The Company is in the business of manufacturing wide range of multilayer films and laminates and now it is adding 7 layer multilayer films and laminates which will make the Company one of the select few to have such manufacturing facility.
5. The Company has obtained certificate from TUV South Asia Private Limited for ISO 9001:2000 for quality management systems and HACCP for prevention based food safety system.
6. The Company has a customer base from diversified industries, which has been developed over a period of time. The Company's clientele includes institutions and corporate bodies such as Mother Dairy, Ruchi Soya Industries Ltd, Hatsun Agro Product Ltd., etc, who follow stringent quality standards for packaging material.
7. Demand is exceeding supply in the Packaging Industry. Food sector is getting conscious about its packaging needs and there is substantial increase in the awareness amongst the consumer.
8. The plant is strategically located at Daman, a Union Territory, which is well connected by Road, Rail and Water and near to the major business centers of the country.

QUANTITATIVE FACTORS

Information presented in this section is derived from the audited restated financial statements.

a. Adjusted Earning Per Share (Face value Rs. 10/- per share)

YEAR	EPS (Rs.)	Wts
2003-04	1.04	1
2004-05	3.32	2
2005-06	3.64	3
Weighted Average	3.10	
EPS for 9 months ended December 31, 2006 (annualised)	3.85	

b. Price Earning ratio (P/E Ratio) in relation to the issue price of Rs. 48/-

	Issue Price per Share (Rs.)	48.00
(a)	P/E based on 31st March, 2006 EPS of Rs. 3.64	13.18
(b)	P/E based on Weighted Average EPS of Rs. 3.10	15.48
(c)	Industry P/E	
	Highest	191.1
	Lowest	3.7
	Industry Composite	29.0

(Source: Capital Market Volume XXII /03, dated Apr 09 – Apr 22, 2007; Category: Packaging)

c. Return on Net Worth

YEAR	RONW (%)	Weight
2003 - 2004	7.23	1
2004 - 2005	12.30	2
2005 - 2006	20.34	3
Weighted Average	15.48	
Return on Net Worth for the 9 months ended December 31, 2006 (annualised)	22.81	

d. Minimum Return on Total Net worth after Issue needed to maintain pre-issue EPS of Rs. 3.64 is 12.25%.

e. Net Asset Value (NAV) per share (Rs.):

As at 31st March, 2006	14.17
As at 31st December, 2006	16.87
After Issue	29.71
Issue Price	48.00

Notes:

- The Earnings per Share and the average return on net worth has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/prior period items pertaining to the earlier years.
- The denominator considered for the purpose of calculating Earnings per Share is the average number of Equity Shares outstanding during the year.
- Net Asset Value Per Share represents Shareholder's Equity as per restated financial statements less miscellaneous expenditure as divided by number of shares outstanding at the end of the period.

COMPARISON WITH INDUSTRY PEERS

Comparison with Industry Peers of Comparable Size

(As on 31/03/06)

Name of the company	Equity Rs. Crores	Face Value Rs.	Sales Rs. Crores	PAT/NP Rs. Crores	EPS (Rs.)	BV (Rs.)	P/E Ratio	RONW (%)
Jumbo Bag	6.81	10	37.9	1.0	1.3	17.4	13.6	10.2
Organic Coatings	5.97	10	28.5	1.0	1.7	24.4	-	8.7
Polyspin Exports	4.00	10	23.8	0.4	1.0	14.3	-	7.4
Rishi Packers	4.92	10	27.1	0.2	0.4	22.7	-	-
Rollatainers	10.05	10	38.3	(21.5)	-	(21.8)	-	-
Yashraj Contain.	4.80	10	34.3	(6.1)	-	(108.4)	-	-
Glory Polyfilms Ltd.	9.25	10	35.3	2.67	3.64	14.17	-	20.34

Comparison with Industry Peers in the Flexible Packaging Industry

(As on 31/03/06)

Name of the company	Equity Rs. Crores	Face Value Rs.	Sales Rs. Crores	PAT/NP Rs. Crores	EPS (Rs.)	BV (Rs.)	P/E Ratio	RONW (%)
Radha Madhav Cor	19.83	10	40.1	3.0	1.5	22.1	14.3	13.9
Glory Polyfilms Ltd.	9.25	10	35.3	2.67	3.64*	14.17	-	20.34

* Diluted

Source: Capital Market Volume XXII/03, dated Apr 09 – Apr 22, 2007; Category: Packaging

The face value of the shares is Rs.10/-. The equity shares are being issued at a price of Rs. 48/- per share. The issue price is 4.8 times of the face value.

The Lead Manager believes that the Issue Price of Rs. 48/- is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors beginning from page no. vii of the Prospectus and the financials of the Company including important profitability and return ratios, as set out in the Auditors' report beginning from page no. 101 the Prospectus to have a more informed view of the investment proposition.

STATEMENT OF TAX BENEFITS

The Board of Directors
Glory Polyfilms Ltd.
(Formerly Glory Polyfilms Private Ltd.)
201, Vintage Pearl,
29th Road, Bandra (West),
Mumbai – 400 059.

Dear Sirs,

We hereby certify that the enclosed annexure states the tax benefits available to Glory Polyfilms Ltd. (the "Company") and to the Shareholders of the Company under the provisions of direct tax laws presently in force.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

A shareholder is advised to consider in his/her/its own case, the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

B. S. Pandit
Chartered Accountant
M. No. 8235.

Place: Mumbai
Date: 28th August, 2006

ANNEXURE TO THE CERTIFICATE DATED 28th August, 2006.

BENEFITS AVAILABLE UNDER INCOME TAX ACT, 1961 ('THE IT ACT')

Benefits available to the Company

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received by the Company from domestic companies is exempt from income tax.

Subject to Compliance of certain conditions laid down in Section 32 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") the Company will be entitled to a deduction for depreciation: -

- a) In respect of tangible assets;
- b) In respect of intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under Income Tax Rules, 1962;
- c) In respect of machinery or plant which has been acquired and installed after 31st March 2002 by the company for manufacture or production of any article or thing a further sum of 20% of the actual cost of such machinery or plant will be allowed a deduction;

Subject to compliance of certain conditions laid down in section 80IB (4) of the Act, the Company will be entitled to the benefit of deduction from profits of its unit for the assessment year 2007-08 of an amount equal to 25% of profits derived from eligible industrial undertaking, to the extent calculated in accordance with the provisions of the said section.

However, the expansion planned by the company will not be eligible for deduction under section 80IB (4) of the Income Tax Act, 1961.

The Company is also eligible for set off of brought forward unabsorbed depreciation against taxable profits of future years under the Income Tax Act.

Under section 115JAA(2A) of the Act tax credit shall be allowed in respect of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after 1st April 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years immediately succeeding the year in which the MAT credit initially arose.

Benefits available to resident shareholders, approved infrastructure capital companies, infrastructure capital funds and co-operative banks

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for 56 rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

Benefits available to Foreign Institutional Investors ('FIIs')

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term

specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

Under section 115AD (1)(ii) of the Act short term capital gains on transfer of securities shall be chargeable @ 30% and 10% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

Under section 115AD(1)(iii) of the Act income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

As per section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.

In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

Benefits available to Venture Capital Companies/ Funds

Under section 10(23FB) of the IT Act, any income of Venture Capital companies/ Funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per section 115U of the IT Act, any income derived by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking

Benefits available to Non-Residents/ Non-Resident Indian Shareholders (other than Mutual Funds, FIIs and Foreign Venture Capital Investors)

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

Under the first proviso to section 48 of the IT Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the IT Act-discussed hereunder), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Under Section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

Under section 115E, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident India, long-term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

Under provisions of section 115G of the IT Act, it shall not be necessary for a Non- Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non- Resident India would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non- Resident/ Non-Resident India.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT

Gift tax is not leviable in respect of any gifts made on or after 1 October, 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

BENEFITS TO THE COMPANY UNDER THE DAMAN & DIU VALUE ADDED TAX REGULATION, 2005 AND THE CENTRAL SALES TAX ACT, 1956

The Company is eligible for zero sales tax for all sales against Form 'C' up to 31st March 2012.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2006.
2. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
4. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

SECTION IV: ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information presented in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government and its various ministries, IOB Appraisal report and has not been prepared or independently verified by the Issuer or the Lead Manager.

Today we reside in a visual world where images influence our buying decisions and within a fraction of second it captures consumer attention. Attractive, economical and practical packaging is designed to generate maximum marketing response. Packaging has grown in importance and is regarded as a vital marketing tool. Better packaging results in protection and safe transportation of products, reduces loss, and prevents damage and wastage of products.

Packaging is a multi-technology business that touches almost everything made. Right from chocolate, food, clothing, shelter, automotive, appliance, electronics – packaging is everywhere. Since packaging involves product and technology that encompass all materials and specialties of engineering, viz., paper, plastics, chemicals, steel, mechanical, electrical and electronics and robotics. The consolidation and synergistic combination of technologies and products are still in its primitive stage. Except for a few players having more than one technology or product-market, there are very few companies with holistic packaging approach.

Large manufacturers of FMCG, appliances, automobiles, pharmaceuticals, etc., are focusing on their core activity, driven by the mantra of core competence. Thereby, non core activities such as I.T. or even manufacturing are being outsourced. In this environment more and more companies are likely to outsource packaging to specialist service providers.

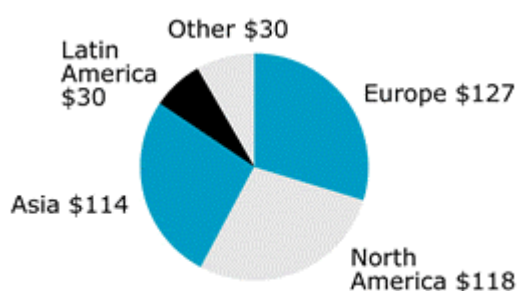
Established global players in various industries are setting up operations in India, China, etc., to derive the benefit of lower costs as well as access to large potential markets. This makes India and China very attractive destinations for the packaging industry.

(Source: IOB Appraisal Report)

Global Packaging Industry:

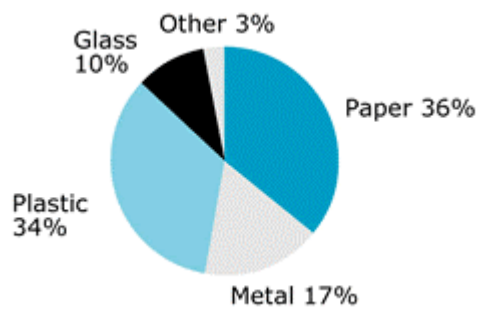
Global Packaging Industry is worth US\$424 billion.

Geographical Breakdown of Global Packaging Industry



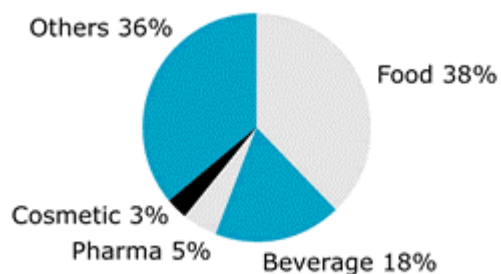
Region	Value (In US\$ Bill)	In Percentage (%) (World Market)
Europe	127	30%
North America	118	28%
Latin America	30	7%
Asia	114	27%
Others	35	8%
Total	424	100%

Global Packaging Material Breakdown



Material	Percentage in Units
Paper	36%
Plastic	34%
Metal	17%
Glass	10%
Other	3%
Total	100

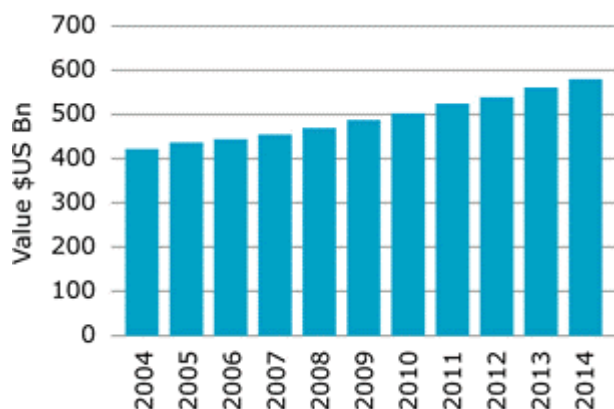
Global Packaging Sector Breakdown



Sector	Value In US\$ Billion	Percentage (%) (World Market)
Food	161	38%
Beverage	76	18%
Pharma	21	5%
Cosmetic	13	3%
Other	153	36%
Total	424	100%

Global Packaging Market Trends from 2004 to 2014

Projected Market Growth 3.5%



Year	Worth (in US\$ Bn)
2004	424
2005	439
2006	454
2007	470
2008	486
2009	503
2010	521
2011	539
2012	558
2013	577
2014	597

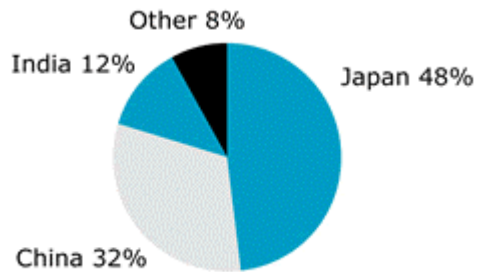
- Average annual growth rate is around 3.5% and the value is expected to reach US\$597Bn by 2014.

(Source: http://www.packaging-gateway.com/market_analysis.asp)

The Asian Packaging Market:

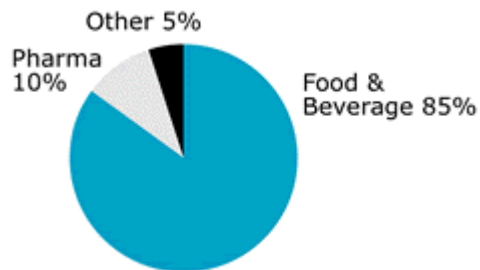
The Asian Packaging Market Worth is estimated as US\$ 114 Billion

Regional Breakdown of Asian Packaging Industry



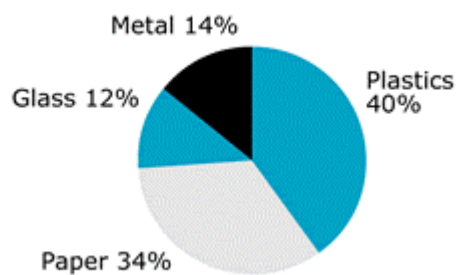
Country	Value In US\$ Billions	Percentage (%)
Japan	55	48%
China	36	32%
India	14	12%
Others	9	8%
Total	114	100%

Asian Packaging Sector Breakdown



Sector	Value In US\$ Billions	Percentage (%)
Food & Beverage	97	85
Pharmaceutical	11	10
Others	6	5
Total	114	100%

Asian Packaging Material Consumption

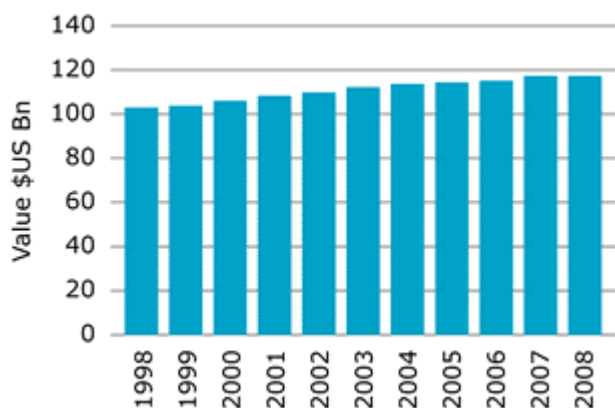


Material	Percentage (%)
Paper	34%
Plastic	40%
Metal	14%
Glass	12%
Total	100%

- Plastic & Paper are the major materials that are consumed in \$114 Bn Worth Asian packaging market.

Asian Packaging Market, Trends 2004-2008

Projected Market Growth (1.5%)



- Average growth rate is 1.5% per annum and is expected to reach US\$ 118 BN.
- India & China are driving growth in the Asia-Pacific region.

Year	Value In US\$ Billion
1998	102
1999	104
2000	106
2001	108
2002	110
2003	112
2004	114
2005	115
2006	116
2007	117
2008	118

(Source: http://www.packaging-gateway.com/market_analysis.asp)

INDIAN ECONOMY

With liberalised trade and economic policy, The Nation has achieved a higher rate of growth and accelerated the reform revolution. Advance estimate for GDP growth for 2005-06 expects the economy to grow by 8.1 %. Manufacturing Sector is said to grow at 9.4% in 2005-06 compared to 8.1 % in 2004-05. Agricultural Sector is projected to expand at 2.5 % in 2005-06 compared to 0.3% growth in 2004-05. Due to FDI in retail sectors, the Retail Sector in India is expected to grow by 20 % in the next 10 years. Indian foreign reserves have crossed over 140 billion dollars. India's export surged past 90 billion dollars.

These developments will give a boost to all the sectors, Packaging Industry in particulars and open up tremendous opportunities in the packaging Industry.

(Source: <http://www.tafcon.com/indiapack06/indian-market>)

INDIAN SCENARIO

The packaging industry in a developed country generally caters to a society, which is well aware of the importance of packaging. Whereas, in a developing country like India; the packaging industry has to cater both the aware and unaware classes of society. The unaware class of society forms the majority of population and needs only the product in packed condition. The qualities of packaging or innovative ideas are important for the aware class of society but not the unaware class of society.

The current wave of economic development in India is being seen from all over the world. The consumer behavior in Urban India is changing very rapidly. It will further accelerate with the commitment of the government in globalization. The fast growing scenario of electronic media, communications and traveling facilities would also help to infect the shopping behavior of Rural India in near future.

The expansion of the Indian primary and secondary packaging market has been accelerated broadly due to growing middle class, conversion of traditional form of packaging into modern forms, favorable excise structure, liberalization of Indian economy, globalization, Increasing hygiene consciousness, usage of small flex pack pouches, increasing textile exports packed in plastic bags, entry of multinationals fueling the demand for sophisticated plastic-based flexible packaging products.

A great degree of potential exists for most of the user segments in India and are expanding appreciably. With a promising growth rate, an expanding consumer base, and more than 1 billion inhabitants, India has one of the most rapidly expanding packaging industries in the world.

Since, the Indian Packaging industry is highly fragmented and is dominated by large number of unorganized players, no published and authenticated data are available about the industry and competition.

(Source: IOB Appraisal Report)

Indian Packaging Industry is worth Rs. 650 billion (approx US\$ 14 billion) with growth rate varying from 5% in some sectors to as much as 20% in Sectors like Flexible Packaging, compared to 3% in developed countries. The fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. The food processing industry alone needs to double its capacity and Five-fold increase its potential. Most of the basic raw materials needed for Packaging Industry such as Paper, Board, Plastic, Glass, Metal and others are available in abundance in India.

The Packaging Machinery Sector which is involved in making Packaging Converting Machines, Product Packaging Machines and allied equipments have adopted modern technology and are also exporting the machines to developed economies of the world.

Over 40% of Export is done by small and medium Sector Industries where Packaging Industry has its major presence. A number of State of Art Package Converting and Manufacturing plants have been set up in the country; some of them are exporting to developed countries.

Indian packaging output grew by around 18% in 2003 after an 11% advance in 2002, with production growing at an annual rate of 14% since 1999. Consumption is also rising by 14%. All sectors of industry posted strong growth over the period 1999-2003. Paper & board packaging predominates accounting for 37% of industry turn over. Plastics averaged 16%, since 1999. In 2003, rigid plastic consumption was Rs. 5557.50 crore. flexible packaging consumption was Rs.2324.30 crore. metal packaging was Rs. 5420 crore and glass was Rs. 820 crore.

(Source: <http://www.tafcon.com/indiapack06/indian-market>)

GROWTH DRIVERS OF PACKAGING INDUSTRY IN INDIA

Total packaging volumes for consumer packaging in India reached a total of 36,906 million units in 2002. The packaging industry in India is still growing and the market is dominated by flexible packaging formats.

• Urbanization

Modern technology is now an integral part of nation's society with high-end packaging. As consumerism is rising, rural India is also slowly changing into more of an urban society. The liberalization of the Indian economy, coupled with globalization and the influx of the multi-nationals, has improved the quality of all types of primary and secondary packaging. Also industrialization and expected emergence of the organized retail industry is fueling the growth of packaging industry.

• Emergence of Strong Middle Income Class

There is emergence of strong young Middle Income group with high disposable income and substantial buying power. They prefer to buy branded well-packed goods rather than loose pack, creating huge potential for packaging Industry.

• Growing entrance of Women into Business

With time, more and more women are entering the business world and there is rise in the income of the middleclass families. Working women generally do not prefer to spend too much time in kitchens, making time-consuming elaborate meals as daily routine. This has resulted in an expanding market for convenience products, both in the foods and non-foods sectors. There is an expanding market for ready-to-eat microwave-able food items; partially cooked food, and snack food.

There is more incidence of eating away from homes resulting in explosive growth of Italian, Chinese restaurants and pizza, burger outlets all over the country. Indians are trying out newer cuisines and also purchasing similar food items for their homes. Therefore, the review period has seen new products like pasta, soups, noodles being launched in India, fueling the growth of packaging industry in India.

• Low Purchasing Power resulting in Purchase of Small Packets

India being a growing country, purchasing power of Indian consumers is lower hence, the consumer goods come in small, affordable packages. Apart from the normal products packed in flexible packaging, the use of flexible packages in India includes some novel applications not usually seen in the developed world. Products like toothpaste, toothpowder, and fairness creams in laminated pouches are highly innovative and are not used elsewhere. Another typical example of such applications is Tobacco and betel nut-based intoxicants and mouth fresheners catering to unique Indian taste.

• Indian economy experiencing good growth prospects

The Indian economy is growing at a promising rate, with growth of outputs in agriculture, industry and tertiary sectors. Overall economic growth has proved to be beneficial for the consumer goods market, with more and more products becoming affordable to a larger section of the population.

- **Changing food habits amongst Indians**

Changing lifestyles and lesser time to spend in kitchens result in increase in ready-to-eat microwave-able food items; partially cooked food, and snack food.

- **Flexible packaging dominates due to low costs**

Flexible packaging was the most commonly used packaging in India, accounting for 57% of the total packaging demand in 2002, in volume terms. Flexible packaging dominates the food packaging being used for a variety of food items ranging from milk, biscuits, vegetable oil to rice. Fresh/pasteurised milk is one of the main end-use applications for flexible packaging and accounted for almost 30% of total units in 2002. Bakery products were the other sector of note using flexible packaging, mainly flexible paper.

Cost is a major influence on pack types in India and thus lower priced plastic pouches allow manufacturers to keep down the retail price of their products.

- **Glass is associated with aesthetics and hygiene but glass bottles are losing out**

Glass packaging is believed to add status and value to a product. Consumers perceive glass as a premium material with high quality. This is especially true in sectors like alcoholic beverages and fragrances. Spirits, as a whole, is the largest consumer of glass bottles in India. In the foods market, glass bottles are best suited and hygienic for products that contain reactants like tomato ketchup, herbs and spices. Moreover, glass provides airtight packaging to maintain freshness and is also best suited for preserving flavour owing to its high chemical durability.

Glass was the second most popular packaging format in the entire packaging industry but glass containers are gradually losing their market. The unpopularity has been mainly due to the high rate of breakage and the inconvenience of returning the empty glass bottles after consumption. As a result, glass containers recorded the lowest growth over the review period, of only nearly 9%.

Glass packaging has lost out in fresh milk, being overtaken by flexible plastic pouches. In the case of flavored milk drinks and long-life/UHT milk, liquid cartons have become more popular. PET bottles have made inroads into sectors like soft drinks and alcoholic drinks.

- **PET bottles gaining immense popularity, at the cost of glass bottles**

PET bottles are gaining immense popularity in India, both amongst consumers and manufacturers. Consumers prefer PET bottles due to increased convenience as compared to glass since they are thinner, lighter, easier to handle and offer high resistance to breaking.

Manufacturers are also showing a preference toward PET bottles since the material gives flexibility to create different attractive shapes. As a result, PET bottles are making strong inroads into sectors that were traditionally dominated by glass bottles, like carbonates. Even in the market for alcoholic drinks, PET bottles are being used for packaging whisky, mainly due to convenience and advantage of cost.

The launch of PET bottles in carbonates helped to encourage home demand for carbonates, since they are more convenient to carry home than the earlier available format of returnable glass bottles. With increase in home consumption, there has been a surge in demand for the 1-litre and 1.5-litre PET bottles.

- **HDPE bottles enjoy good demand from non-food sectors**

Hair care and skin care products constitute the main demand for HDPE containers in the cosmetics and toiletries market. Growth in hair care has been spurred by the launch of products with value-added benefits such as non-greasy and herbal ingredients. Cosmetic products also received a boost with women becoming conscious of their physical appearance.

The last few years also witnessed a huge spate of ayurvedic /herbal products in the market, which helped to spur growth in cosmetic products, which in turn proved profitable for the rigid plastic market.

Vitamins and dietary supplements also augmented the demand for rigid plastic containers, mainly due to increased demand for the herbal remedy, chyawanprash. There has been vigorous advertising and promotions by the top four players – Dabur, Baidyanath, Zandu and Himani. The huge popularity and demand for chyawanprash has clearly added to the demand for plastic HDPE bottles in the OTC healthcare market.

In household care, the major demand for HDPE bottles came from spot and stain removers. There was stiff competition amongst the top brands – Ujala Supreme Whitening Wash from Jyothi Laboratories Ltd, Robin Sunglow and Cuffs 'n Collar from Reckitt Benckiser and Revive from Marico Industries. The competition led to price wars and promotions, resulting in expansion of the sector and increase in demand for HDPE bottles as well.

- **Health consciousness drives demand for liquid cartons**

Indians of all ages are becoming health and calorie conscious, showing a preference for healthy beverages like fruit/vegetable juices that contain no preservatives, no colour and no flavour additives. Moreover, in an effort to differentiate the image of juice drinks away from carbonates, these products were introduced in liquid cartons.

Liquid cartons are being favoured since the packaging allows long shelf life, allows preservation of the original taste and flavour and also allows the juices to be stored without refrigeration. Liquid cartons also make it possible to transport the perishable products across long distances, and juices of seasonal fruits can be made available to the consumer throughout the year. Therefore, the growth rate of liquid cartons has been impressive during the review period, and is expected to grow further in the coming years.

- **Aerosol cans – the most dynamic metal packaging format**

Aerosol cans have witnessed the most dynamic growth over the 1998-2002 period amongst all metal packaging formats. Aerosol cans are found to occupy prime shelves in stores, especially for insecticides. There was a rise in demand for aerosol insecticides following the slash in prices by the manufacturers and also huge rise in promotions and advertisements. This was pushed further by a massive multi-media public interest campaign by the Household Insecticide Manufacturers Association of India.

The awareness programme was directed towards educating the public about crucial role insecticides can play in controlling diseases such as malaria, dengue fever and Encephalitis among others. The aggressive marketing activities have helped to increase the demand for aerosol insecticides.

- **Rural marketing pushing demand for sachets**

India comprises of a big rural market and there has been growing focus on rural marketing, whereby manufacturers are introducing low-priced goods in smaller pack sizes. Low priced sachets have proved to be extremely popular in smaller towns and villages, where people do not prefer to buy larger packs due to financial constraints.

(Source: IOB Project Appraisal Report,

<http://www.euromonitor.com/India>,

<http://www.euromonitor.com/Packaging>)

TYPES OF PLAYERS IN FLEXIBLE PACKAGING INDUSTRY

The converters

Manufacturers of packaging films

The Indian packaging industry is a combination of organized large Indian and International companies and unorganized small companies. The organized sector of the industry is less than 5% but it controls over 70% of market by volume. Flexible packaging consists of multi layer laminated sheets of plastics (PVC, LDPE, HDPE, BOPP, BOPET, etc.), paper, cloth or metal foils that are used separately or in combination of various packaging applications.

Flexible packaging has a unique set of properties to ensure toughness, moisture, aroma retention, low odour, taste etc. These find in packaging food, tea, coffee, spices, chewing tobacco, confectionery, oils and other household detergents, health and personal care products.

According to the Indian Institute of Packaging, there are around 13000 converters in India. Majority of them are in the small and medium sector located in all parts of the country. It is estimated that more than 200 flex pack converters in India of which 50 units are in the organized sector constituting 40% of the Flexible Packaging Industry.

BRIEF PROFILE OF LARGE PLAYERS IN FLEXIBLE PACKAGING SEGMENT IN INDIA

Name of the Company	Constitution	Product Profile
Paper Products Limited, Mumbai	Public Limited (Listed) (Huhutamaki Group, Finland)	Flexible Packaging Labelling Technologies Specialised Cartons Packaging Machines
Flex Industries Ltd, Delhi	Public Limited (Listed)	Plastic films / Paper printing Rotogravure Cylinder Polymers Granules Machineries

PolyPlex Corporation Ltd	Public Limited (Listed) (PolyPlex Corp.,USA)	Metallised Films Polyester Chips Polyester Films
Orient Press Limited. Mumbai	Public Limited (Listed)	Flexible Packaging material Printing Paper Board Cartoons
Rexor India Limited Faridabad	Unlisted	Food Packaging material Flexible Packaging films Multilayer Polyfilms Extrusion Packaging material
Jhaveri Flexi Laminate (P) Limited, Delhi	Private Limited	Flexible Laminates
V.F.C. India Private Ltd., Panchmahal, Gujarat	Private Limited	Flexible Packaging Material
Packart Packaging & Marketing, Mumbai	Private Limited	Flexible Packaging Material
Jalpac India Ltd., Delhi	Private Limited	Metallized Films & Board Coated Films Metallic Yarn Flexible Packaging Material
Jain Flexi Pack (P) Ltd., Delhi	Private Limited	Flexible Packaging Material Multilayer Laminated Films
Radiant Plastruders (I) Pvt Ltd., Mumbai	Private Limited	Flexible Packaging Material BOPP Laminated Films Sealed Pouch Food Packaging Material
Radha Madhav Corp. Ltd., Vapi	Public Limited (Listed)	Flexible Packaging Material Specialty Films Folded Cartoons
Positive Packaging Ltd., Mumbai	Unlisted	Flexible Packaging Material Multilayer Laminated Films
Multi-Flex Lami-Print Limited	Unlisted	Flexible Packaging material Multilayer Laminating Films

With the packaging acquiring the role of a silent salesman, there has been a gradual shift from conventional packaging to more sophisticated and aesthetic flexible material.

(Source: Indian Overseas Bank Project Appraisal Report, February 2006)

BUSINESS OVERVIEW

BRIEF OVERVIEW

The Company was incorporated in the year 1997 and presently it is one of the few organized players in Primary Packaging market in India. The Company is a medium sized manufacturing company with ISO 9001:2000 and HACCP certification from TUV South Asia Private Limited. The Company is engaged in diversified packaging & printing activities and is catering to varied clientele including large institutions, large scale industries, Co-operative unions, Boards and various small scale industries encompassing industries like Confectionery, Edible Oils, Atta, Flour, Tea, Milk Powder, Soft Drink Concentrates, Rice, Baking products, Ghee, Coffee, Vanaspati, Cereals, Chocolates, Biscuits, snack foods, Milk, Cheese, Hair Oil, Shampoo, Cosmetics, Detergent, Lube Oils and various other industries. The Company supplies products to large institutions, large-scale industries, Co-operative unions, Boards and various small-scale industries, major multinational and domestic customers in various segments of food and FMCG industry.

The plant of the Company has modern facilities for production. The Company's top ten clients account for approximately 80% of its total revenue as on 31.12.2007.

The Company's manufacturing activities cater to Primary Packaging. Primary packaging material are in direct contact of the product and sold as integral part of single saleable unit like confectionery packet, shampoo sachet, etc. Primary packaging business of the Company constitutes "Flexible Laminates" and "Multilayered Films". These packaging can be categorised into laminates, labels, wrappers, sleeves, etc.

The Company is setting up an expansion project whereby the existing manufacturing facility at Daman would be expanded and a new manufacturing facility at Daman (U.T.) would be acquired.

The brief project plan of the Company is as mentioned herein below:

- To expand the existing capacity by part funding the Expansion project at Daman plant
- To acquire new manufacturing facility at Daman
- To meet the margin money for working capital requirements of the Company
- To use surplus funds for general corporate purposes

DETAILS OF THE BUSINESS OF THE ISSUER COMPANY

Location of the Project

Existing Project

The Company's plant is located at Daman, approximately 160 kilometers from City of Mumbai and is well connected by road and railway services are available from Mumbai and Ahmedabad and international ports. The nearest railway station, Vapi, is just about 15 kilometers away from Daman, National Highway No. 8 is about 12 kilometers away and two major international ports JNPT and Nava Sheva are about 100 kilometers away from Daman.

Further, Power and Water supply is easily available in Daman. The plant set up by GPL is used for manufacture of 3 layer and 5 layer barrier multi layer films. It has printing facility with automatic registration control and can print upto 8 colours. It also has Solvent based and Solvent -less Lamination facility.

The Company follows strict quality standard and its facilities are ISO 9001: 2000 & HACCP certification from TUV South Asia Private Limited. The Company manufactures extruded multi layer barrier film (up to 3/5 layers) and printed/ un-printed flexible laminates. Co-extruded film has multiple/ diverse applications as a packaging material for food, Liquids like Milk and Edible Oil and non-food items.

The plant has the facility to manufacture multi -layer films (up to five layers). Co-extruded multi-layer barrier film acts as a barrier to water, gas, aroma, odour, light and air. The Company supplies its products to the public sector units, government organizations, large scale industries, co-operative unions, federations, boards and various small scale industries, major multinational and domestic customers in dairy, personal care products industry, detergent and fabric wash industry, biscuits, tea and dairy products, candies and chocolates, agro industries, etc. (Source: IOB Appraisal Report)

Expansion Project

The proposed expansion project would be carried out at the existing plant location as well as at the new Land along with completely constructed building which is being proposed to be acquired. The existing plant is at union territory of Daman, which is approximately 160kilometres from city of Mumbai. Details of the new land & building, which are proposed to be acquired, are given on page no. 26 of this Prospectus.

The proposed location has been selected due to the following advantages:

- Availability of Land
- Well connected with roads and rail.
- Closeness to two major international ports JNPT and Nhava Sheva.
- The site is in an industrial area where basic amenities like water, power, transport etc. are readily available.
- Availability of skilled / semi skilled manpower.
- Closeness to the raw material markets as well as closeness to the markets for finished products

(Source: IOB Appraisal Report)

PLANT & MACHINERY

The following costs have been derived based on Appraisal Report of the Indian Overseas Bank, Quotations received from Suppliers, and the Company's estimates.

SUMMARISED DETAILS OF PLANT & MACHINERY FOR WHICH ORDERS HAVE BEEN PLACED

Name of Machine	Cost (Rs. In Lacs)	Name of Supplier from whom Quotation has been made	Quotation date	Date of placement of order	Expected date of Supply
Up gradation of existing 5 layer blown film line to 7 layer line	507.03	Windmoller & Holscher KG Munster str.50/ 49525 Lengerich P.O. Box 1660/ 49516 Lengerich Purchase order ref: Quotation No. 654807	18.05.2005	March 15,2007	June,07
Five/Seven Layer Blown Film Plant	604.86	Rajoo Engineers Limited Survey No.210, Plot No.1 Industrial Area, Shapar (Veraval) Rajkot – 360 002 (Gujrat) Purchase Order ref: Performa Invoice No. : 109 A/2005-2006 dated 04/02/06	04.02.2006	March15,2007	June, 07
1000mm 8 colour Rotogravure Printing Machine	362.92	Expert Industries Pvt. Ltd. 274-C,KIADB Industrial Area Bommasandra, Anekal Taluk Bangalore – 560099 (India) Purchase Order	31.01.2006	March15,2007	June, 07

		ref: Performa Invoice No. :027 dated 31/01/06			
Duplex Slitter Rewinder	96.78	Expert Industries Pvt. Ltd. 274-C, KIADB Industrial Area Bommasandra, Anekal Taluk Bangalore – 560099 (India) Purchase Order ref: Performa Invoice No. : 028 dated 31/01/06	31.01.2006	March 15, 2007	June, 07
Total	1571.59				

SUMMARISED DETAILS OF PLANT & MACHINERY AND PRINTING CYLINDER FOR WHICH ORDERS ARE YET TO BE PLACED

Name of Machine	Cost (Rs. In Lacs)	Name of Supplier from whom Quotation has been made	Quotation date	Expected Date of placement of order	Expected date of Supply
Laminating Machine	335.00	Daekwang Machinery Co. Ltd.	27.12.2005	June, 07	Sept, 07
Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor	6.96	Shah Enterprise	28.01.2006	June, 07	Sept, 07
3 Layer Blown Film Plant	280.66	Rajoo Engineers Limited	01.02.2006	June, 07	Sept, 07
5MT Capacity Goods Lift	4.66	M. M. Techno Engineering	30.01.2006	June, 07	Sept, 07
Battery Powered Stacker	4.05	Dilip Material handling Equipments	28.01.2006	June, 07	Sept, 07
Chilling Plant	15.12	Soham Technologies Pvt. Ltd.	30.01.2006	June, 07	Sept, 07
Automatic Pouch Making Machine	80.00	M/s. Mamata Machinery Pvt. Ltd.	28.01.2006	June, 07	Sept, 07
Printing Cylinders	443.16	Shilp Gravures Ltd	28.01.2006	Jan, 08	May, 08
Total	1169.61				

The details of the plant and machinery are as detailed below:

i. Extension of existing 5 layer blown film line to 7 layer line

Proposed Supplier: Windmoller & Holscher India Pvt. Ltd. B-108, Ankur, New Link Road, Goregaon (West) Mumbai 400104, India vide their Quotation offer no. 654807 Ref no. WHIND/BOM/L-2408 dated 18.05.2005

SL. NO	DESCRIPTION	TECHNICAL DESCRIPTION	QTY.
	Extruder VAREX 60.30 D consisting of		
1.	VAREX 60.30 D	- Direct Driven Extruder Screw - Screw Type: HPS Screw - With Bimetal grooved Feed Bush	2
2.	Temperature Control unit for 60.30 D Extruder	- To control the temperature of the grooved bush	2
3.	Mechanical Screw Extractor	-	1
	Melt Passage Assembly consisting of	For Varex 60.30 D	
1.	Screen Pack Changer(s)	Standard Type - Manually operated - for Varex 60.30 D	2
2.	Connecting Flanges	- Located between screen pack changer and die, including heating - In standard configuration - For a multi-layer coex-system with 2 extruders	1
3.	Melt Pressure and Melt Temperature Monitor	for 2 extruders	1
	Blown Film Die Heads (5/7 Layers) consisting of		
1.	Speed Control	For the existing external and internal cooling air blower (60/20 Ncbm/min) and exhaust fan (23 Ncbm/min)	1
2.	Extension 7 Layers Die-Head	Of the existing MULTICONE 5 layer film die - Typ B 160/315 – MC – 5 with: corrosion resistant quality of the melt contact surfaces	1
3.	Kit for Cleaning of Die-Head	Prior to extension to 7 layers comprising: - Seals and screws - Cleaning aid, brushes etc - Specific tools and arrangements	1
	Film Sizing System consisting of		
1.	ULTRASCHALLBLASENREGELUNG MIT DIREKTREGELUNG	For retrofitting to the blown film line – S/N. 41817 comprising: - Insert for operator panel - Potentiometer - Digital card for IPC (PLC) - Design efforts for adaptation	1
	MULTINIP Film Haul-off System consisting of		
1.	Tower layout – Drawing	For die turmerhöhung um 2,5 m des vorhandenen turmes.	1
	Modular process Automation consisting of		
1.	Module G - Gravimetric Resin Metering and Throughput Control System	For 2 primary components and 4 secondary components	1
2.	Resin Conveyor(s)	Multi-position system, conveying capacity max. 500 kg/h, for the primary component and 2 secondary components	2
3.	Supporting Frame on Top of Gearbox to accept the Vacuum Feed System	-	2
4.	Software Update	Updating of the screen display of the industries PC and of the B&R control System	1
5.	Required Construction by W&H	- Upgrade of switch cabinet E01/E02 - Extension of operator panel	1

	Extra Services includes		
1.	Installation of the specified equipment	Supervised be W&H Personnel	1

Estimated Cost

PARTICULARS	Euro	INR	AMOUNT Rs. in lacs
Extruder Varex – 1 No.	6,95,040		
	6,95,040		
Conversion Rate	1 € = 58.50 INR	4,06,59,840	406.60
Customs Duty	5.1%	20,73,652	20.74
CVD	16.32%	69,74,106	69.74
Sub Total		49,70,7598	497.08
Clearing, forwarding, freight, insurance etc		9,95,402	9.95
TOTAL COST		5,07,03,000	507.03

ii. Laminating Machine

Proposed Supplier: Daekwang Machinery Co. Ltd. 1256 Jungwang-Dong, Shiheung-SI, Kyungki-DO, Korea, vide their Quotation offer Ref No. OT-050109-2 dated 27.12.2005

DESCRIPTION	QTY.
Single Co-Ex Laminator Model: DK-115-15OOL	1 Set
Consisting of:	
Extruder	1 Unit
Carriage for Extruder	1 Unit
T-Die	1 Unit
Main Unwinder	1 Unit
Primer Coater	1 Unit
Sandwich Unwinder	1 Unit
Lamination Unit	1 Unit
AC inverter Motor and Drive	
Touch Roll Stand	1 Unit
Rewinder	1 Unit
Control Panel	1 Unit

Estimated Cost

PARTICULARS	USD	INR	COST Rs. in lacs
Single Co-Ex Laminator – 1 Set	5,77,740		
Conversion Rate	1 \$ = 46.50 INR	2,68,64,910	268.65
Customs Duty	5.1%	13,70,110	13.70
CVD	16.32%	46,07,955	46.08
Sub Total		3,28,42,975	328.43
Clearing, forwarding, freight, insurance etc		6,57,025	6.57
TOTAL COST		3,35,00,000	335.00

The above conversion rate of dollar & the pound has been taken as per the IOB Appraisal Report which may vary at the time of release of payment against the said machines.

iii. 3 Layer Blown Film Plant

Proposed Supplier: Rajoo Engineers Ltd. Survey No.-210, plot No.-1, Industrial Area, shaper (Veraval), Rajkot – 360002, Gujrat, India, vide their Proforma Invoice No. 110/2005-2006 dated 01.02.2006

SL. NO	DESCRIPTION	TECHNICAL DATA	QTY.
1.	3 layer co-extruded blown film line comprising of digital IBC and full automatic winder	Output 350 kg/hr & lay-flat width 1500mm	1

Estimated Cost of the Section:

Prices for Three Layer co-extruded blown film line comprising of digital IBC and fully automatic winder with output 350 kg/hr and lay-flat width 1500 mm are as under:

PARTICULARS	Rs. in lacs COST
Three Layer co-extruded blown film line comprising of digital IBC and fully automatic winder with output 350 kg/hr and lay-flat width 1500 mm	232.00
Basic Total	232.00
Excise Duty @ 16%	37.12
Cess on Excise @ 2%	0.74
Sub Total	269.86
CST @ 4%	10.79
TOTAL COST	280.66

iv Five/Seven Layer Blown Film Plant

Proposed Supplier: Rajoo Engineers Ltd. Survey No.-210, plot No.-1, Industrial Area, shaper (Veraval), Rajkot – 360002, Gujrat, India, vide their Proforma Invoice No. 109/2005-2006 dated 01.02.2006

SL. NO	DESCRIPTION	QTY.
2.	7 layer co-extruded blown film line RECF-2360-55/2100 IBC	1
3.	Corona treater – Sherman, U.K.	1
4.	Gravimetric metering and throughput control system doteco	1
5.	External air ring with automatic thickness control (in lieu of the dual lip air ring)-octagon	1

Estimated Cost for Five/Seven Layer Blown Film Plant

PARTICULARS	Rs. in lacs COST
Five/Seven Layer co-extruded blown film line RECF – 2760-55/2100 IBC – REL Make	330.00
Corona Treater – of Sherman U.K.	16.00
Gravimetric metering and throughput control system Dotecco	63.00
External air ring with automatic thickness control (in lieu of the dual lip air ring) – of Octagon	91.00
Basic Total	500.00
Excise Duty @ 16%	80.00
Cess on Excise @ 2%	1.60
Sub Total	581.60
CST @ 4%	23.26
TOTAL COST	604.86

v. 1000mm 8 colour Rotogravure Printing Machine

Proposed Supplier: Expert industries Pvt. Ltd. 274-C, KIADB Industrial Area, Bommassandra, Anekal taluk, Bangalore-560099, India vide their Proforma Invoice No. 027, 028, dated 31.01.2006

SL. NO	DESCRIPTION	TECHNICAL DATA	QTY.
1.	1000mm 8 color rotogravure printing machine Exper PAC-3000	1000 mm, Exper PAC – 3000	1
2.	Duplex Slitter Rewinder DSR 400		

Estimated Cost for 1000mm 8 colour Rotogravure Printing Machine

Rs. in lacs

PARTICULARS	COST
1000mm 8 colour Rotogravure Printing Machine – Expert PAC-3000- One No.	300.00
Basic Total	300.00
Excise Duty @ 16.32%	48.96
Sub Total	348.96
CST @ 4%	13.96
TOTAL COST	362.92

vi. Duplex Slitter Rewinder

Proposed Supplier: Expert industries Pvt. Ltd. 274-C, KIADB Industrial Area, bommassandra, Anekal taluk, Bangalore-560099, India. vide their Proforma Invoice No. 028, dated 31.01.2006

SL. NO	DESCRIPTION	QTY.
1	Duplex Slitter Rewinder DSR 800	2

Estimated Cost for Duplex Slitter Rewinder

Rs. in lacs

PARTICULARS	COST
Duplex Slitter Rewinder - two No. @ Rs. 40 lacs each	80.00
Basic Total	80.00
Excise Duty @ 16.32%	13.06
Sub Total	93.06
CST @ 4%	3.72
TOTAL COST	96.78

vii. Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor

Proposed Supplier: Shah Enterprise, Road no. E-1, Plot no. 09, Sachin Udhyognagar Sahakari Mandli Ltd, Sachin Palsana Road, At.P.O. VANZ, Sachin, Dist Surat – 394230, Gujrat, India vide their Quotation Ref no. SE/Cp/GPFL/2005-06/64, dated 28.01.2006

SL. NO	DESCRIPTION	TECHNICAL DATA	QTY.
1.	CP Model CPC-60 Air Compressor	60 HP, working pressure of 10 kg/cm ² g	1

Estimated Cost for Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor

Rs. in lacs

PARTICULARS	COST
Rotary Air Cooled Electric Motor Driven Silenced Screw Air Compressor – Model CPC 60	5.75
Basic Total	5.75
Excise Duty @ 16.32%	0.94
Sub Total	6.68
CST @ 4%	0.27
TOTAL COST	6.96

viii. 5MT Capacity Goods Lift

Proposed Supplier: M. M. Techno Engineering, Plot No. C1-2706/1, 3rd Phase, G.I.D.C., Vapi – 396195, Dist - Valsad, Gujrat, India vide their Quotation offer Ref No. MMTE/QT/GPPL/157/06-07, dated 30.01.2006.

SL. NO	DESCRIPTION	TECHNICAL DATA	QTY.
1.	5 ton capacity fixed type wire rope hoist	Type: MMTE, make suspension hoist Model: MM-1F Standards: IS 3938 and other relevant Indian & British standard.	1 no.
2.	Control panel + 3 floor auto operational wiring		1 Set
3.	Cage 2000 mm L x 2000 mm W x 2100 mm H	Having two side opening & collapsible door at entry-exit	1 no.
4.	Goods Lift Structure 12000 mm height		1 no.
5.	Column foundation plates and bolts		1 Set
6.	Cage sliding wheel with spring bracket		1 Set
7.	Buffer springs	Four numbers spring buffers are placed at the bottom below gr. Level to withstand the down force when cage at gr. Level	1 Set
8.	Collapsible gates		3 nos.

Estimated Cost for 5MT Capacity Goods Lift

PARTICULARS	Rs. in lacs
5MT Capacity Goods Lift – One No.	1.30
Control Panel + 3 Floor auto operational wiring	0.39
Cage 2000 mm L * 2000 mm W * 2100 mm H	0.65
Goods Lift structure 12000 mm height	1.50
Column foundation plates and bolts & cage sliding wheel with spring bracket & Buffer Springs	0.21
Collapsible gates – 3 nos.	0.31
Painting & erection & commissioning	0.26
TOTAL COST	4.66

ix. Battery Powered Stacker

Proposed Supplier: Dilip Material handling Equipments 83/A, 3rd cross, 8th main, 4th phase, KIADB, Bommasandra Indl Area, Bangalore-560099, vide their Quotation offer Ref No. OT-050109-2 dated 28.01.2006

S L. NO	DESCRIPTION	TECHNICAL DATA	QTY.
1.	Semi Electric Stacker Model – DES – 10E	1000kg Capacity, Manual/battery operated movement, Automatic cutoff battery charger	1
2.	Battery Powered Stacker Model – DPS– 10	1000kg Capacity, Manual/battery operated movement, 24v built in battery charger	

Estimated Cost for Battery Powered Stacker

PARTICULARS	Rs. in lacs
Battery Powered Stacker	3.10
Automatic Cutoff Charger	0.25
Basic Total	3.35
Excise Duty @ 16.32%	0.55
Sub Total	3.90
CST @ 4%	0.15
TOTAL COST	4.05

x. Chilling Plant

Proposed Supplier: Soham Technologies Pvt. Ltd., 345, 348/349, Changodar Indl. Estate, Sarkhej-bavla highway, changodar, Ahmedabad – 382213. Gujarat, India vide their Quotation dated 30.01.2006

SL. NO	DESCRIPTION	TECHNICAL DATA	QTY.
1.	Water cooled compact chiller model Ruan 3 TR -100 TR	Compact, high capacity, water chiller with corrosion proof materials in the water circuit, piped and wired, ready for connection to the process.	1

Estimated Cost for Chilling Plant

Rs. in lacs

PARTICULARS	COST
Chilling Plant	15.12
Basic Total	15.12
TOTAL COST	15.12

xi. Automatic Pouch Making Machine

Proposed Supplier: M/s. Mamata Machinery Pvt. Ltd. 5/1/1A, GIDC, Vatva, Ahmedabad - 382445, India vide their Quotation offer PI No. PI/JS/15/2006 dated 28.01.2006

DESCRIPTION	QTY.
Automatic Pouch Making Machine	03

Estimated Cost for Automatic Pouch Making Machine

Rs. in lacs

PARTICULARS	COST
Automatic Pouch Making Machine	66.00
Sub-Total	66.00
Excise Duty @ 16.32%	10.77
Basic Total	76.77
CST @ 4%	3.07
TOTAL COST	79.84

SAY Rs. 80 lacs

TOTAL Rs. 2298.03 lacs

xii. 2770 NOS. PRINTING CYLINDERS

Proposed Supplier: Shilp Gravures Ltd., FAC: 780, Pramukh Indl Estate, Sola-Santej Road, Village-Rakanpur, Tal-Kalol, Dist-Gandhinagar, Gujrat, India vide their Quotation proforma invoice no. SGL/2006-06 dated 28.01.2006

SL. NO	DESCRIPTION	TECHNICAL DATA	MATERIAL OF CONSTRUCTION	QTY.
1.	Engraved MS Copper Plated Rollers	Size: 500x900,	MS Copper	2500

Estimated Cost for 2770 Nos. Printing Cylinders

Rs. in lacs

PARTICULARS	COST
2770 Nos. Printing Cylinders – Engraved MS Copper plated Rollers	346.25
Packing Charges	13.85
Sub-Total	360.10
Excise Duty @ 16.32%	58.77
Basic Total	418.87
CST @ 4%	16.75
Forwarding Charges	7.53
TOTAL COST	443.16

SUMMARY OF ORDER

Sr. No.	Particulars	Value	%age
A	Total cost of Plant & Machinery	2741.20	100.00
	Domestic	2234.17	81.50
	Imported	507.03	18.50
B	Value of Orders placed		
	Domestic	1064.56	38.84
	Imported	507.03	18.50
C	Value of Orders yet to be placed		
	Domestic	1169.61	42.67
	Imported	-	-

No second hand machinery has been bought and neither is any proposed to be bought.

TECHNOLOGY

Most of the existing products of the Company are formulation intensive rather than technology intensive. The extruder m/c is one of its kind in Asia supplied by W& H Germany, with all automation included K-Beta thickness control, Gravimetric feeding, IBC system etc. The existing 5 layer Blown Film Line is proposed to be upgraded to 7 layer Blown Film line by Windmoller & Holscher India Pvt. Ltd. while the 3 layer Blown Film plant and 5/7 layer Blown film plant for the expansion project is proposed to be supplied by Rajoo Engineers Ltd. The laminating machine is proposed to be supplied by Davekwang Machinery Co. Ltd., Korea.

The benefits of 7-Layer Barrier Film Technology are as follows:

- Seven layer blown co-extrusion manufacturing capabilities are for producing Ethylene Vinyl Alcohol (EVOH) and Nylon barrier films for the converter industry.
- This advanced film technology offers customers a combined barrier and sealant film that can reduce the number of lamination passes required in the converting process, saving the converter time and money without sacrificing package performance while allowing to remain competitive in the changing marketplace while affordably expand into additional markets.
- These films are especially useful for packaging products that need high barrier such as cheese and meat products. In addition, they can be used in coffee, condiment and confectionary packaging.
- EVOH and Nylon films combination can provide unlimited structures to meet any stringent packaging requirement for products of very high value. Such Film can be surface printable and can be combined with re-closeable features.
- 7-layer process and technology leads to value-added film for packaging products for personal care, medical, food, industrial and agricultural markets.
- 7-layer line boosts product development and market perception with high performance films for food, retail, and industrial packaging.
- A 7-layer line is of special benefit in high-barrier structures, especially food packaging where multiple layers are necessary to meet diverse performance needs. With a 7-layer line one can incorporate multiple resins to achieve various performance and physical characteristics for demanding applications. The additional layers allow for a larger spectrum of resins, thus additional performance and higher added value.
- 7-layer film can also compete successfully against more complex structures.
- The Film manufactured using advanced Technology provides possibilities to manufacture very wafer thin film to thick films using a Micro-processor and unique ONLINE CONTROLS. Such facilities produce FLAT FILMS, Trimless operations on large rolls and reduction of wastage.

(Source: IOB Appraisal Report)

MANUFACTURING PROCESS

The manufacturing process for multi-layer speciality barrier films; for direct surface printing for food stuff packaging and for flexible packaging laminates consists of blown film extrusion, color separation, rotogravure printing, laminating, slitting and pouch making.

(1) Manufacturing process for Blown Film

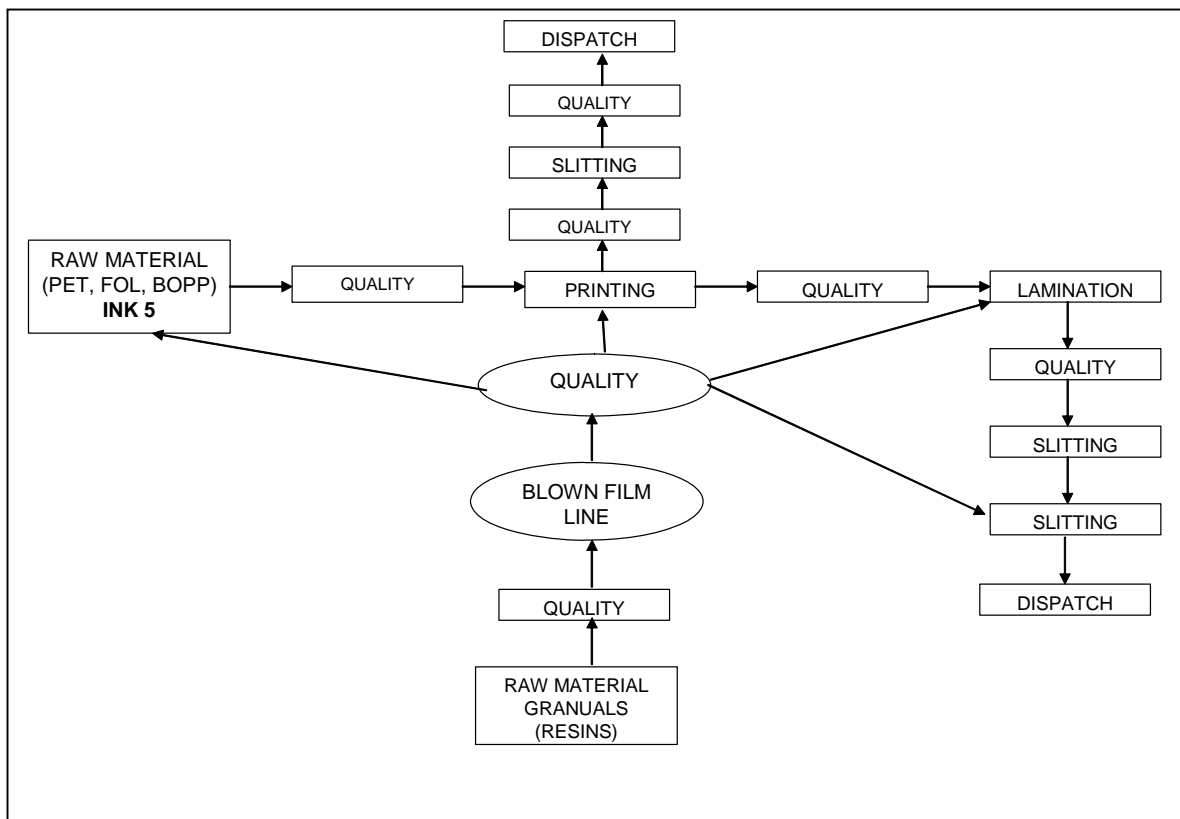
The polymer is fed into the material feed system. Various additives such as slip, anti-block, or pigments are also blended into the feed to the extruder as per the requirements. The feed to the extruder is monitored for output rate. The extruder m/c is one of its kind in Asia supplied by W& H Germany, with all automation included K-Beta thickness control, Gravimetric feeding, IBC system etc.

The extruder is the heart of the blown film process. The extruder consists of a motor drive, gearbox, barrel with heater/cooling zones, and a rotating screw. This mechanism conveys the polymer into the extruder. The polymer is melted and the molten polymer is pushed through the die by pressure.

The blown film die forms the molten polymer into an annular shape. The die is designed to provide a uniform polymer velocity around the circumference of the die exit.

After the molten polymer exits the die it is formed into its final dimensions and cooled. Stretching the molten polymer is achieved by expanding the bubble using air pressure trapped inside the bubble. The web is drawn down with the nip rolls, reducing the film to the target thickness. Air is ejected through an air ring onto the bubble surface to cool the molten polymer web.

After the molten polymer is solidified, the tube is stabilized and collapsed in a frame just below the nip rolls. The collapsed web is then slit and made into rolls using a winder.



(2) Color Separation

The artwork/design, which is a combination of various colors, is provided by the customer. Color separation is the process of extracting the individual colors from the artwork/ design. Color separation is done through computers. This determines the number of colors to be used to get the original artwork/design provided by the customer. After separation, the design of each individual Color is converted into positives and printed. The original artwork/ design is obtained by printing the designs of the individual colours in series.

(3) Rotogravure printing

The major components of the printing system are printing cylinder, the ink pan, the doctor blade and the impression roller. The design provided by the customer is converted into positives by photo processing, which is then engraved on a copper-coated cylinder. Ink is filled in the pan by a pump from an ink reservoir. The cylinder revolves in an ink pan. The doctor blade draws the required quantity of ink into each cell of the printing cylinder. The doctor blade also removes the excess ink and also wipes ink from the un-etched areas of the cylinder. The design is printed on the web by pressing it against the etched cylinder. The ink is transferred from the cylinder cells to the substrate. The printed web is then dried in ovens by high velocity heated air and then passed on to the next printing unit. After the last color has been applied and dried, the web is wound into rolls.

(4) Laminating / Coating

Lamination is the process of joining two or more materials together to form one multi-layered substrate. The printed film is laminated with other films, paper or foils based on the laminate structure. Lamination processes can be classified, according to the type of bonding agent used to produce the laminates, as under:

- **Wet lamination**: In wet lamination the bonding agent remains in a liquid state when the webs are joined together. The adhesives are water based and get absorbed by the paper. It is commonly used to produce a paper-aluminium foil laminate, which is widely used for packing Tea (inner bags), Cigarettes, Toffees, etc.
- **Solventless lamination**: Solvent less lamination is a dry lamination process where the adhesives used do not contain solvents. This process is specially developed for food grade products viz. Snack foods, tea, coffee, etc., where longer shelf life and retention of aroma are essential.
- **Extrusion Laminating**: Extrusion laminating goes a step further by dropping a layer of molten resin between the substrate and whatever is being laminated to the substrate. Materials are then all pressed together in a pressure nip. On the above figure, an adhesive is applied to the substrate. This enhances the tack (adhesive) qualities of the substrate to the extruded resin. After the materials are combined, they are cast on a chill roll to quench the molten resin. They are then wound up on the bottom right as a product roll.

This method allows the converter to use two substrate materials. For example, the converter could combine an oriented nylon substrate with a paper or a foil, and extrude polyethylene between them. He could also combine plastics and metallized films through metal vapor deposition onto a plastic substrate.

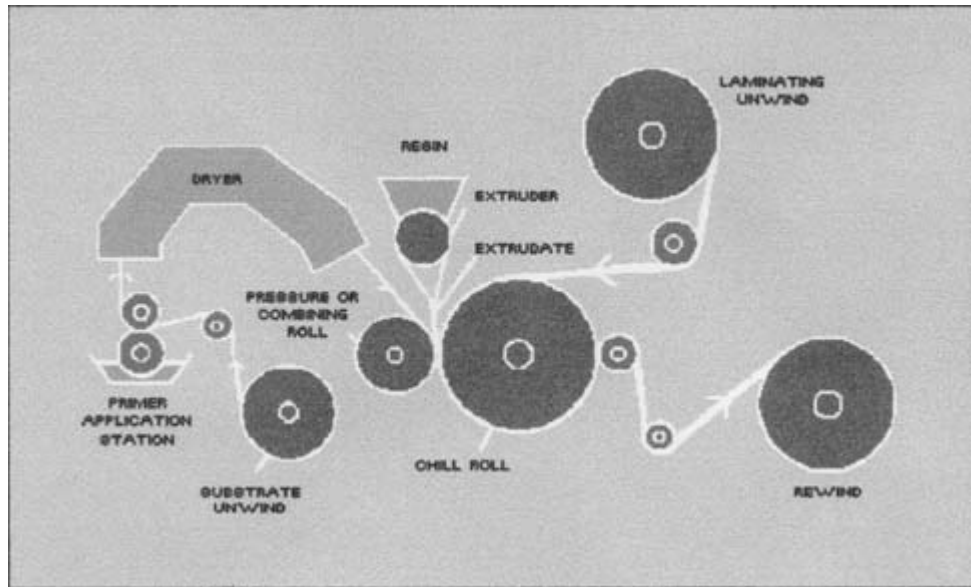
The applications are for the message balloons sold in floral shops, packaging of Contraceptives, Food and Pharmaceuticals of very high quality with high shelf life which are to be transported to most difficult destination, cheese, meat products and many more such applications.

(5) Slitting

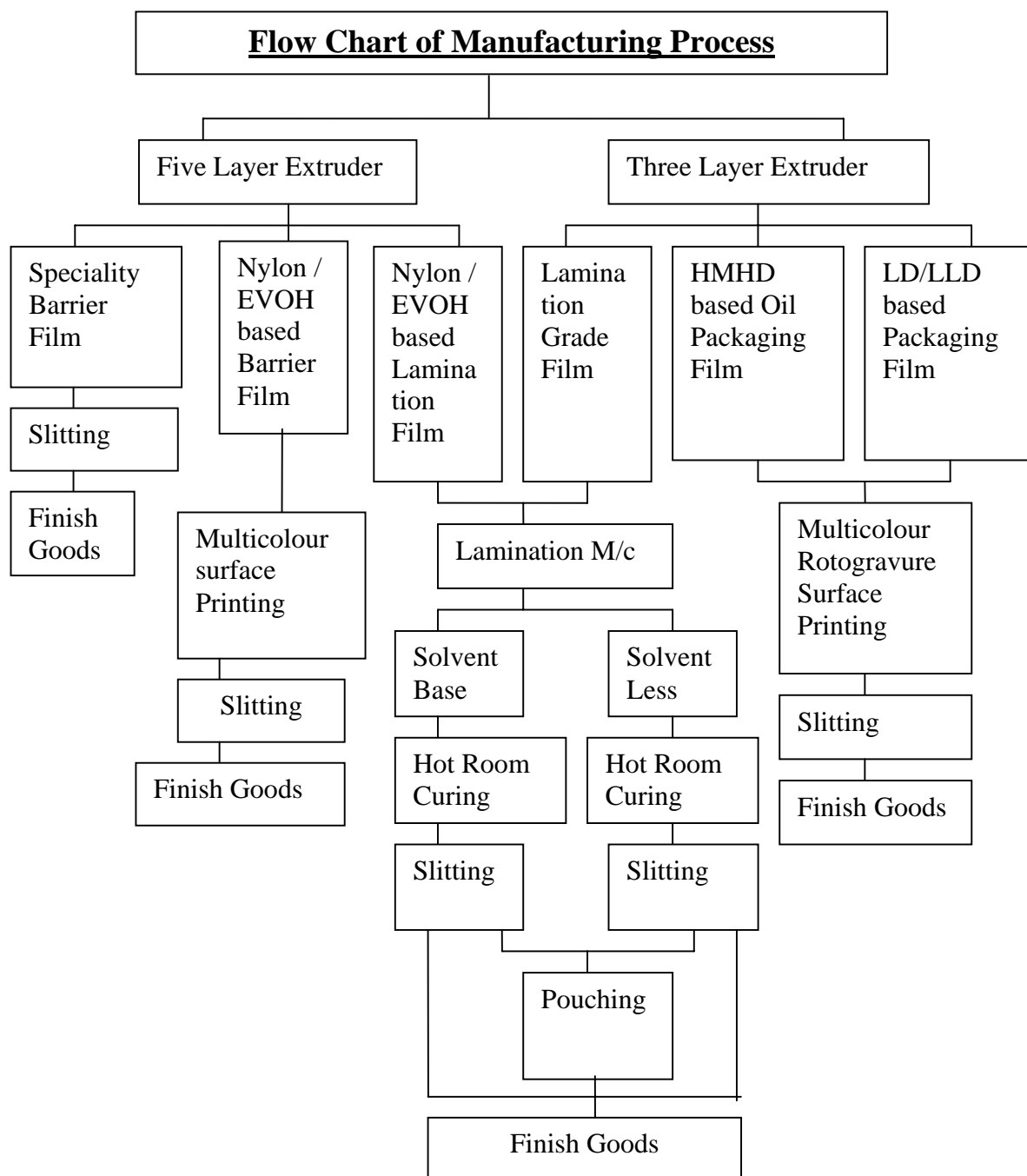
The width of printed and/or laminated rolls of materials used in flexible packaging varies from 650 to 1650 mm. Based on the size of the package, the design is printed one or more times across the width of the reel. The printed material coming off the printing/ laminating machines is loaded into the slitter-re-winder, where it is cut into smaller reels of the required size by means of either razor blade and/or circular knives. These are then wound into roll form ready for the packaging machines.

(6) Pouching

3-side seal pouching is being done for laminated film as well as bare barrier five layer film.



Extrusion Laminating



INFRASTRUCTURE FACILITIES

Land & Building

The company proposes to acquire 1080 square meter of land for the proposed expansion project. This land along with complete constructed building of two floors is located at Plot No. 5, Village Kadaiya, Nani Daman, Dist. Daman, which is adjacent to the existing facilities of the Company.

Apart from acquiring the above mentioned Land & building, the Company also proposes to construct a first floor at the existing factory shed on Survey/ Plot No. 51/4B, 54/2F, 51/4A, 54/1A, 54/2A, 54/1C, 54/4C, 54/2E and 54/4D, at Daman Industrial Estate, Village Kadiya, Daman (UT). The total constructed area on the first floor will be 1205.72 Sq. mt. with 9" brick work, RCC column & beams, sand faced plaster, neeru finished plaster, polish kota stone flooring, M.S. windows & ventilation, white wash, outside snowcem with AC sheet roofing at 5.00 mt eves lvl. Complete with finishing etc.

Raw Material

The key raw materials of the Company are Plastic Granules, Films, Inks and adhesives, which the Company normally procures from various domestic, local and global suppliers.

Power

The total requirement of power for the proposed expansion and existing facility is 1000 KVA. The Company has currently sanction of High Tension load of 300 KVA from Electricity Department, Administration of Daman & Diu, Daman. The Company had applied for additional sanction of 300 KVA to Electricity Department, Administration of Daman & Diu, Daman. The Electricity Department, Administration of Daman & Diu (U.T.), has approved to release additional power connection to the Company for its factory situated at Survey no. 51/4-B, 54/2-F at Daman Industrial Estate, Kadiya, Daman, from 300 to 550 KVA at HT voltage.

The balance power requirement will be met out of the existing boiler which has a capacity of 8 lac kilo calories and a 500 KVA DG set. The Company is also planning to acquire an additional DG set to meet the additional power requirement.

Water

Water is mainly used for chilling plant, which is required to maintain the temperature of machines to avoid overheating. The total water requirement for the plant is 10,000 litres per day. Water requirement is met through existing bore wells within the plant boundary.

Fuel

The Company does not require fuel in the manufacturing process except for the D.G. Set.

Pollution Control

Daman as a location is allowing only non-polluting industries to be set up. The unit is a non-polluting industry and the necessary approvals are given by the local authority under a single window clearance.

Manpower

The Company has existing manpower strength of 120 inclusive of technical/non technical staff. The total manpower requirement for expanded capacity is estimated at 150 workers, 30 supervisors & technical personnel. The Company's facility being situated in Industrial area of Daman the required manpower is easily available in the area.

PRODUCTS / SERVICES OF THE COMPANY

The Company's products are supplied to the Industry and are classified as flexible laminates and multilayer films.

Flexible Laminates:

The Company makes a variety of laminates (Solvent less/ Solvent Based) structures for food and non-food applications, which are custom designed to give optimum performance at an affordable cost. These products are used to give Barrier and protection to various solids, powder and liquids. The customers have the option of printing upto 8 colours in the Company's Rotogravure machines having fully auto registration system.

Multilayer Films:

The Company is a leading supplier of 3 - layer and 5 – layer (Nylon/EVOH) based co-extruded films, which are used for shelf life sensitive products. The barrier films are individually designed as per customers' specifications and are available in roll form, pouches, etc. The rotogravure print machines having fully auto registration system are designed to give the best possible results upto 8 colours.

Presently, the company is manufacturing the following products:

- 3-Layer co-extruded blown Film – For Packaging
- 5-Layer co-extruded blown Film – For Packaging
- 3-Layer blown Film – For Printing & Packaging
- 5-Layer blown Film – For Printing & Packaging
- 3-Layer blown Solvent Based Lamination Film – For Laminates
- 5-Layer blown Solvent Based Lamination Film – For Laminates
- 3-Layer blown Non-Solvent Lamination Film – For Laminates
- 5-Layer blown Non-Solvent Lamination Film – For Laminates
- Multi colored printed Laminates
- Multilayered multicoloured pouches

Further, after proposed expansion, the Company will manufacture the following products to extend value addition to the existing product line:

- 7-Layer blown Film – For Packaging
- 7-Layer blown Film – For Printing
- 7-Layer blown Solvent Based Lamination Film – For Laminates
- 7-Layer blown Non-Solvent Lamination Film – For Laminates

MARKET

The Global Packaging Industry is worth US\$424 billion and the Asian Packaging Industry is worth US\$114 billion.

(Source: http://www.packaging-gateway.com/market_analysis.asp)

The expansion of the Indian primary and secondary packaging market has been accelerated broadly due to growing middle class, conversion of traditional form of packaging into modern forms, favorable excise structure, liberalization of Indian economy, globalization, Increasing hygiene consciousness, usage of small flex pack pouches, increasing textile exports packed in plastic bags, entry of multinationals fueling the demand for sophisticated plastic-based flexible packaging products.

A great degree of potential exists for most of the user segments in India and are expanding appreciably. With a promising growth rate, an expanding consumer base, and more than 1 billion inhabitants, India has one of the most rapidly expanding packaging industries in the world.

Since, the Indian Packaging industry is highly fragmented and is dominated by large number of unorganized players, no published and authenticated data are available about the industry and competition.

(Source: IOB Appraisal Report)

Type of players in Flexible Packaging Industry

The converters

Manufacturers of packaging films

The Indian packaging industry is a combination of organized large Indian and International companies and unorganized small companies. The organized sector of the industry is less than 5% but it controls over 70% of market by volume. Flexible packaging consists of multi layer laminated sheets of plastics (PVC, LDPE, HDPE, BOPP, BOPET, etc.), paper, cloth or metal foils that are used separately or in combination of various packaging applications.

Flexible packaging has a unique set of properties to ensure toughness, moisture, aroma retention, low odour, taste etc. These find in packaging food, tea, coffee, spices, chewing tobacco, confectionery, oils and other household detergents, health and personal care products.

According to the Indian Institute of Packaging, there are around 13000 converters in India. Majority of them are in the small and medium sector located in all parts of the country. It is estimated that more than 200 flex pack converters in India of which 50 units are in the organized sector constituting 40% of the Flexible Packaging Industry.

The Company is currently selling its products in domestic market.

Size of Indian Packaging Industry

Indian Packaging Industry is worth Rs. 650 billion (approx US\$ 14 billion) with growth rate varying from 5% in some sectors to as much as 20% in Sectors like Flexible Packaging, compared to 3% in developed countries. The fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. The food processing industry alone needs to double its capacity and Five-fold increase its potential. Most of the basic raw materials needed for Packaging Industry such as Paper, Board, Plastic, Glass, Metal and others are available in abundance in India.

The Packaging Machinery Sector which is involved in making Packaging Converting Machines, Product Packaging Machines and allied equipments have adopted modern technology and are also exporting the machines to developed economies of the world.

Over 40% of Export is done by small and medium Sector Industries where Packaging Industry has its major presence. A number of State of Art Package Converting and Manufacturing plants have been set up in the country; some of them are exporting to developed countries.

(Source: <http://www.tafcon.com/indiapack06/indian-market>)

Indian packaging output grew by around 18% in 2003 after an 11% advance in 2002, with production growing at an annual rate of 14% since 1999. Consumption is also rising by 14%. All sectors of industry posted strong growth over the period 1999-2003. Paper & board packaging predominates accounting for 37% of industry turn over. Plastics averaged 16%, since 1999. In 2003, rigid plastic consumption was Rs. 5557.50 crore. flexible packaging consumption was Rs.2324.30 crore. metal packaging was Rs. 5420 crore and glass was Rs. 820 crore.

(Source: <http://www.tafcon.com/indiapack06/market-overview>)

APPROACH TO MARKETING AND PROPOSED MARKETING SET-UP

The Company has a separate Marketing Department to procure orders and contracts. Managing Director, who is assisted by a dedicated team of senior executives, heads the Marketing Department. The team is well experienced and is supported by subordinate staff. The Company is having representatives at Delhi, Chennai, Kolkatta, Hyderabad and Nashik. Shri Kumar Busch is the Business Development Manager stationed at Nashik who looks after marketing in addition to R&D. Shri Pushpendra Singh is the Regional Marketing Manager looking at Northern Region and is stationed at New Delhi.

The marketing strategy of the Company is a mix of various tools depending on various products and the objective for the particular product / mix. The marketing strategy is a combination of direct marketing, using the existing distributor network, sales force, marketing meets, seminars, conferences, international exhibitions and Internet. However personal selling and technical counseling still remains the best tool for this type of industry.

SWOT ANALYSIS (As assessed by IOB in its Appraisal Report)

Strengths

- Existing set-up with established capabilities for manufacturing and marketing.
- Experienced Management Team with long experience in this field.
- Ideal location of Daman for manufacturing set-up and main office in Mumbai.
- Sufficient financial strength and back up.
- Advanced manufacturing technology with technical support from Windmoller & Holscher, Germany, the world leaders in equipment manufacturers.
- The Company's products are accepted by well-reputed companies and organisation.
- One of the few companies in India having 7-layer film manufacturing and lamination facility under one roof.

Weaknesses

- Rapid growth resulting in inadequate controls.
- Professionalisation in financial management is not adequate.

Opportunities

- Rapidly growing economy resulting in rising demand for plastic packaging products in India and abroad.

Threats

- Inadequate management controls can result in losing market share and profits.
- Raw material availability and its prices shooting up due to unforeseen circumstances (Petroleum prices).

(Source: IOB Appraisal Report)

BUSINESS STRATEGY

The Company adopts a multipronged strategy for continuous growth of its business. The same is briefly outlined below

- Enhance the quality, design and get up, in accordance with the International Standards.
- Horizontal integration by way of adding new products to the existing products.
- Long term customer relationship and customer satisfaction.
- Need based production.

INSTALLED CAPACITY AND CAPACITY UTILISATION:

The Company has filed the required Industrial Entrepreneurs' Memorandum (IEM) to the Government of India, Ministry of Commerce & Industry, Secretariat for Industrial Assistance for the expansion of manufacturing facilities for existing products and setting up of manufacturing facilities for new products.

(In MT)						
Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06 (9 months)
Installed capacity Multilayer Film	1980.00	1980.00	1980.00	3000.00	3000.00	2250.00
Utilized capacity	1199.98	1736.75	1440.52	2710.01	2916.44	2207.00
% utilized capacity	60.61%	87.71%	72.75%	90.33%	97.21%	98.09%
Installed Printing capacity	1980.00	1980.00	1980.00	5544.00	5544.00	4158.00
Utilized capacity	1254.95	1786.94	1536.18	2751.32	2983.99	2670.95
% utilized capacity	63.38%	90.25%	77.58%	49.63%	53.82%	64.23%
Installed capacity Laminates	N.A	N.A	750.00	1500.00	1500.00	1125.00
Utilized capacity	N.A	N.A	320.25	823.23	1063.26	860.17
% utilized capacity	N.A	N.A	42.70%	54.88%	70.88%	76.46%

The Multilayer film capacity was utilized at above 98% for the 9 months ended 31.12.2006. The company is getting films made on Job Work basis from outside (For the 9 months, 820 tonnes of films were made on Job Work). Thus there is pressure on the existing production line, which calls for expansion. Besides adding one 7 Layer machine, the company is also converting the existing 5 Layer machine to 7 Layer machine and modernizing the 3 Layer machine. Thus after installation / modernisation the capacity will increase from 3,000 MT (Metric tonne per annum) to 14,652 MT.

The Printing Capacity was used at 64% levels for the 9 months ended 31.12.2006. The company is adding one more printing machine and the printing capacity will increase from 5,544 MT to 10,500 MT. The printing capacity could not be optimally utilised during the year ended 2004 because of under utilization of Multilayer film capacity. In 2005, printing capacity was increased in view of management's future expansion plans but due to non increase of equivalent capacity in multilayer film & lamination capacities, the same could not be optimally utilised. After the expansion project is completed, the extrusion capacity and lamination capacity will be enhanced and the printing capacity will be optimally utilized.

The company's existing Lamination capacity is 1,500 MT and was utilized at 76% for the 9 months ended 31.12.2006. Considering the ever-expanding market for laminated films the company has decided to increase the same to 5,000 MT.

PROPOSED CAPACITY FOR THE NEXT THREE YEARS FROM THE COMMENCEMENT OF COMMERCIAL PRODUCTION:

Particulars	31.03.09	31.03.10	31.03.11
Installed Capacity			
a) Films	14652	14652	14652
b) Printing	10500	10500	10500
c) Laminates	5000	5000	5000
Production			
a) Films	9524	10565	11220
b) Printing	6825	7560	8085
c) Laminates	3700	4025	4275
Capacity Utilisation			
a) Films	65%	72%	77%
b) Printing	65%	72%	77%
c) Laminates	74%	81%	86%

(As per the IOB Appraisal Report)

The commercial production of the expansion project is delayed and is expected to start in January, 2008 (as per estimation of the Company) as against October, 2006 (as estimated by IOB). Accordingly, the Company has revised the capacity utilization for the year ending 31st March, 2008 as given below:

Particulars	31.03.08
Installed Capacity	
a) Films	14652*
b) Printing	10500*
c) Laminates	5000*
Production	
a) Films	5861
b) Printing	5250
c) Laminates	2250
Capacity Utilisation	
a) Films	40%
b) Printing	50%
c) Laminates	45%

* For part of the year

The Company expects to achieve the same capacity utilization as estimated by IOB for the year 2007-08 onwards. The Company's capacity utilization in multilayer film is already 97.21% in the year 2005-06 and it do not foresee any difficulty in achieving 65% of the expanded capacity in the year 2008-09. Currently, the printing capacity is not utilised optimally due to constraints in the multilayer film capacity. After the expansion of multilayer film capacity, the printing capacity utilization is expected to improve. Due to

consumerism and emergence of organized retail market the Company expects further improvement in lamination capacity utilization.

COMPETITIVE STRENGTHS

Market Penetration

By virtue of the Company's long standing in the business of more than 9 years' the Company has achieved market penetration with a large clientele and wide geographical coverage. The Company has also acquired presence in varied industries with the existing clientele.

Low Marketing Cost

The Company has over a period of time acquired a clientele who are bulk buyers and give repeat business and account for majority of the turnover. Hence, the company's marketing cost to achieve the required turnover is substantially lower. The marketing cost is reduced as the same distribution and service channel is utilized to sell the products.

Technical Team

The Company possesses technical team, which is led by the Promoter Director Mr. Umesh P. Kela, who is a Bachelor of Engineering – Production and Diploma In Business Management. He is involved in the Production and Customer Service of the Company. He is supported by a managerial team comprising of qualified professionals like Mr. Ashok Parmar (B.E. Mechanical), Mr. Sisir Kumar De (Bsc CIPET).

Cost Efficiency

The policy of the Company is to produce the right product using the required mix at the optimum cost translating into value for money pricing. The Company has manufacturing facilities in Daman which is having low electrical tariffs and proximity to two leading ports JNPT and Nava Sheva.

Customer Servicing

The Company has established reputation in ensuring customer satisfaction with quality of its products and a timely supply as is evident from the repeat orders. To ensure timely deliveries, GPL meticulously plans its entire range of activities well in advance right from sourcing of raw materials to manufacturing and shipping.

Quality

The Company's in-house quality control department ensures quality at every stage of the process. The Company has been accredited by TUV South Asia Private Limited with ISO 9001:2000 and HACCP.

Reliability

The Company has been in this business for the last 9 years and has long-term relationships with its buyers. GPL maintains complete confidentiality about its buyers, designs and innovations so as to avoid any conflict of interest. GPL also strives to meet the commitments to its buyers.

Speed

GPL's ability to strategically source raw materials in the shortest possible time contributes to speedy delivery of goods to buyers. Since GPL's manufacturing facilities are vertically integrated, it helps to reduce delivery time.

Flexibility

The Company offers flexibility in both sourcing and manufacturing. GPL's domestic and global sourcing capability allows it to procure raw materials from any part of the country and across the globe. This way, the Company can ensure that it can get the best quality at competitive rates and at specified delivery

schedules. Even its facilities are equipped to manufacture varied run sizes and can be re-configured to handle different products as per changing requirements.

(Source: IOB Appraisal Report)

INSURANCE

The Company has insurance policies that cover its assets and operations. The assets covered by these policies are insured against losses from general liability such burglary, fire and special perils policy.

Details of the said policy are as provided hereunder:

A. GENERAL INSURANCE:

The Company has taken a Standard Fire and Special Perils Insurance policy bearing number 112700/11/06/11/00000059 from The New India Assurance Company Limited in respect of the Factory premises at Survey No. 51/4A, 51/4-B, 51/4C, 51/4D, 54/2-A, 54/1-A, 54/1-C, 54/2-E, 54/2-F, 54/2-H, 54/6-A, 54/3-D at Daman Industrial Estate, Vill: Kadiya. The sum insured for Building is Rs. 1.93 crores & for Stocks it is Rs. 29.66 crores. The total sum insured is Rs. 31,59,82,000/-. The annual premium paid is Rs. 14,18,633/- and the insurance period is from 01/05/2006 to 30/04/2007.

The Company has taken a Marine Cargo Insurance (Open) policy bearing number 112700/21/06/00050021 from The New India Assurance Company Limited for transit of Polysheets/ Cartons with Strapping and Multilayer Plastic Blown Film and various raw materials in conveyance modes of rail/ road from factory in Daman to anywhere in India with a total limit per transit and limit per location of Rs. 20,00,000/-. The insurance period is from 16/06/2006 to 15/06/2007.

The Company has also taken vehicle insurance for the vehicles, which are owned by the company.

The Company has taken insurance policies insuring major risks relating to its stocks, building, plant & machinery, accessories, furniture and fixtures and stocks at its plant at Daman.

The Company has also taken Keyman insurance policies for its key executives. Moreover our Insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. There are no pending claims with regard to the insurance policies held by the Company.

PROPERTY

The details of the properties occupied/ used/ owned by the Company are given below:

A. FACTORY PREMISES

The company has its manufacturing facility at following sites:

Sr. No.	Description of property	Vendor	Registration	Agreement Date	Area (Sq. Mt.)	Amt. (Rs. In Lacs)
1	51/4-A & 54/1-A situated at Village Kadiya, Marvad Village Panchayat, Daman.	Daman Industrial Estates Ltd. Mr. Kalidas Fakir Patel Mr. Manu Fakir Patel Mr. Raman Parag Patel Mr. Ambu Parag Patel	Admitted for registration on 23.12.97. Not yet registered	22/12/97	1080	2.16
2	51/4-B & 54/2-F Situated at Village Kadiya, Marvad Village Panchayat, Daman.	Daman Industrial Estates Ltd. Mr. Kalidas Fakir Patel Mr. Manu Fakir Patel Mr. Raman Parag Patel Mr. Ambu Parag Patel	Admitted for registration on 23.12.97. Not yet registered	22/12/97	1080	2.16
3	54/2-A, 54/1-C & 51/4-C	Daman Industrial Estates Ltd.	Admitted for registration	22/12/97	1080	2.16

Sr. No.	Description of property	Vendor	Registration	Agreement Date	Area (Sq. Mt.)	Amt. (Rs. In Lacs)
	situated at Village Kadiya, Marvad Village Panchayat, Daman.	Mr. Kalidas Fakir Patel Mr. Manu Fakir Patel Mr. Raman Parag Patel Mr. Ambu Parag Patel	on 23.12.97. Not yet registered			
4	54/2-E & 51/1-D situated at Village Kadiya, Marvad Village Panchayat, Daman.	Daman Industrial Estates Ltd. Mr. Kalidas Fakir Patel Mr. Manu Fakir Patel Mr. Raman Parag Patel Mr. Ambu Parag Patel	Admitted for registration on 23.12.97. Not yet registered	22/12/97	1080	2.16
5	54/2-H, 54/6-A, 54/3-D situated at Village Kadiya, Marvad Village Panchayat, Daman.	Mr. Prakash N. Kela, Director*	Agreement for Sale. Advance Paid Rs. 50 lacs. No Registration done	14/02/05	1080	50.00

The Company has purchased plot no. 54/2-H, 54/6-A, 54/3-D situated at Village Kadiya, Marvad Village Panchayat, Daman from Mr. Prakash N. Kela, who is the promoter of the Company. The date of agreement of sale was 14.02.2005. The total area of the plot is 1080 sq. mt and purchase consideration was Rs. 50 lacs. The agreement for sale has not been registered till date.

B. REGISTERED OFFICE

The registered office of the company is located at 201 "Vintage Pearl", A – Wing, 29th Road, Bandra (W), Mumbai – 400 050 admeasuring 900 sq. ft. (carpet) purchased from Mr. Umesh P. Kela by the company for a consideration of Rs. 67.04 Lacs on 21st November 1999. The sale deed for the said property is yet to be registered in the name of the company till date. (The total transfer fee payable for transfer to the society is to be paid in equal proportion by the Vendor & the purchaser. The office was purchased for Rs. 60 lacs vide MOU dated 01.09.1999)

C. FLATS USED FOR RESIDENTIAL PURPOSE BY EMPLOYEES OF THE COMPANY

Sr. No.	Description of property	Vendor	Registration	Agreement Date	Area (Sq. Ft.)	Amt. (Rs. In Lacs)
1	Flat No. A – 2 on ground floor of Plot No. 23/P of Survey No. 413/3/A – 415/1A/2B + 416/1P at Village Chala, Vapi Daman Road, Vapi, Taluka – Pardi, Gujarat.	Mithun Park Co-Op. Society Housing Ltd.	The company yet to register the property with registrar of pardi	19/04/01	1050	2.85
2	Flat No. 203 of Deccan House at Village Chala, Vapi Daman Road, Vapi, Taluka – Pardi, Gujarat.	Deccan Cans and Printers Pvt. Ltd. And Umesh & Co.	Receipt no. 2420766 dated 2-8-04 registrar of pardi	02/08/04	631	1.89
3	Flat No. 205 of Deccan House at Village Chala, Vapi Daman Road, Vapi, Taluka – Pardi, Gujarat.	Deccan Cans and Printers Pvt. Ltd. And Umesh & Co.	Receipt no. 2420767 dated 2-8-04 registrar of pardi	02/08/04	651	1.95
4	Flat No. C- 5 at Mithun	Saini Omprakash	The company yet	08/05/01	300	1.00

Sr. No.	Description of property	Vendor	Registration	Agreement Date	Area (Sq. Ft.)	Amt. (Rs. In Lacs)
	Park, Chala Road, Vapi, Gujarat	Mohanlal	to register the property with registrar of pardi			

All the above detailed flats are presently given by the company to its employees as a rent-free accommodation.

THE OFFICES

- The registered office of the Company is situated at: 201 "Vintage Pearl", A – Wing, 29th Road, Bandra (W), Mumbai – 400 050
- The Company's factory is located at: 51/4-B, 54/2-F, 51/4-A, 54/1-A, 54/2-A, 54/1-C, 51/4-C, 54/2-E, 51/4-D, 54/2-H, 54/6-A, 54/3-D Daman Industrial Estate, village Kadiya, Daman (UT).

PROPERTY TO BE PURCHASED FROM THE IPO PROCEEDS

For the purpose of proposed expansion plan, the company will be acquiring 1080 square meter of land at the rate of Rs. 2000 per square meter at a consideration of Rs. 21.60 Lacs. This land along with complete constructed building of Ground & First floors is located at Plot No. 5, Village Kadaiya, Nani Daman, Dist. Daman, which is adjacent to the existing facilities of the Company. The cost of the building as per the valuation report of Mahalaxmi and Associates dated 1st February 2006 is Rs. 55.40 lacs. The Company has entered into a Memorandum of Understanding with Super Pack Industries dated 4th February, 2006 for acquisition of the land & building.

The break-up of the total cost of Land & Building as per the valuation report and MoU is as under:

Sr. No.	Particulars	Amount (Rs.)	Amount Rs. in lacs
A	Main Factory Building		
1.	RC Frame Structure with RCC Slab at 5.48 mt. Ht. on Ground Floor including toilet block= 430.69 sq. mt. @ Rs. 5000 per sq. mt.	21,53,450	21.53
2.	RCC Frame Structure with RCC Slab at 3.88 mt. Ht. on First Floor = 430.69 sq. mt. @ Rs. 4500 per sq. mt.	19,38,105	19.38
3.	RCC Frame Structure with A.C. Sheet roofing at 4.86 mt. Ht. on Second Floor = 218.35 sq. mt. @ Rs. 3500 per sq. mt.	7,64,225	7.64
4.	Compound Wall brick masonry work with steel gate etc. = 134 Rmt @ Rs. 2500 per Rmt	3,35,000	3.35
5.	Pacca Road inside = 500 sq. mt. @ Rs. 700 per Sq. mt.	3,50,000	3.50
	SUB TOTAL	55,40,780	55.40
B	Land		
1	Area of Land – 1080.00 sq. mt. @ Rs. 2000 per sq. mt.	21,60,000	21.60
	TOTAL (A+B)	77,00,780	77.00

As per the valuation report of Mahalaxmi & Associates, brief details of the proposed Land & building to be acquired are as follows:

Name of the existing Owner	Super Pack Industries
Location, Street, ward no.	Plot No. 05, Village Kadaiya, Nani Daman, Dist. Daman, (U.T. of Daman & Diu)
Area of Land	Plot Area 1080.00 Sq. mt.
Freehold or Lease hold land	Free hold
Occupancy	Owner Occupied
Year of Construction of the Building	Commencement - Year 1998 Completion – Year 2000
Estimated Future Life	45 Years

Apart from acquiring the above mentioned Land & building, the Company also proposes to construct a first floor at the existing factory shed on Survey/ Plot No. 51/4B, 54/2F, 51/4A, 54/1A, 54/2A, 54/1C, 54/4C, 54/2E and 54/4D, at Daman Industrial Estate, Village Kadiya, Daman (UT). The estimates of costs for construction of the first floor is as per the valuation Report of Mahalaxmi & Associates dated 14th February, 2006. As per the Valuation Report, the total constructed area on the first floor will be 1205.72 Sq. mt. with 9" brick work, RCC column & beams, sand faced plaster, neeru finished plaster, polish kota stone flooring, M.S. windows & ventilation, white wash, outside snowcem with AC sheet roofing at 5.00 mt level. Complete with finishing etc. Break –up of the cost construction of the first floor at the existing factory shed is as under:

Sr. No.	Description	Qty.	Unit	Rate	Amt. (Rs.)	Amount (in lacs)
1	Column in Super Structure	20.00	C.M.	3500.00	70,000	0.70
2	All lintel beams and tie beams on F.F. (M20 grade)	40.00	C.M.	5800.00	2,32,000	2.32
3	RCC chhajja	185.00	S.M.	700.00	1,29,500	1.30
4	9" Brick Work (1:6)	1500.00	S.M.	700.00	10,50,000	10.50
5	Double Coat Sand Faced Plaster	850.00	S.M.	400.00	3,40,000	3.40
6	Neeru finished plaster	1000.00	S.M.	360.00	3,60,000	3.60
7	M.S. Window & ventilation	60.00	S.M.	3000.00	1,80,000	1.80
8	Rolling Shutter	24.00	S.M.	1500.00	36,000	0.36
9	c. Kota Flooring	1275.00	S.M.	550.00	7,01,250	7.01
	d. Scurting Kota	1275.00	R.Mt	650.00	8,28,750	8.28
10	Removing old IPS Flooring	1275.00	S.M.	200.00	2,55,000	2.55
11	Breaking RCC Column up to 3'-0"	4.00	C.M.	3500.00	14,000	0.14
12	Steel reinforcement cutting, blending and fitting, etc.	40.00	Tonne	30,000.00	12,00,000	12.00
13	c.) Structural steel for roof trusses	60.50	Tonne	40,000.00	24,20,000	24.20
	d.) Oil paint on trusses	1600.00	R.Mt	500.00	8,00,000	8.00
14	AC Sheet Roofing	1300.00	S.M.	350.00	4,55,000	4.55
15	Snowcem Colours	2000.00	S.M.	70.00	1,40,000	1.40
16	White Wash	3000.00	S.M.	30.00	90,000	0.90
Total					93,01,500	93.01
Architect Fees					3,00,000	3.00
Contingencies (2%)					1,92,000	1.92
GRAND TOTAL					97,93,500	97.93

Say Rs. 98 lacs

Except as stated above, there is no other property which the company has purchased or acquired or propose to purchase or acquire which is to be paid for whole, or in part, from the net proceeds of the issue or the purchase or acquisition of which has not been completed on the date of this Prospectus.

HISTORY AND CORPORATE STRUCTURE

History and Background of the Company

The Company was incorporated on 15th December 1997 as a private limited company with the main object to carry on the business of manufacturing of co extruded multi layer barrier film for packing of various food and non-food products. The present plant can be used to manufacture mono as well as multilayer films. The company is promoted by Mr. Prakash N. Kela, Mr. Yogesh P. Kela and Mr. Umesh P. Kela. The company commenced its Commercial production since March, 1998

The company got its status changed to Public Limited Company on 30th December, 2005 pursuant to certificate issued by Registrar of Companies, Maharashtra, Mumbai.

Major events in the history of the Company are as follows:

YEAR	MAJOR EVENTS
1997	The Company was incorporated on 15 th December, 1997
1998	The commercial production started in March, 1998 with an initial capacity of 1500 M.T.
1999	Installed 5 layer Blown Film plant imported from Germany
2002	The achievement about the Company was published in the year 2002/2003 in International plastic magazine i.e. Plastic & Rubber Asia (PRA) and Flexo & Gravure (Asia) Volume I – 2003.
2003	Expanded production capacity by adding one lamination machine.
2004	Expanded & diversified in flexible laminated by adding one lamination machine & addition of a 3-layer machine & an 8 colour printing machine. Also upgraded the existing 5 layer blown film with an auto thickness control unit from Germany.
2005	Converted into public limited Company & obtained a fresh certificate of incorporation. Company also accredited with ISO 9001:2000 from TUV South Asia Private Limited, Germany along with HACCP certification.

Main Objects Of The Company

The main objects of the Company as set out in the Memorandum & Articles of Association of the Company are as follows:

1. To carry on the business of manufactures, processors, buyers, sellers, importers, exporters or otherwise dealers in all types of plastic films, BOPP films, Polyfilms, plastic granules, laminates and films required for packing of various products.
2. To carry on the business of manufacturing, producing, processing, buying, selling, importing, exporting and distributing all kinds of photo films, sun control films, X-Ray, graphic art and cine films for medical, industrial, commercial, scientific and other applications.

Changes in Memorandum of Association

Since incorporation the following changes have been made in the Memorandum of Association:

Sr. No.	Date of Amendment	Amendment
1.	30 th March 2000	Sub-division of Equity Shares of the company from face value of Rs. 100/- to Rs. 10/-
2.	30 th March 2000	Increase in Authorized Share Capital from Rs. 5,00,000 divided into 50,000 Equity Shares to Rs. 3,50,00,000 divided into 35,00,000 Equity Shares.
3.	3 rd May 2004	Increase in Authorized Share Capital from Rs. 3,50,00,000 divided into 35,00,000 Equity Shares to Rs. 7,00,00,000 divided into 70,00,000 Equity Shares.
4.	10 th December 2005	Increase in Authorized Share Capital from Rs. 7,00,00,000 divided into 70,00,000 Equity Shares to Rs. 16,00,00,000 divided into 1,60,00,000 Equity Shares.
5.	10 th December 2005	Alteration in the Object Clause:

Sr. No.	Date of Amendment	Amendment
		A. Insertion of: I. Word "laminates" after the word "plastic granules" and before the words "and films" in Sub-clause 1 of Clause III (A). II. Sub-clause 2 of Clause III (A). B. Substitution of: a. Sub-clause 3 under Clause III (B) b. Sub-clause 59 under Clause III (C)
6.	30 th August 2006	Increase in Authorized Share Capital from Rs. 16,00,00,000 divided into 1,60,00,000 Equity Shares to Rs. 18,50,00,000 divided into 1,85,00,000 Equity Shares.

SUBSIDIARIES OF THE COMPANY

The Company has no subsidiary as on date.

Shareholders agreements

At present there are no shareholding agreements between the Company and any other person.

Other agreements

The Company has not entered into any such agreements.

Strategic Partners

The Company, as on date, has no strategic partners.

Financial Partners

The Company has no financial partners.

THE MANAGEMENT

As per the Articles of Association, the Company shall not have less than three (3) and not more than twelve (12) Directors unless otherwise determined by the Company in a General Meeting. As of July 31, 2006, the Company has eight (8) Directors out of which only three (3) are whole time Directors.

Board of Directors

The following table sets forth the details regarding the Board of Directors.

Sr. No	Name, Designation, father's name, address, Date of Birth, age, occupation and Term	Date of Appointment as Director	Details of other Directorships/Proprietorships/Partnerships
1	Mr. Prakash N. Kela, Executive Chairman S/o Mr. Nandlal Kela 401, Dev Pooja Apartments, North Avenue Road, Santacruz (West), Mumbai – 400 054. DOB: 23.03.1950 57 years Occupation: Business Term: 5 years (01.01.2006 to 31.12.2010)	30.11.2000	Proprietor: Trishul Industries
2	Mr. Yogesh P. Kela Managing Director S/o Mr. Prakash N. Kela 401, Dev Pooja Apartments, North Avenue Road, Santacruz (West), Mumbai – 400 054 DOB: 18.03.1975 32 years Occupation: Business Term: 5 years (01.01.2006 to 31.12.2010)	Since Incorporation	Proprietor: Tristar Industries
3	Mr. Umesh P. Kela, Executive Director S/o Mr. Prakash N. Kela 401, Dev Pooja Apartments, North Avenue Road, Santacruz (West), Mumbai – 400 054. DOB: 03.09.1977 29 years Occupation: Business Term: 5 years (01.01.2006 to 31.12.2010)	Since Incorporation	Proprietor: Immense packaging
4	Mr. Kishor N. Kela, Non Executive & Non Independent Director S/o Mr. Nandlal Kela Nanddeep, Behind Hotel Natraj Nashik Pune Highway Nashik – 422101 DOB 15.12.1957 49 years Occupation: Business Retire by Rotation	02.12.2005	1. Tee Kay Metals Pvt. Ltd. 2. Kela and Kela Pvt. Ltd.
5	Mr. Deviprasad K. Taparia, Non Executive & Independent Director S/o Mr. Kanhayalal Taparia Jaladarshan, 2nd floor Napean Sea Road, Mumbai – 400 036 DOB: 24.10.1950 56 years Occupation: Business Retire by Rotation	02.12.2005	1. Taparia Tools Ltd. 2. Six O Tu Investments and Traders Pvt. Ltd. 3. Orient Pratishthan Ltd. 4. Suyog Trading Co. Pvt. Ltd. 5. Kymsap Agencies Pvt. Ltd. 6. LECBNS Investments

			and Trading Co. Pvt. Ltd. 7. Kamal Supar Ltd. 8. KDS Trading Pvt. Ltd. 9. Mahalaxmi Rope Works Ltd. Partnership: Kamal Enterprise
6	Mr. Navin C. Chokshi, Non Executive & Independent Director S/o Mr. Chandrakant M. Chokshi D-7 / Shanthi Society, Mogul lane, Mahim, Mumbai – 400 016 DOB: 26.05.1953 53 years Occupation: Professional Retire by Rotation	02.12.2005	1. Gloria Technocost Enterprises Ltd. 2. Hilton Metal Forgings Limited Proprietor: Navin Choksi & Co. – Chartered Accountants
7	Mr. Ramakant B. Jhunjhunwala, Non Executive & Independent Director S/o Mr. Banwarilal Jhunjhunwala 2nd floor, Bhagwati Apartments S.V. Road, Malad (West) Mumbai DOB: 13.01.1962 45 years Occupation: Business Retire by Rotation	02.12.2005	Partnership: 1. Saksham Plastics - Partner 2. Polymac Plastics – Partner 3. Beear & Bros.
8	Mr. Vilas R. Shah, Non Executive & Independent Director S/o Rasiklal C. Shah Arihant Bungalow, New Pandit Colony, Off Shahrampur Road Nashik DOB: 28.02.1958 49 years Occupation: Business Retire by Rotation	02.12.2005	1. Viraj Estates Pvt. Ltd. 2. Vilas Farmhouse Pvt. Ltd. 3. Rajvi Housing Pvt. Ltd 4. Rajvi Reality Pvt. Ltd. 5. Viraj Landmark Pvt. Ltd Proprietor: Minal Enterprises

BRIEF PROFILE OF THE BOARD OF DIRECTORS

The company is currently managed by Board of Directors comprising of Eight Directors. Mr. Prakash N. Kela is the Executive Chairman of the Company. The day-to-day affairs of the Company are managed by Mr. Yogesh P. Kela, Managing Director and Mr. Umesh P. Kela, Executive Director under the Guidance and supervision of Board of Directors.

1) Mr. Prakash N. Kela, Executive Chairman

Mr. Prakash N. Kela, the Executive Chairman of the Company is of 57 years of age. He is one of the promoters of the company and has been associated with the company since 30th November, 2000. Mr. Prakash N Kela is a Commerce Graduate from the Pune University. He has 26 years experience in Multilayer Blown film Extrusion & Flexible Laminates and an overall Business experience of 31 years. He looks after the overall Policy Planning and its implementation and also provides broad directives for administration of the company. He has been instrumental in development and growth of the company. He is a whole time Director of the Company and has been appointed as an Executive Chairman of the Company for a period of 5 years with effect from 1st January, 2006.

2) Mr. Yogesh P. Kela, Managing Director

Mr. Yogesh P. Kela, the Managing Director of the Company is of 32 years of age. He is one of the founder promoters of the company and has been actively associated with the company since incorporation. Mr. Yogesh P Kela is a commerce graduate from the Pune University. He looks after the Purchase, Marketing & Administrative functions of the Company. He has an overall experience of 9 years in the business of

Multilayer Blown film Extrusion & Flexible Laminates. He is a whole time Director of the Company and has been appointed as a Managing Director of the Company for a period of 5 years with effect from 1st January, 2006.

3) Mr. Umesh P. Kela, Whole Time Director (Designated as Executive Director)

Mr. Umesh P. Kela, the Executive Director of the Company is of 29 years of age. He is one of the founder promoters of the Company along with Mr. Yogesh P. Kela and has been associated with the working of the Company since incorporation. Mr. Umesh P. Kela holds a Bachelor of Engineering Degree in Production Engineering from Mumbai University and Diploma in Business Management from S P Jain Institute of Management Sciences, Mumbai. He is handling Production Department and finance function and is looking after Customer Service. He has an overall experience of 8 years in the business of Multilayer Blown film Extrusion & Flexible Laminates. He is a whole time Director of the Company and has been appointed as an Executive Director of the Company for a period of 5 years with effect from 1st January, 2006.

4) Mr. Kishor N. Kela

Mr. Kishor N Kela is aged around 49 years and has been appointed as the Non-Executive and Non-Independent Director of the Company on 02.12.2005. He is brother of Mr. Prakash N. Kela, Executive Chairman. Mr. Kishor N. Kela holds a Bachelor of Engineering in Production from Mumbai University and a degree of Master of Science in Industrial Engineering degree from University of Pittsburg, USA. He is the proprietor of Super Industries- Nashik which is involved in manufacturing of LPG Cylinders for Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited & Bharat Petroleum Corporation Limited. He is also involved in the overall management of M/s Tee Kay Metals – Nashik & Om Containers – Nashik, which are sister concerns of M/s Super Industries, which are also in manufacturing of LPG cylinders and CNG Cylinders.

5) Mr. Deviprasad K. Taparia

Mr. Devi Prasad Taparia is aged around 56 years and has been appointed as the Non-Executive and Independent Director of the Company on 02.12.2005. He is also the Director of M/s Taparia Tools Ltd, which is in the business of manufacturing hand tools. He is also on the Board of Six O Tu Investments & Traders Pvt. Ltd, Orient Pratishthan Ltd, Suyog Trading Company Pvt. Ltd, Kymsap Agencies Pvt. Ltd, LECBNSN Investments & Trading Company Pvt. Ltd, Kamal Supar Ltd, KDS Trading Pvt. Ltd and Mahalaxmi Rope Works Ltd.

7.

6) Mr. Navin C. Chokshi

Mr. Navin C. Choksi is aged around 53 years and has been appointed as the Non-Executive and Independent Director of the Company on 02.12.2005. He is a Member of the Institute of Chartered Accountants of India. He is also the Chairman of the Audit Committee of the Company. He is also a Director of M/S Gloria Technocost Enterprises Ltd and Hilton Metal Forgings Limited.

7) Mr. Ramakant B. Jhunjhunwala,

Mr. Ramakant B. Jhunjhunwala is aged around 45 years and has been appointed as the Non-Executive and Independent Director of the Company on 02.12.2005. Mr. Ramakant Jhunjhunwala has a experience in the Plastic Industry for over 20 years. He has a Diploma in Plastic Technology. He is also a partner of Saksham Plastics and Polymac Plastics.

8) Mr. Vilas R. Shah

Mr. Vilas Shah is aged around 49 years of age and has been appointed as the Non-Executive and Independent Director of the Company on 02.12.2005. He is a well-reputed Builder & Land Developer in Nashik. He is also a director of Viraj Estates Private Limited, Vilas Farmhouse Private Limited, Rajvi Housing Private Limited, and Rajvi Reality Private Limited.

Details of Borrowing Powers

As per the relevant clauses of the Articles of Association:

78. Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receive deposits or loans from members either as an advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.
79. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
80. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture-stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.
81. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
82. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
83. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Further a resolution was passed in the Extra-Ordinary General Meeting of the shareholders of the Company held on 10.12.2005 wherein the consent of the shareholders was accorded the Board of Directors to borrow from time to time, any sum or sums of money, which together with the money already borrowed by the company may exceed the aggregate of the paid up capital and free reserves provided that the total money so borrowed shall not exceed Rs. 100 Crores over and above the aggregate of the paid-up share capital of the company and its free reserves, not set apart for any specific purpose.

TERMS AND CONDITIONS OF APPOINTMENT/ REAPPOINTMENT OF CHAIRMAN/ MANAGING DIRECTOR/ EXECUTIVE DIRECTOR

Mr. Prakash N. Kela – Executive Chairman

Mr. Prakash N. Kela was initially appointed as Executive Chairman on 01.01.2001 for a period of 5 years. He was again re-appointed as Executive Chairman w.e.f. 01.01.2006 for a further period of 5 years.

TERMS AND CONDITIONS FOR RE-APPOINTMENT OF MR. PRAKASH N. KELA AS EXECUTIVE CHAIRMAN OF THE COMPANY

Period of Appointment: 01-01-2006 to 31-12-2010

Remuneration to be effective from 01st January 2006 for the above managerial personnel for a period of 5 years, to be revised on the completion of three years or such earlier period as may be approved.

Basic Salary: Rs.80,000/- (Rupees Eighty Thousand Only) per month with an annual increment in the scale of Rs.10,000/-, or such other amount as may be approved by the Board of Directors of the Company from time to time. However, the over all remuneration shall not exceed Rs.1,50,000/- or such amount as may be specified under Schedule XIII to the Act.

Fixed Dearness Allowance: 30% of the Salary amount.

Incentive Bonus / Commission: The appointee will be paid such amount by way of incentive bonus and / or Commission in addition to the salary and perquisites payable calculated with reference to the net profit of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the overall ceilings stipulated under Section 198, 309 of the Act and/or Schedule XIII as may be applicable from time to time.

Perquisites

Category 'A'

- a) **Medical Reimbursement:** 8.33% of the Basic Salary per month towards medical expenses towards self and family.
- b) **Leave Travel Allowance:** Self and family not exceeding one-month salary for every 11 months of service

Explanation: Family means the spouse, dependant children and parents of the appointee.

Category 'B'

The following will not be considered as perquisites:

- i) The contributions to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- ii) Gratuity payable not exceeding half a month's salary for every completed year of service;
- iii) Encashment of leave at the end of the tenure; and
- iv) Provision of car with chauffeur for use on the Company's business and telephone and other communication facility at residence. However, personal, long distance calls and use of car for private purpose shall be billed by the Company.

Other terms and conditions

- i) The appointee will be entitled to one month's leave with full pay and allowance for every eleven month's service. Such leave may be accumulated in accordance with the Company's rules and practices in force from time to time.
- ii) **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee(s) shall be paid the above remuneration as Minimum Remuneration subject, however to the overall limits as per provisions contained in Schedule XIII to the Companies Act, 1956 or any amendments made hereafter as may be agreed to between the Directors and the appointee(s).
- iii) The remuneration, terms and conditions of the said appointment of the appointee(s) may be varied from time to time subject to the condition of Schedule XIII to the Companies Act, 1956, or any amendment made hereafter as may be agreed to between the Directors and appointee(s).

Mr. Yogesh P. Kela – Managing Director

Mr. Yogesh P. Kela was initially appointed as Managing Director on 01.01.2001 for a period of 5 years. He was again re-appointed as Managing Director w.e.f. 01.01.2006 for a further period of 5 years.

TERMS AND CONDITIONS OF RE-APPOINTMENT OF MR. YOGESH P. KELA AS MANAGING DIRECTOR OF THE COMPANY

Period of Appointment: 01 -01-2006 to 31-12-2010

Remuneration to be effective from 01st January 2006 for the above managerial personnel for a period of 5 years, to be revised on the completion of three years or such earlier period as may be approved.

Basic Salary: Rs.75,000/- (Rupees Seventy Five Thousand Only) per month with an annual increment in the scale of Rs.10,000/-, or such other amount as may be approved by the Board of Directors of the Company from time to time. However, the over all remuneration shall not exceed Rs.1,50,000/- or such amount as may be specified under Schedule XIII to the Act.

Fixed Dearness Allowance: 30% of the Salary amount.

Incentive Bonus / Commission: The appointee will be paid such amount by way of incentive bonus and / or Commission in addition to the salary and perquisites payable calculated with reference to the net profit of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the overall ceilings stipulated under Section 198, 309 of the Act and/or Schedule XIII as may be applicable from time to time.

Perquisites

Category 'A'

- a) Medical Reimbursement:** 8.33% of the Basic Salary per month towards medical expenses towards self and family.
- b) Leave Travel Allowance:** Self and family not exceeding one-month salary for every 11 months of service

Explanation: Family means the spouse, dependant children and parents of the appointee.

Category 'B'

The following will not be considered as perquisites:

- i) The contributions to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- ii) Gratuity payable not exceeding half a month's salary for every completed year of service;
- iii) Encashment of leave at the end of the tenure; and
- iv) Provision of car with chauffeur for use on the Company's business and telephone and other communication facility at residence. However, personal, long distance calls and use of car for private purpose shall be billed by the Company.

Other terms and conditions

- i) The appointee will be entitled to one month's leave with full pay and allowance for every eleven-month's service. Such leave may be accumulated in accordance with the Company's rules and practices in force from time to time.
- ii) Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee(s) shall be paid the above remuneration as Minimum Remuneration subject, however to the overall limits as per provisions contained in Schedule XIII to the Companies Act, 1956 or any amendments made hereafter as may be agreed to between the Directors and the appointee(s).
- iii) The remuneration, terms and conditions of the said appointment of the appointee(s) may be varied from time to time subject to the condition of Schedule XIII to the Companies Act, 1956, or any amendment made hereafter as may be agreed to between the Directors and appointee(s).

Mr. Umesh P. Kela – Executive Director

Mr. Umesh P. Kela was initially appointed as Joint Managing Director on 01.01.2001 for a period of 5 years. He was again re-appointed as Executive Director w.e.f. 01.01.2006 for a further period of 5 years.

TERMS AND CONDITIONS OF RE-APPOINTMENT OF MR. UMESH P. KELA AS EXECUTIVE DIRECTOR OF THE COMPANY

Period of Appointment: 01 -01-2006 to 31-12-2010

Remuneration to be effective from 01st January, 2006 for the above managerial personnel for a period of 5 years, to be revised on the completion of three years or such earlier period as may be approved.

Basic Salary: Rs.70,000/- (Rupees Seventy Thousand Only) per month with an annual increment in the scale of Rs.10,000/-, or such other amount as may be approved by the Board of Directors of the Company from time to time. However, the over all remuneration shall not exceed Rs.1,50,000/- or such amount as may be specified under Schedule XIII to the Act.

Fixed Dearness Allowance: 30% of the Salary amount.

Incentive Bonus / Commission: The appointee will be paid such amount by way of incentive bonus and / or Commission in addition to the salary and perquisites payable calculated with reference to the net profit of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the overall ceilings stipulated under Section 198, 309 of the Act and/or Schedule XIII as may be applicable from time to time.

Perquisites

Category 'A'

- a) **Medical Reimbursement:** 8.33% of the Basic Salary per month towards medical expenses towards self and family.
- b) **Leave Travel Allowance:** Self and family not exceeding one-month salary for every 11 months of service

Explanation: Family means the spouse, dependant children and parents of the appointee.

Category 'B'

The following will not be considered as perquisites:

- i) The contributions to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- ii) Gratuity payable not exceeding half a month's salary for every completed year of service;
- iii) Encashment of leave at the end of the tenure; and
- iv) Provision of car with chauffeur for use on the Company's business and telephone and other communication facility at residence. However, personal, long distance calls and use of car for private purpose shall be billed by the Company.

Other terms and conditions

- i) The appointee will be entitled to one month's leave with full pay and allowance for every eleven-month's service. Such leave may be accumulated in accordance with the Company's rules and practices in force from time to time.
- ii) **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee(s) shall be paid the above remuneration as Minimum Remuneration subject, however to the overall limits as per provisions contained in Schedule XIII to the Companies Act, 1956 or any amendments made hereafter as may be agreed to between the Directors and the appointee(s).
- iii) The remuneration, terms and conditions of the said appointment of the appointee(s) may be varied from time to time subject to the condition of Schedule XIII to the Companies Act, 1956, or any amendment made hereafter as may be agreed to between the Directors and appointee(s).

CORPORATE GOVERNANCE

The provisions of the listing agreement to be entered into with the Stock Exchange with respect to Corporate Governance will be applicable to the Company immediately upon listing of its shares on the Stock Exchanges. The Company is in compliance with such provisions, including with respect to the appointment of Independent Directors to the Board and the constitution of the investor grievances committee. The Company has adopted the Corporate Governance code in accordance with the Clause 49 (as applicable) of the listing agreement to be entered into with the Stock Exchanges prior to listing.

Composition of the Board of Directors

The Composition Board of the Company is in conformity with clause 49 of the listing agreement and comprises 50% Independent Directors.

Audit Committee

The Audit Committee was constituted by of the Board of Directors in its meeting held on 2nd December, 2005. The Audit Committee consists of 3 Independent Directors as detailed below:

Name of Members	Designation
Mr. Navin C. Chokshi	Chairman
Mr. Ramakant B. Jhunjhunwala	Member
Mr. Devi Prasad K. Taparia	Member

The terms of reference of the Audit Committee are as follows:

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,
 - g. Any related party transactions that may have the potential conflict with the interest of the Company.
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.

Remuneration Committee

The Remuneration Committee was constituted by of the Board of Directors in its meeting held on 2nd December, 2005. The Remuneration Committee consists of 3 Independent Directors as detailed below:

Name of Members	Designation
Mr. Deviprasad K. Taparia	Chairman
Mr. Ramakant B. Jhunjhunwala	Member
Mr. Navin C. Chokshi	Member

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

1. Meetings of the Committee shall be held whenever matters pertaining to the remuneration payable including any revision in the remuneration payable to executive / non executive Directors is to be made.
2. To recommend the Board, the remuneration package of the Company's Directors.
3. 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.
4. 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.
5. While recommending the remuneration, the Committee shall take into account financial position of the Company, trend in the Industry, qualification; experience and past performance of the appointee.
6. Specific disclosures on the remuneration of directors shall be made in the section on the Corporate Governance of the annual report.

Share Holders/Investor Grievances Committee

The Shareholders / Investor Grievances Committee was constituted by of the Board of Directors in its meeting held on 2nd December, 2005. The Shareholders / Investor Grievances Committee consists of 3 Independent Directors as detailed below:

Name of Members	Designation
Mr. Vilas R. Shah	Chairman
Mr. Deviprasad K. Taparia	Member
Mr. Ramakant B. Jhunjhunwala	Member

The terms of reference of the Shareholders / Investor Grievances Committee are to look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

Mr. Nitesh K. Jain, Company Secretary of the Company shall act as the Secretary of the above-mentioned committees.

IPO Committee

The IPO Committee has been constituted by of the Board of Directors in its meeting held on 2nd December, 2005 to ensure smooth process of IPO and IPO related activities and the details are as below:

Name of Members	Designation
Mr. Yogesh P. Kela	Chairman
Mr. Navin C. Chokshi	Member
Mr. Kishor N. Kela	Member
Mr. Ramakant B. Jhunjhunwala	Member
Mr. Nitesh K. Jain	Secretary

Policy on Disclosures and Internal Procedures for Prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to the Company immediately upon the listing of its equity shares on the Stock Exchanges. The Company shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 prior to the listing of the equity shares.

Shareholding of the Directors

Sr. No	Name of the Director	No. of Equity Shares Held
1	Mr. Prakash N. Kela	26,19,480
2	Mr. Yogesh P Kela	43,67,236
3	Mr. Umesh P Kela	22,61,237
4	Mr. Kishor N. Kela	13
5	Mr. Yogesh P Kela jointly with Girdharilal Hinduja	13

Interest of Directors

All the non-Executive Directors of Glory Polyfilms Limited may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by Glory Polyfilms Limited with any Company in which they hold Directorships or any partnership firm in which they are partners as may be declared in their respective declarations.

The Managing Director and Whole time Directors of Glory Polyfilms Ltd. is interested to the extent of remuneration paid to them for services rendered as officer or employee of the Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in the Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

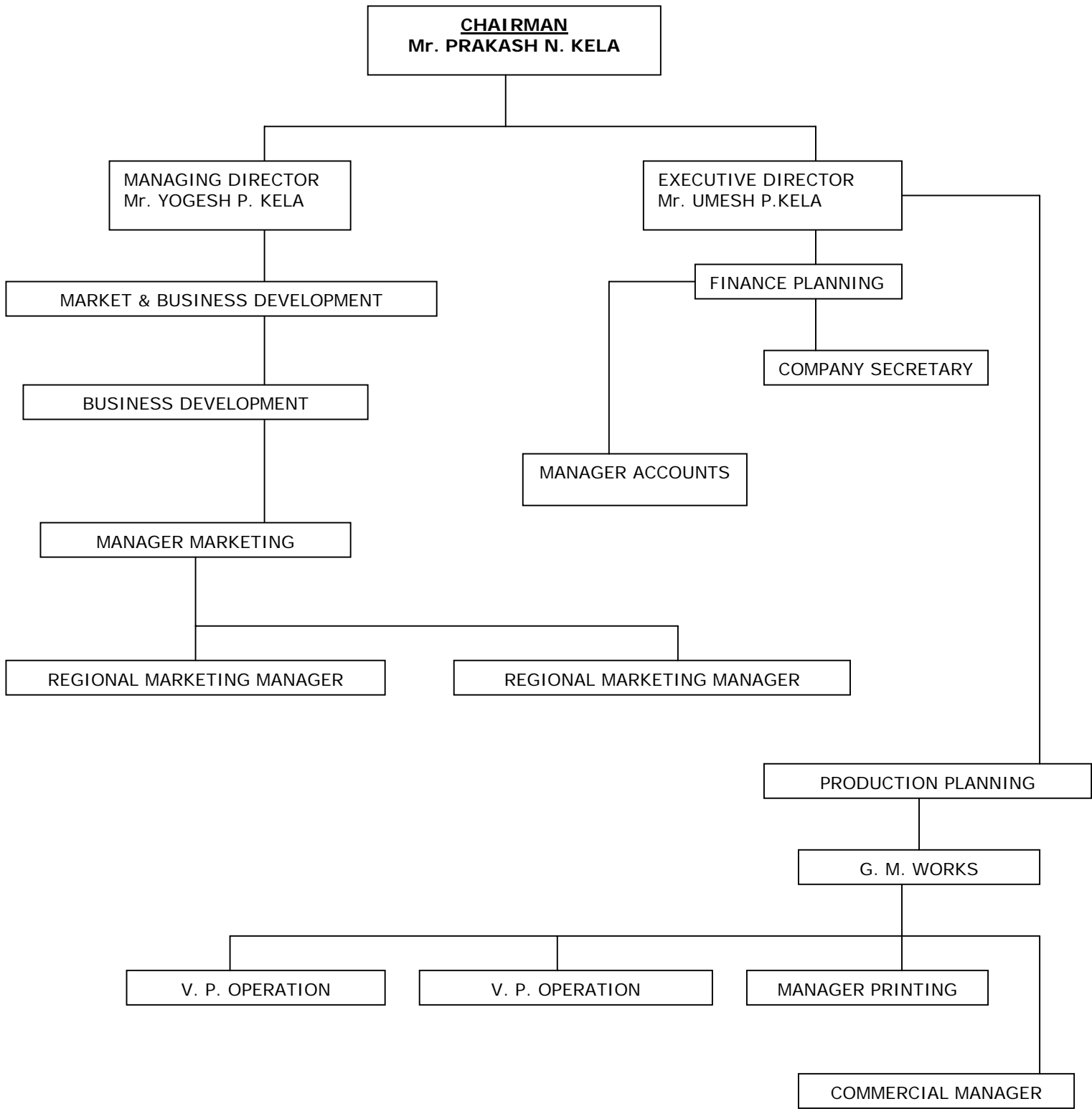
Further, the Company has purchased plot no. 54/2-H, 54/6-A, 54/3-D situated at Village Kadiya, Marvad Village Panchayat, Daman from Mr. Prakash N. Kela, who is the promoter/director of the Company. The date of agreement of sale was 14.02.2005. The total area of the plot is 1080 sq. mt and purchase consideration was Rs. 50 lacs.

Except as stated otherwise in this Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

Changes in Directors during the last three years

Sr. No.	Name of the Director	Appointment/ Resignation	Reasons for change
1.	Mr. Deviprasad K. Taparia	02/12/2005	Appointed as the Additional Director of the Company and Appointed as Director liable to retire by rotation at the Extra Ordinary General Meeting of the members held on 10.12.2005
2.	Mr. Kishor N. Kela	02/12/2005	-Do-
3.	Mr. Navin C. Chokshi	02/12/2005	-Do-
4	Mr. Ramakant B. Jhunjunwala	02/12/2005	-Do-
5	Mr. Vilas R. Shah	02/12/2005	-Do-

ORGANISATION CHART



KEY MANAGERIAL PERSONS

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production, finance, distribution, marketing and corporate laws. The following key management personnel assist the Management:

Name	Designation	Age (Yrs)	Qualification	Total Experience (Yrs)	Date of Joining	Previous Employment
Mr. Ashok V. Parmar	General Manager – Works	48	B.E.Mechanical	26	15.12.97	Mazda Packaging Ltd.
Mr. Sisir Kumar De	Vice President - Operations	39	B.Sc, CIPET	14	15.12.97	Essel Propack Ltd.
Mr. Lalit Shrivastava	Vice President - Operations	39	Bsc & diploma in Plastics & Rubber Technology from Government Polytechnic, Budaun	16	March, 2001	Supreme Industries Ltd.
Mr. Bhavik Bhatt	Commercial Manager	38	M.A	16	15.12.97	National Plastics (P) Ltd.
Mr. Sayyed Asrar	Manager – Printing	37	Diploma in Printing Technology	9	15.12.97	Mazda Packaging Ltd.
Mr. Kumar Buch	Business Development Manager	68	Diploma in Mechanical & Electrical Engineering Approved mfg. & QA Chemist from FDA – Maharashtra Certified Boiler Proficiency Engineer	41	15.12.97	Citric India Ltd.
Mr. Pushpendra Singh	Regional Marketing Manager	32	B.B.A & Diploma in plastic Technology.	10	June, 2000	Hitkari Industries
Mr. Vivek Magji	Manager – Accounts	37	B.Com	9	05.12.98	Snowcem India Ltd.
Mr. Nitesh Kumar Jain	Company Secretary	30	B. Com, A.C.S	5	02.12.05	A.W. Faber Castell India (P) Ltd.

All the above key managerial personnel are permanent employees.

Mr. Ashok V. Parmar, General Manager – Works,

Mr. Ashok V. Parmar, 48 years is a B.E.Mechanical. He has been with the Company since inception and is responsible for the overall production, quality control operations of the Company. He has worked with Mazda Packaging Ltd. He has an overall experience of about 26 years.

Mr. Sisir Kumar De, Vice President - Operations

Mr. Sisir Kumar De, 39 years is a B.S.C – CIPET. He has been with the Company since inception. He is handling the lamination and new developments of laminates. He has worked with Essel Propack. He has an overall experience of about 14 years.

Mr. Lalit Shrivastava, Vice President - Operations

Mr. Lalit Shrivastava, 39 years is a B.S.C and Diploma in Plastics & Rubber Technology. He has been working with the Company since March, 2001. He is handling the production. He has worked with Supreme Industries Limited. He has an overall experience of about 16 years.

Mr. Bhavik Bhatt, Commercial Manager

Mr. Bhavik Bhatt, 38 years is M.A. He has been working with the Company since inception. He is handling matters relating to Excise, Dispatch and Sales Tax. He has worked with National Plastics Pvt. Ltd. He has an overall experience of about 16 years.

Mr. Sayyed Asrar, Manager- Printing

Mr. Sayyed Asrar, 37 years is a Diploma in Printing Technology. He has been working with the Company since inception. He is handling matters relating to Printing. He has worked with Mazda Packaging Ltd. He has an overall experience of about 09 years.

Mr. Kumar Buch, Business Development Manager

Mr. Kumar Buch, 68 years is a Diploma in Mechanical & Electrical Engineering, Approved mfg & QA Chemist from FDSA, Maharashtra, Certified Boiler Proficiency Engineer. He has been working with the Company since inception. He is handling matters relating to Marketing, Development & R & D. He has worked with Citric India Limited. He has an overall experience of about 41 years.

Mr. Pushpendra Singh, Regional Marketing Manager

Mr. Pushpendra Singh, Regional Marketing Manager, 32 years is a B.B.A. & Diploma in Plastic Technology. He has been working with the Company since June 2000. He is handling matters relating to Marketing – Northern Region. He has worked with Hitkari Industries. He has an overall experience of about 10 years.

Mr. Vivek Magji, Manager - Accounts

Mr. Vivek Magji, Manager - Accounts, 37 years is a Commerce Graduate from Pune University. He has been working with the Company since 1998 and is handling matters relating to Banking & Accounts. He has an overall experience of about 09 years. He has worked with Snowcem India Ltd.

Mr. Nitesh Kumar Jain, Company Secretary

Mr. Nitesh Kumar Jain, Company Secretary, 30 years is a Commerce Graduate and an Associate Member of the Institute of Company Secretaries of India. He has been working with the Company since December, 2005 and is handling matters relating to Secretarial and Legal functions. He has an overall experience of about 04 years. He has worked with A.W. Faber Castell (I) Private Limited.

Shareholding of Key Managerial Personnel

None of the key management personnel hold any shares in the Company

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit Sharing Plan for the Key Managerial Personnel. The Company makes bonus payments to the employees based on their performance, which is as per their terms of appointment.

Changes in Key Managerial Personnel

Name	Designation	Date of Appointment	Date of Resignation	Remarks
Mr. Nitesh Kumar Jain	Company Secretary	02/12/2005	-	Appointed
Mr. Anand Jakhotiya	H.O.D - Accounts	02/05/2006	16/08/2006	Resigned
Mrs. Arati Dilip Dhuri	Manager – Accounts	-	06/06/2006	Resigned
Mr. Santosh S. Parab	Manager – Graphics & Design	-	26/06/2006	Resigned

Family relation with Key Managerial Personnel (KMP)

There exists no family relation between the promoters/directors and the key managerial personnel.

Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme


The Company has not issued any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.


Payment or Benefit to Officers of the Company


Except the payment of salaries and perquisites, the Company makes ex-gratia payments to its officers as per the terms of appointment.

PROMOTERS

Mr. Prakash N. Kela, Mr. Yogesh P. Kela and Mr. Umesh P. Kela are the promoters of the Company.

	Designation	Executive Chairman
	Residential Address	401, Dev Pooja Apartments, North Avenue Road, Santacruz (w), Mumbai - 400 054
	PAN	AABPK5343D
	Voter ID	Not available
	Passport No.	B2162015
	Driving License no.	Not available
	Bank Account No.	003801503212
Prakash N. Kela	Bank Branch	ICICI Bank, Bandra (W)

	Designation	Managing Director
	Residential Address	401, Dev Pooja Apartments, North Avenue Road, Santacruz (w), Mumbai - 400 054
	PAN	AABPK 5633 N
	Voter ID	Not available
	Passport No.	E 2540750
	Driving License no.	22886/95
	Bank Account No.	003801503213
Yogesh P. Kela	Bank Branch	ICICI Bank, Bandra (W)
	Designation	Managing Director

	Designation	Executive Director
	Residential Address	401, Dev Pooja Apartments, North Avenue Road, Santacruz (w), Mumbai - 400 054
	PAN	AFYPK 7898 F
	Voter ID	Not available
	Passport No.	E 2429005
	Driving License no.	22885/95
	Bank Account No.	003801503214
Umesh P. Kela	Bank Branch	ICICI Bank, Bandra (W)

The Company confirms that the Permanent Account Number, Bank Account number, and Passport number, of the above Promoters, as applicable, has been submitted to the BSE and NSE at the time of filing of draft prospectus with them.

Common Pursuits

The Promoters, Mr. Prakash N. Kela, Mr. Yogesh P. Kela and Mr. Umesh P. Kela, are having interest in the following ventures:

Name of the Venture	Common Products	Name of the Promoter(s) & Their Interest
Immense Packaging	Printing of films for liquid milk packaging to be supplied to the Government, Semi Government & Co operative milk dairies	Mr. Umesh P. Kela [Proprietor]
Trishul Industries	Manufacturing films for liquid milk to be supplied to the Government, Semi Government & Co operative milk dairies	PN Kela HUF [Proprietor]
Tristar Industries	Manufacturing films for liquid milk to be supplied to the Government, Semi Government & Co operative milk dairies	Mr. Yogesh P. Kela [Proprietor]

The three proprietorship ventures promoted by the promoters are SSI units registered with Directorate of Industries. Registered SSI units get preference for supplying films for liquid milk packaging purchased by the Government, Semi Government & Co operative milk dairies. The Company is not a SSI registered unit. The above ventures only supply to Government, Semi Government & Co operative milk dairies.

Interest of the Promoters

The Company is promoted by Mr. Prakash N. Kela, Mr. Yogesh P. Kela and Mr. Umesh P. Kela. In addition to the "Related Party Transactions" beginning on page 98 of this Prospectus, all the promoters are interested to the extent of equity shares held by them and also to the extent of any dividend payable thereon. Further, all the Promoters are also directors of the Company and may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The Company's existing Executive Chairman, Managing Director and Executive Director, who are also the Promoters, may be interested to the extent of remuneration payable to them, if any, for services rendered to the Company.

The Company has purchased Factory Land & Building situated at Survey No. 54/2-H, 54/6-A and 54/3-D at Daman Industrial Estate, Village Kadiya, Daman from Mr. Prakash N. Kela, one of the Promoters, for consideration of Rs. 50.00 Lacs vide agreement dated 14th February 2005.

The registered office situated at 201, "Vintage Pearl" A – Wing, 29th Road, Bandra (W), Mumbai – 400 050 admeasuring 900 sq. ft. (carpet) was purchased from Mr. Umesh P. Kela, one of the promoters, for consideration of Rs. 67.04 Lacs vide agreement dated 21st November 1999.

Except as stated hereinabove and otherwise stated in this Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

The Company has not granted any Employee Stock Option Scheme and Employee Stock Purchase Scheme to its employees.

Payment or Benefit to the Promoters

Except as stated hereinabove and otherwise stated in this Prospectus, the Company has not paid any amount to the promoters.

RELATED PARTY TRANSACTIONS

DETAILS OF RELATED PARTIES - AS PER AS 18

Nature of relationship	Name of related party	Remarks	
Enterprises in which the Key Management Persons have total control	M/s P N Kela (HUF)	Karta - Mr Prakash N Kela	
	M/s Trishul Industries	Proprietor – M/s P N Kela (HUF)	
	M/s Immense Packaging	Proprietor - Mr Umesh P Kela	
	M/s Tristar Industries	Proprietor – Mr Yogesh P Kela	
Key Management Personnel	Mr Prakash N Kela	Executive Chairman	
	Mr Yogesh P Kela	Managing Director	
	Mr Umesh P Kela	Executive Director	
Relatives of Key Management Personnel:	Name of Key Management Person Mr Prakash N Kela	Name of Relative Mrs Lata P Kela	Relationship Wife
		Mr Yogesh P Kela	Son
		Mrs Abhilasha Kela	Son's Wife
		Mr Umesh P Kela	Son
		Mrs Pragya Kela	Son's Wife
	Mr Yogesh P Kela	Mr Prakash N Kela	Father
		Mrs Lata P Kela	Mother
		Mrs Abhilasha Kela	Wife
		Mr Umesh P Kela	Brother
		Mrs Pragya Kela	Brother's Wife
	Mr Umesh P Kela	Mr Prakash N Kela	Father
		Mrs Lata P Kela	Mother
		Mr Yogesh P Kela	Brother
		Mrs Abhilasha Kela	Brother's Wife
		Mrs Pragya Kela	Wife

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

(Rs. in lacs)

SI No	Category	Nature Of Services	Amount For The Year/Period Ended			
			31.03.04	31.03.05	31.03.06	31.12.06
1	Key Management Personnel					
	Remuneration to Director	Mr Yogesh P Kela	Nil	Nil	Nil	5.40
		Mr Umesh P Kela	Nil	Nil	Nil	5.35
2	Enterprises Belonging to Key Management Personnel					
	Sale of Goods	M/s Trishul Industries	53.42	218.74	240.55	71.13
		M/s Immense Packaging	444.80	1108.72	1207.66	1128.29
		M/s Tristar Industries	35.55	229.43	257.02	Nil
	Purchases	M/s Trishul Industries	Nil	Nil	6.98	Nil
		M/s Immense Packaging	Nil	Nil	Nil	Nil
		M/s Tristar Industries	11.53	Nil	Nil	9.97
	Job Work Charges Received	M/s Trishul Industries	3.73	14.22	10.13	Nil
	Job Work Charges Paid	M/s Tristar Industries	35.97	46.81	42.82	Nil
	Purchase of Fixed Assets	M/s P N Kela (HUF)	Nil	50.00	Nil	Nil

BALANCES OUTSTANDING WITH RELATED PARTIES

(Rs. in lacs)

Nature of Outstanding	Category	Name of The Party	Amount Outstanding as on			
			31.03.04	31.03.05	31.03.06	31.12.06
Unsecured Loans	Key Management Personnel	Mr Prakash N Kela	Nil	Nil	46.92	Nil
		Mr Yogesh P Kela	8.60	16.82	Nil	Nil
	Enterprises Belonging to Key Management Personnel	M/s P N Kela (HUF)	31.06	3.20	Nil	63.20
		M/s Trishul Industries	25.00	Nil	Nil	Nil
		M/s Tristar Industries	55.00	Nil	Nil	Nil
Creditors for Goods	Enterprises Belonging to Key Management Personnel	M/s Tristar Industries	4.06	Nil	Nil	Nil
Sundry Debtors	Enterprises Belonging to Key Management Personnel	M/s Trishul Industries	Nil	236.58	240.55	Nil
		M/s Immense Packaging	104.92	396.66	579.97	604.34
		M/s Tristar Industries	Nil	125.45	219.31	Nil
Loans and Advances	Relatives of Key Management Personnel	Mrs Lata P Kela	5.30	Nil	Nil	Nil

DIVIDEND POLICY

The Articles of Association of the Company provide for payment of dividend. The Company has dividend policy for dividend payment as per the Articles of Association of the Company. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders, at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial requirements.

The Company has not declared or paid any dividend on equity shares since inception. The dividend policy of the past is not necessarily indicative of the dividend policy or dividend amounts, if any, in future.

PART II

FINANCIAL INFORMATION

The Board of Directors

Glory Polyfilms Ltd.
(Formerly Glory Polyfilms Private Ltd.)
201, Vintage Pearl,
29th Road, Bandra (West),
Mumbai – 400 050

Re: Initial Public Offering of Glory Polyfilms Ltd.

Auditors' Report as required by Part II of Schedule II to the Companies Act, 1956

Dear Sirs,

We have examined the financial information of Glory Polyfilms Ltd. ("The Company") annexed to this report which have been prepared in accordance with the requirement of:

- Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ("the Act");
- The Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000 ("The Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January, 2000 in pursuance of Section 11 of Securities Exchange Board of India, Act, 1992; and
- The terms of reference from the Company requesting us to carry out work, proposed to be included in the offer document of the Company in connection with the proposed Initial Public Offer ("IPO").

Financial information as per audited financial statements:

1. We have examined the attached restated summary of assets and liabilities of the Company as at 31st March 2002, 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 and 31st December 2006 and the attached restated summary statement of profit and loss for each of the years/period ended on those dates ("Summary Statements") (See **Annexure I and II**) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion is appropriate. These summary statements have been extracted from the financial statements for these years duly audited by the statutory auditors and adopted by the Board of Directors/ members for the respective years. Based on our examination of these summary statements, we confirm that:
 - a. The impact of changes in accounting policies adopted by the company as at and for the period ended 31st December 2006 have been adjusted with retrospective effect in the attached summary statements.
 - b. The extraordinary items, which need to be disclosed separately in the summary statements, are approximately disclosed; and
 - c. There are no qualifications in the auditors' report, which require any adjustments in the summary statements.
2. The Summary of Significant accounting policies adopted by the company together with the notes pertaining to the audited financial statements as at and for the period ended December 31, 2006 is enclosed as **Annexure III** to this report.

Other Financial Information

3. We have examined the following unconsolidated financial information of the company proposed to be included in the offer document as approved by the Board and annexed to this report.
 - a. Restated statement of Cash Flows in enclosed as **Annexure IV**.
 - b. Accounting ratio based on the restated profits relating to earning per share, net asset value and return on net worth is enclosed in **Annexure V**.

- c. Capitalisation statement as at 31st December 2006 is enclosed in **Annexure VI**.
 - d. Statement of tax shelters is enclosed in **Annexure VII**.
4. In our view, the “financial information as per audited financial statements” and “other financial information” mentioned above have been prepared in accordance with Part II of schedule II of the Act.

This report is intended solely by your information and for the inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

B. S. Pandit
Chartered Accountant
M. No. 8235

Place: Mumbai
Date: 28th February, 2007

ANNEXURE I
STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lacs)

Particulars	As at					
	31-03-02	31-03-03	31-03-04	31-03-05	31-03-06	31-12-06
Fixed Assets:						
Gross Block	1,159.64	1,185.23	1,563.84	2,490.64	2,794.77	3,150.91
Less: Accumulated Depreciation	190.51	283.91	383.15	504.36	681.67	783.95
Net Block	969.13	901.32	1,180.69	1,986.28	2,113.10	2,366.96
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	969.13	901.32	1,180.69	1,986.28	2,113.10	2,366.96
Investments	6.26	6.26	6.26	6.26	6.26	6.26
Current Assets, Loans and Advances:						
Inventories	284.91	333.85	546.73	943.2	1451.28	1,761.79
Sundry Debtors	330.39	294.03	425.11	1,135.16	1,406.59	1,314.05
Cash and Bank Balances	56.12	26.10	65.56	109.95	111.13	207.78
Loans and Advances	69.54	127.77	147.48	158.63	266.80	332.84
Sub Total	740.96	781.75	1,184.88	2,346.94	3,235.80	3,616.46
Liabilities and Provisions						
Secured Loans	926.51	856.50	1,262.35	2,306.23	2,706.74	2,683.82
Unsecured Loans	72.19	125.58	253.29	119.29	126.63	500.65
Current Liabilities and Provisions (including deferred tax liability)	243.11	241.69	354.31	942.52	1211.13	1,244.95
Total	1,241.81	1,223.77	1,869.95	3,368.04	4044.50	4,429.41
Net worth	474.54	465.56	501.88	971.44	1310.66	1,560.27
Represented by						
1. Share capital	350.00	350.00	350.00	700.00	924.81	924.81
2. Reserves	124.64	168.76	151.94	271.48	402.15	669.04
Less: Revaluation Reserve	-	-	-	-	-	-
Less: Deferred Tax Liability for earlier Years	-	53.12	-	-	-	-
Reserves (net of revaluation reserves)	124.64	115.64	151.94	271.48	402.15	669.04
Less: Miscellaneous Expenses	0.10	0.08	0.06	0.04	16.30	33.58
Net worth	474.54	465.56	501.88	971.44	1,310.66	1,560.27

ANNEXURE II
STATEMENT OF PROFITS AND LOSSES

(Rs. in lacs)

Particulars	For the Year/Period ended					
	31-03-02	31-03-03	31-03-04	31-03-05	31-03-06	31-12-06
Income						
Sale of Manufactured Goods (Net of Excise Duty)	1,212.78	1,258.62	1,819.81	3,180.66	3,529.72	2,701.44
Job Work Income	43.35	46.86	34.53	58.25	61.92	56.15
Other income	1.89	3.87	2.35	5.65	27.49	6.34
Increase / (Decrease) in Inventories	1.01	126.59	40.67	415.82	298.47	204.21
Total Income	1,259.03	1,435.94	1,897.36	3,660.38	3,917.60	2,968.14
Expenditure						
Raw Materials consumed	824.81	952.75	1,330.60	2,810.92	2,757.77	2,192.62
Staff Cost	19.97	25.93	25.59	26.70	23.97	35.25
Manufacturing Expenses	64.93	75.94	114.72	142.82	176.10	87.46
Administration Expenses	25.60	29.39	33.28	55.91	48.32	49.93
Selling and Distribution Expenses	40.62	44.00	56.82	87.65	96.89	85.18
Depreciation	91.28	93.4	99.25	121.20	177.31	102.28
Interest & Financial Charges	152.63	141.58	167.47	255.94	217.31	112.14
Preliminary Expenses w/o	0.02	0.02	0.02	0.02	0.04	-
Total Expenditure	1,219.86	1,363.01	1,827.75	3,501.16	3,497.71	2,664.86
Net Profit Before Tax, Extra ordinary Items and Prior Period Adjustments	39.17	72.93	69.62	159.22	419.89	303.28
Prior Period Adjustments	2.18	(2.25)	(0.07)	1.11	-	(2.47)
Current Tax	3.10	5.30	5.35	12.57	35.33	33.75
Deferred Tax	-	21.26	27.90	28.22	117.76	-
Fringe Benefit Tax	-	-	-	-	0.21	0.17
Net Profit After Tax before Extraordinary Items	38.25	44.12	36.30	119.53	266.59	266.90
Net Profit after Extraordinary Items	38.25	44.12	36.30	119.53	266.59	266.90

ANNEXURE III

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2006

SIGNIFICANT ACCOUNTING POLICIES:

(1) AS- 1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

All incomes, revenue expenses, assets and liabilities having a material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

(2) AS- 10 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) AS- 13 INVESTMENTS:

Investments are carried at cost.

(4) AS- 6 DEPRECIATION:

Depreciation on all the fixed assets has been provided at the rates prescribed for "Straight Line Method" in Schedule XIV of Companies Act, 1956.

(5) SALES:

Sales are accounted at net of excise duty, sales tax, trade discount, fluctuation etc. Excise duty and sales tax are accounted for separately as liability.

(6) DIVIDEND INCOME:

Dividend receivable on investments is accounted on receipt basis.

(7) AS- 2 INVENTORIES:

- Stock of raw material, packing material and consumables are valued at cost or net realizable value, whichever is lower;
- Work-in-Progress is valued at cost; and
- Stocks of finished good and saleable scrape are valued at cost.

The Company accounts for excise duty liability at the time of clearance of the goods from the factory premises

(8) PURCHASE:

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

(9) AS-15 GRATUITY:

Provision for gratuity has not been made on the basis of actual valuation. The same will be accounted in the year of resignation / termination of services of the employees concerned.

(10) BONUS / EX-GRATIA PAYABLE TO EMPLOYEES:

Bonus / Ex-Gratia payable to employees is accounted for on cash basis.

(11) AS-20 EARNING PER SHARE:

The Company reports its Earnings per Share (EPS) in accordance with AS – 20 issued by the Institute of Chartered Accountants of India. The EPS has been computed by dividing the Profit available to the Equity Shareholders by the weighted number of Equity Shares outstanding during the Accounting period.

(12) AS-22 DEFERRED TAXATION

The Company is carrying on the business of integrated manufacturing system for laminated films as well as multilayer films. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income that originate in one period and are capable of reversal in one or more subsequent periods as per the relevant Accounting Standard issued by the Institute of Chartered Accountants of India.

NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

II: Other Notes

Number of Employees in respect of remuneration of Rs. 24,00,000/- P.A. or more if employed throughout the financial year (or Rs. 2,00,000/- if employed for the part of the period) is nil.

In the opinion of the Board of Directors all the Current assets, Loans and Advances have a value on a realization basis in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

In the absence of information, total outstanding dues of small-scale industrial undertaking including names of the party to whom the company owes a sum exceeding Rs. 1.00 thousand, which is due for more than 30 days has not been disclosed.

During the year ended 31st March 2006, the Company has written off Rs.0.04 Lacs unamortized part of Miscellaneous Expenditure to the Profit and Loss Account in accordance with the Accounting Standard - 26 on "Intangible Assets" issued by Institute of Chartered Accountants of India. However, no such amount has been written off during the period ended 31st December 2006.

Contingent Liabilities:

(Rs. Lacs)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Bank Guarantee	Nil	Nil	Nil	9.66	5.00	8.75
Letter of Credit	180.00	298.50	401.15	403.80	477.92	479.20
Contract remaining to be executed on capital account not provided for.	3.64	324.63	16.92	53.85	125.00	1852.25
Total	183.64	623.13	418.07	467.31	607.92	2,340.20

Managerial remuneration under Section 198 of the Companies Act, 1956:

(Rs. Lacs)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Basic Salary	Nil	Nil	Nil	Nil	Nil	10.75
HRA	Nil	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	10.75

Auditors' Remuneration:

(Rs.)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Statutory Audit Fees	15,000	15,000	15,000	15,000	15,000	Nil
Tax Audit	10,000	10,000	10,000	10,000	10,000	Nil
Service Tax on above	1,250	2,000	2,400	3,060	3,060	Nil
Fees for Other Services	0	7,500	5,000	5,000	19,440	Nil
Total	26,250	34,500	32,400	33,060	47,500	NIL

Value of Import on C.I.F Basis

(Rs. Lacs)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
a) Raw Material	236.57	408.34	563.57	509.22	776.31	768.36
b) Stores & Spares	Nil	Nil	Nil	Nil	Nil	Nil
c) Plants & Machinery	11.53	Nil	Nil	181.71	4.32	Nil

Expenditure in Foreign Currency:

(Rs. Lacs)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Foreign Travelling Expenses	2.21	0.71	-	-	-	-
Raw Materials, Machine, Spares	248.10	408.34	563.57	690.93	780.63	768.36
Interest on FCNR - B Loan	-	-	-	-	42.70	-
Total	250.31	409.05	563.57	690.93	823.33	768.36

Earning in Foreign Currency

(Rs. Lacs)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Earning in Foreign Currency	Nil	Nil	Nil	Nil	Nil	Nil

Additional information required by Paragraph 3 and 4 of Part II of Schedule VI to the Companies Act, 1956.

i) Quantitative Details of Installed Capacity, Production & Sales of Finished goods (Plastic films, Plastic Bags)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Production (Qty in kg)	13,11,857	16,63,575	26,49,357	38,24,808	46,76,922	2,956,172
Sales (Qty In kg)	13,04,128	16,50,210	26,61,872	43,41,987	46,02,046	2,994,177

Raw Material Consumed (Quantity):

Particulars	Unit	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Granules	Kg	1238619	1583776	2494754	4245149	44,54,636	28,87,792
Printing Inks	Kg	20926	29344	57099	65940	73,332	66,287
Printing Chemical	Kg	29010	49615	82769	116790	1,24,430	124,495
Plastic Films	Kg	39238	23352	21782	695	8,532	68,379

Proportion of Imported & Indigenous Material:

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Imported	43%	50%	36%	20%	20%	37%
Indigenous	57%	50%	64%	80%	80%	63%
Indigenous (Value in Rs. In Lacs)	463.46	463.27	844.10	2,232.20	3,405.26	1,396.23

RELATED PARTIES DISCLOSURES

DETAILS OF RELATED PARTIES - AS PER AS 18

Nature of relationship	Name of related party	Remarks	
Enterprises in which the Key Management Persons have total control	M/s P N Kela (HUF)	Karta - Mr Prakash N Kela	
	M/s Trishul Industries	Proprietor – M/s P N Kela (HUF)	
	M/s Immense Packaging	Proprietor - Mr Umesh P Kela	
	M/s Tristar Industries	Proprietor – Mr Yogesh P Kela	
Key Management Personnel	Mr Prakash N Kela	Executive Chairman	
	Mr Yogesh P Kela	Managing Director	
	Mr Umesh P Kela	Executive Director	
Relatives of Key Management Personnel:	Name of Key Management Person	Name of Relative	Relationship
	Mr Prakash N Kela	Mrs Lata P Kela	Wife
		Mr Yogesh P Kela	Son
		Mrs Abhilasha Kela	Son's Wife
		Mr Umesh P Kela	Son
		Mrs Pragya Kela	Son's Wife
	Mr Yogesh P Kela	Mr Prakash N Kela	Father
		Mrs Lata P Kela	Mother
		Mrs Abhilasha Kela	Wife
		Mr Umesh P Kela	Brother
		Mrs Pragya Kela	Brother's Wife
	Mr Umesh P Kela	Mr Prakash N Kela	Father
		Mrs Lata P Kela	Mother
		Mr Yogesh P Kela	Brother
		Mrs Abhilasha Kela	Brother's Wife
		Mrs Pragya Kela	Wife

Related Party Transactions for period ended on 31st December 2006

(Rs. in lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Transactions			
Sales			1199.42
Salary	10.75		
Purchase of Raw Material			9.97
Repayment of Loan	46.92	63.20	
Interest Paid			
Loans & Advances Given			
Loan received back			
Outstanding:			
Debtors			604.34

Related Party Transaction for year ended as on 31st March 2006

(Rs. in lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by key Management Personnel and Relatives
Transactions			
Sales			1705.23
Job Work Charges Received			10.13
Job Work Charges Paid			42.82
Purchase of Raw Material			6.98
Unsecured Loan Received	55.10	60.00	
Repayment of Loan	25.00		
Outstanding			
Debtors			1039.84
Unsecured Loans	46.92	63.20	

Related Party Transaction for year ended as on 31st March 2005

(Rs. Lacs)

Particulars	Key Management Personnel	Relative of Key Management Personnel	Enterprises Significantly influenced by key Management Personnel and Relatives
Transactions			
Sales			1,556.89
Job Work Charges Received'			14.22
Job Work Charges Paid			46.81
Purchase of Fixed Assets		50.00	
Unsecured Loan Received	178.44	13.36	
Repayment of Loan	170.23	36.69	80.00
Loan received back		0.78	
Outstanding:			
Debtors			758.70
Unsecured Loans	16.82	3.20	

Related Party Transaction for year ended as on 31st March 2004

(Rs. Lacs)

Particulars	Key Management Personnel	Relative of Key Management Personnel	Enterprises Significantly influenced by key Management Personnel and Relatives
Transactions			
Sales			533.78
Job Work Charges Received			3.73
Job Work Charges Paid			35.97
Purchase of Raw Material			11.53
Unsecured Loan Received		33.40	80.00
Repayment of Loan	21.87	3.67	
Loans & Advances Given		3.66	
Outstanding			
Debtors			104.92
Creditors			4.06
Unsecured Loans	8.60	31.06	80.00
Loans & Advances		5.30	-

Sundry Debtors

(Debts considered good for which the Company holds no security other than Debtor's Personal Security)

(Rs. in lacs)

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
1. Outstanding for More than Six Months	22.28	22.28	22.28	23.53	21.24	21.24
a) Due from Promoters/Promoter Group / Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
b) Others	22.28	22.28	22.28	23.53	21.24	21.24
2. Outstanding for Less than Six Months	308.11	271.75	402.83	1111.63	1385.35	1,292.81
a) Due from Promoters/ Promoter Group/Group Companies	31.06	54.97	113.52	758.70	1039.84	604.34
b) Others	277.05	216.78	289.31	352.93	345.51	688.47
Total	330.39	294.03	425.11	1135.16	1406.59	1,314.05

Details of Outstanding Debtors from Promoters/ Promoter Group/Group Companies as on 31.12.2006 is as follows:

(Rs. in Lacs)

Name of the Debtor	31.12.2006	31.03.2006
Immense Packaging	604.34	579.97
Trishul Industries	-	240.56
Tristar Industries	-	219.31
Total	604.34	1039.84

Secured Loan:
8. 1. Fund Based Limit - Term Loan

(Rs. in Lacs)

Name of the Bank	Nature of Loan	Loan Sanctioned	Loan o/s as on 31.12.06	Rate of Interest	Repayment Schedule
SBI, Mumbai	Term Loan	1,155.00	855.20	14.75%	1) 1 st Year = 15.00 2 nd Year = 60.00 3 rd Year = 120.00 4 th Year = 180.00 5 th Year = 240.00 6 th Year = 100.00 7 th Year = 15.00 Total = 730.00 2) 1 st Year = 51.49 2 nd Year = 58.06 3 rd Year = 65.46 4 th Year = 10.91 5 th Year = 4.07 Total = 190.00 3) 4 instalments of Rs.15 lacs, each, 8 instalments of Rs.20 lacs, each and 1 instalment of Rs.15 lacs.
IOB, Mumbai	Term Loan	720.00	544.69	14.75%	1) 3 instalments of Rs.10.00 lacs, 4 instalments of Rs.14.50 lacs, 12 instalments of Rs.18.50 lacs and 1 instalment of Rs.5.00 lacs each. Total = 315.00 2) 1 st Year = 49.92 2 nd Year = 63.96 3 rd Year = 74.04 4 th Year = 74.04 5 th Year = 74.04 6 th Year = 0.69 Total 405.00
HDFC Bank	Vehicle Loan	27.36	18.36	9.25%	36 EMI of Rs. 0.39 lacs upto 7/9/08 and 36 EMI of Rs. 0.48 lacs upto 07/01/09
Kotak Mahindra Prime Ltd	Vehicle Loan	3.44	3.44	12.90%	35 EMI of Rs. 0.12 lacs upto 15/11/09

Collateral Security & Personal Guarantee:

- Term Loans from SBI - First charge on pari passu basis with IOB on entire Fixed Assets viz., Land & Building, Plant & Machinery, etc, of the Company, present and future of the Company's factory at Daman Industrial Estate, Daman & personal guarantees of the following directors - Mr. U. P. Kela, Mr. Y.P. Kela & Mr. P. N Kela.
- Term Loans from IOB – The limit is collaterally secured by residual charge on the entire Fixed Assets of the Company & personal guarantees of the following directors - Mr. U. P. Kela, Mr. Y.P. Kela & Mr. P. N Kela.
- Vehicle Loan are secured by hypothecation of Vehicles and & personal guarantees of the following directors - Mr. U. P. Kela, Mr. Y.P. Kela & Mr. P. N Kela.

2. Fund Based Limit - Working Capital Limits

(Rs. in Lacs)

Name of the Bank	Nature of Loan	Loan Sanctioned	Loan Outstanding as on 31.12.2006	Rate of Interest p.a.	Repayment Schedule	Security Offered
SBI, Mumbai	Cash-Credit	800.00	797.22	14.00%	On Demand	Stock & Receivable
IOB, Mumbai	Cash-Credit	360.00	354.92	14.00%	On Demand	Stock & Receivable

Collateral Security & Personal Guarantee:

1. Cash Credit facility from SBI – Primary security being hypothecation of stocks and receivables on pari passu basis with IOB. Collateral security being second charge on entire fixed assets, viz., land, building, plant & machinery, etc. of the Company, present and future at the Company's factory at Daman Industrial Estate, Daman & personal guarantees of the following directors - Mr. U. P. Kela, Mr. Y.P. Kela & Mr. P. N Kela.

2. Cash Credit facility from IOB – Primary security being first charge being on Raw Materials, Work in Process, Finished Goods, Stores & Spares and Receivables on pari passu basis with State Bank of India.

3. Non – Fund Based Limits

(Rs. in Lacs)

Name of the Bank	Nature of Loan	Loan Sanctioned	Limit Utilised as on 31/12/2006	Security Offered
SBI, Mumbai	Letter of Credit	400.00	299.74	"Note as stated below"
SBI, Mumbai	Bank Guarantee	30.00	0.00	"Note as stated below"
IOB, Mumbai	Letter of Credit	180.00	179.46	Documents of Title to Goods & accepted bills of exchange and charge on merchandise
IOB, Mumbai	Bank Guarantee	15.00	8.75	Counter guarantee from the Company

Note:

Primary security being hypothecation of stocks and receivables on pari passu basis with IOB and 20% cash margin in form of Term Deposits with Bank. Collateral security being second charge on entire fixed assets, viz., land, building, plant & machinery, etc. of the Company, present and future at the Company's factory at Daman Industrial Estate, Daman. and personal guarantees of the following directors - Mr. U. P. Kela, Mr. Y.P. Kela & Mr. P. N Kela.

4. Bridge Loan

Name of the Bank	Nature of Loan	Loan Sanctioned	Loan o/s as on 31.12.06	Rate of Interest	Repayment Schedule
IOB, Mumbai	Bridge loan to meet the cost of IPO	200.00	110.00	15.00% p.a. as at present at monthly rests	Repayable in one shot from the proceeds of IPO within six months or finalisation of IPO

Closing Balance of Unsecured Loans

(Rs. Lacs)

Particulars	As at 31 st March					31.12.2006
	2002	2003	2004	2005	2006	
From Promoters, Directors & Shareholders#	27.00	112.10	231.59	118.55	126.63	0.00
From other than Promoters, Directors & Shareholders	45.19	13.48	21.7.0	0.74	-	500.65
Rate of Interest on Loans from other than Promoters, Directors & Shareholders	14%	14%	14%	14%	14%	9.50%
Repayment	On demand	On demand	On demand	On demand	On demand	On demand
Risk Factors	They can be recalled at any time by the lenders					

No interest is paid/payable on unsecured Loans from Promoters, Directors & Shareholders.

Details of Investment:

(Rs)

Particulars	Qty.	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Long Term - Unquoted							
Equity Shares of:							
Nasik People's Coop Bank	50	500	500	500	500	500	500
Godavari Urban Coop Bank	100	1,000	1,000	1,000	1,000	1,000	1,000
Janlaxmi Coop Bank	62400	624,000	624,000	624,000	624,000	624,000	624,000
NRDV Bank	30	300	300	300	300	300	300
Total		625,800	625,800	625,800	625,800	625,800	625,800

Details of Other Income

(Rs. In Lacs)

Particulars	2002	2003	2004	2005	2006	31.12.06	Nature of Income
Interest Income	0.95	3.02	2.35	5.28	7.56	5.49	Recurring
Duty Drawback recd				-	0.58	-	Recurring
Dividend received	0.94			-	-	-	Non Recurring
Interest on IT Refund		0.80		0.00	-	-	Non Recurring
Insurance claims				0.37	19.33	0.73	Non Recurring
Misc. Income		0.05		-	0.02	0.12	Non Recurring
Total	1.89	3.87	2.35	5.65	27.49	6.34	

There is no provision for Gratuity, Leave Encashment and Bonus. The same will be accounted on Cash Basis.

During the year, there was loss of stock due to floods at factory amounting to Rs. 18.48 lacs for which the company has received the full insurance claim.

Previous year's figures are regrouped/ rearranged wherever necessary

ANNEXURE IV
STATEMENT OF CASH FLOWS

(Rs. in lacs)

Particulars	For the Year ended 31 st March					Dec
	2002	2003	2004	2005	2006	2006
1. Cash Flow From Operating Activities						
Net Profit Before Tax after Extraordinary Items	41.35	70.68	69.55	160.33	419.89	303.28
Adjustment for:						-
1) Depreciation	91.28	93.40	99.25	121.20	177.31	102.28
2) Preliminary Expenses W/off	0.02	0.02	0.02	0.02	0.04	-
3) Dividend Income	(0.94)	-	-	-	-	-
4) Interest Income	(0.95)	(3.82)	(2.35)	(5.28)	(7.56)	(5.49)
5) Interest Expenses	152.63	141.58	167.47	255.94	217.31	112.14
Cash Flows from operations before working capital changes	283.39	301.86	333.94	532.21	806.99	512.21
Adjustment for Working Capital Changes						-
(Increase) / Decrease in Trade & Other Receivables	80.16	0.55	(165.26)	(722.81)	(274.99)	(30.32)
(Increase) / Decrease in Inventories	(6.16)	(48.94)	(212.88)	(396.47)	(508.08)	(310.51)
Increase / (Decrease) in Trade & Other Payable	30.97	(78.00)	84.81	552.77	128.02	114.30
Cash generated from operations	388.36	175.47	40.61	(34.30)	157.79	285.68
Less: Taxes Paid	1.01	(1.50)	5.41	9.55	13.80	41.58
Net Cash Flow from Operating Activities (A)	387.35	176.97	35.34	(43.85)	143.99	244.10
2. Cash Flow from Investing Activities						-
Purchase of Fixed assets/ Capital Expenditure	36.22	25.59	378.61	926.80	309.33	(356.14)
Dividend Received	(0.94)	-	-	-	-	-
Interest Income	(0.95)	(3.82)	(2.35)	(5.28)	(7.56)	5.50
Sale of Fixed Assets					(5.20)	-
Advances on capital Account	4.66	27.02	(14.29)	(5.82)	79.92	3.25
Net Cash used for Investment Activities (B)	38.99	48.79	361.97	915.70	376.49	(347.40)
3. Cash Flow from Financing Activities						-
Secured Term Loan (Net)	(37.21)	(70.01)	405.85	1,043.88	400.51	(18.17)
Issue of Equity Shares	-	-	-	350.00	88.89	-
Unsecured Loans Taken (Net)	(134.87)	53.39	127.71	(134.00)	7.34	369.25
Interest Expenses	(152.63)	(141.58)	(167.47)	(255.94)	(217.31)	(112.14)
Advances against IPO Expenses	-	-	-	-	(35.32)	21.72
Deferred IPO Expenses	-	-	-	-	(16.30)	17.28
Net Cash used in Financing Activities (C)	(324.71)	(158.20)	366.09	1,003.94	227.81	199.94
Net Increase/ (Decrease) in cash & Cash Equivalents (A+B+C)	23.64	(30.02)	39.46	44.39	1.19	96.64
Cash & Cash Equivalent at the beginning of the year	32.49	56.12	26.10	65.56	109.95	111.14
Cash & Cash Equivalent at the close of the year	56.12	26.10	65.56	109.95	111.14	207.78

ANNEXURE V

Accounting Ratios

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	31.12.06
Earning per Share (EPS) (Rs.)	1.09	1.26	1.04	3.32	3.64	3.85*
Net Asset Value (NAV) (Rs per share)	13.56	13.30	14.34	13.88	14.17	16.87
Return on Net Worth (RONW) (%)	8.06%	9.48%	7.23%	12.30%	20.34%	22.81*
No. of shares outstanding at the end of the year	35,00,000	35,00,000	35,00,000	70,00,000	92,48,148	92,48,148
Weighted Average no. of shares	35,00,000	35,00,000	35,00,000	36,05,479	73,32,603	92,48,148

* Annualised

Notes:

The Ratios have been computed as below:

- Earning Per Share (Rs.) = $\frac{\text{Net Profit attributable to Equity Shareholders}}{\text{Weighted average No. of Equity Share outstanding during the period/year}}$
- Net Asset Value per Share (Rs.) = $\frac{\text{Net Worth at the end of the year}}{\text{Equity Share outstanding at the end of the year}}$
- Return On Net Worth (%) = $\frac{\text{Net profit After Tax}}{\text{Net Worth for the year}}$

ANNEXURE VI

CAPITALISATION STATEMENT

(Rs. in lacs)

Particulars	Pre-issue as at 31/12/2006	Post-issue as adjusted for the issue
A. Short Term Debts	1,262.13	1,152.13
B. Long Term Debts	1,922.33	2,123.33
Total Debts (A)	3,184.46	3,275.46
Shareholders Fund		
a. Equity Shares Capital	924.81	1,746.81
b. Reserves & Surplus	669.04	3,792.64
Less: Miscellaneous Expenses	33.58	350.00
Total Shareholders Funds (B)	1,560.27	5,189.45
Total Capitalisation (A+B)	4,744.74	8,464.91
Long Term Debts / Equity	1.23	0.36

ANNEXURE VII
TAX SHELTER STATEMENT

(Rs. in lacs)

Previous year	2001-02	2002-03	2003-04	2004-05	2005-06
Assessment year	2002-03	2003-04	2004-05	2005-06	2006-07
Profit/ (Loss) before Tax	41.37	70.74	69.58	160.36	419.90
Tax Rate	35.70%	36.75%	35.88%	36.59%	33.66%
A. Tax at specified rate as applicable on book profits	14.77	26.00	24.96	58.68	141.34
B. Adjustments					
1. Difference between tax depreciation and book depreciation.	(87.85)	(47.49)	(58.97)	(199.04)	(85.68)
2. Other adjustments.	20.67	2.78	0.17	23.90	(42.85)
3. Unabsorbed Losses B/F.	-	(25.18)	(10.74)	-	(179.17)
Total adjustments	(67.18)	(69.88)	(69.55)	(175.14)	(307.70)
C. Tax savings on adjustments	23.98	25.68	24.95	58.68	- 103.57
D. Total taxation	Nil	0.29	Nil	Nil	37.77
E. Tax as per MAT	3.10	6.19	5.61	13.36	N.A
F. Tax provided in the books	3.10	5.30	5.34	12.57	35.33

B. S. Pandit
Chartered Accountant
M. No. 8235

Place: Mumbai
Date: 28th February, 2007

9. EXISTING BORROWING FACILITIES AS ON 31.12.2006

The Company has the following existing loans outstanding in its books of accounts:

Secured Loans:

1. State Bank of India

(Rs. In Lacs)

Type of Facility	Rate of Interest	Sanctioned Limit	Outstanding Loan	Security
Demand Cash Credit	14%	800.00	797.22	Primary Charge by way of Hypothecation of Stocks and receivables on pari passu basis with IOB. Second charge on entire Fixed Assets, viz. land, bldg., plant & machinery, etc. of the Company, present and future at Company's factory on pari passu with IOB. Personal Guarantees of Mr. Yogesh P. Kela, Mr. Umesh P. Kela & Mr. Prakash Kela
Term Loan	14.75%	1155.00	855.20	First charge on pari-passu basis with IOB on the entire fixed assets viz. land, Bldg., plant & machinery etc. of the Company, present and future at company's factory at Daman Industrial Estate Personal Guarantees of Mr. Yogesh P. Kela, Mr. Umesh P. Kela & Mr. Prakash Kela
	Total	1955.00	1652.42	
Letter of Credit		400.00	299.74	Primary Charge by way of Hypothecation of Stocks and receivables on pari passu basis with IOB. Second charge on entire Fixed Assets, viz. land, bldg., plant & machinery, etc. of the Company, present and future at Company's factory on pari passu with IOB. Personal Guarantees of Mr. Yogesh P. Kela, Mr. Umesh P. Kela & Mr. Prakash Kela
Bank Guarantee		30.00	0.00	Primary Charge by way of Hypothecation of Stocks and receivables on pari passu basis with IOB. Second charge on entire Fixed Assets, viz. land, bldg., plant & machinery, etc. of the Company, present and future at Company's factory on pari passu with IOB. Personal Guarantees of Mr. Yogesh P. Kela, Mr. Umesh P. Kela & Mr. Prakash Kela
	Total	430.00	299.74	

TERMS AND CONDITIONS

1) The Company shall not without Bank's prior consent in writing:

- Effect any change in the Capital structure of the Company
- Formulate scheme of amalgamation or reconstitution,
- Undertake any new project/scheme, unless the expenditure on such expansion etc. is covered by the Company's net cash accruals after providing for dividends, investments etc or from long term funds received for financing such new projects or expansion
- Invest by way of Share Capital in or lend or advance funds to or place deposits with any other concern. Normal trade credit of security deposits in the normal course of business or advances to employees can however be extended.
- Enter into borrowing arrangement, either secured or unsecured with any other bank, financial institution, company or accept deposits, save and except the Working Capital facilities granted/ to be granted by other consortium member banks under consortium arrangement with the Bank and the term loans proposed to be obtained from financial institutions/Banks for completion of the replacement-cum-modernization programme. .
- Undertake guarantee obligations on behalf of the Company.
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations. And stipulated Net working Capital has been maintained. In any case, company should obtain Bank's prior approval before declaring dividends. The outgo on this account shall not be more than 25% of the net profit earned by the company during the year
- Invest in fixed assets (beyond Rs.50.00 lacs) without tying up long term funds
- Monies brought in by the principal shareholders/directors/depositors will not be allowed to be withdrawn without the Bank's permission.
- The bank will have option of appointing its nominee on the Board of Directors of the company to look after its interests. The Director's normal fees and expenses will be defrayed by the Company. Such director shall not be required to hold qualification shares and shall not be liable to retirement so long as the credit facilities are outstanding. The Bank will have the right to appoint a nominee to attend any meetings of shareholders.
- The company should not make any drastic change in their management set up without the Bank's permission
- The company will keep the Bank informed of the happening of any event likely to have substantial effect on their profit and business
- The company will keep the Bank advised of any circumstances adversely affecting the financial position of their subsidiaries including any action taken by the creditor against the subsidiaries
- The company shall not create without prior consent of the Bank charges on their any or all properties or assets during the currency of the credit facilities granted by the Bank

2. Indian Overseas Bank

(Rs. In Lacs)

Type of Facility	Interest Rate	Sanctioned Limit	Outstanding Loan	Security
Cash Credit	14%	360.00	354.92	First charge on Raw Materials, Work-in Process, Stores & Spares and receivables on pari passu basis.
Term Loan	14.75%	720.00	544.69	Personal guarantees from Promoter Directors and residual charge on the fixed assets of the company. Collateral security: Residual charge on the entire fixed assets

				of the Company.
Total		1080.00	899.61	
Letter of Credit	-	180.00	179.46	Document of title to goods, accepted Hundis and charge on merchandise
Letter of Guarantee	-	15.00	8.75	Counter Guarantee from the company
Total		195.00	188.21	

3. Vehicle Loans

Name of the Bank	Nature of Loan	Loan Sanctioned	Loan o/s as on 31.12.06	Rate of Interest	Repayment Schedule
HDFC Bank	Vehicle Loan	27.36	18.36	9.25%	36 EMI of Rs. 0.39 lacs upto 7/9/08 and 36 EMI of Rs. 0.48 lacs upto 07/01/09
Kotak Mahindra Prime Ltd	Vehicle Loan	3.44	3.44	12.90%	35 EMI of Rs. 0.12 lacs upto 15/11/09

FRESH TERM LOAN FOR THE PROPOSED PROJECT:

The Company has received sanction letter dated 3rd April, 2006 from Indian Overseas Bank for the term Loan of Rs. 201 Lacs for the proposed expansion project.

Type of Facility	Interest Rate	Sanctioned Limit	Outstanding Loan	Purpose	Repayment	Security
Term Loan	BPLR + 2%	201.00	NIL	To part finance the cost of expansion project costing Rs.3900 lacs	Repayable in 36 equal monthly instalments of Rs. 5.583 lacs with initial holiday period of three months i.e. instalments commencing from July, 2006	First charge on the entire fixed assets of the Company on pari passu basis SBI. Collateral security of residual charge on the entire Fixed Assets of the Company Personal Guarantees of Mr. Yogesh P. Kela, Mr. Umesh P. Kela & Mr. Prakash Kela

Other salient features:

- The Term Loan will be released only after completion of the formalities relating to IPO issue and raising of capital/share premium to the extent of Rs.3699 lacs.
- The approval from SEBI and other concerned authorities shall be obtained for issue of IPO before release of Term Loans.
- In case of any shortfall in subscription, Company should arrange for the funds to liquidate the loan.
- Change if any in the constitution of the company or changes in directors, proposals for merger/takeover etc shall be advised to the bank in writing.

Bridge Loan

Brief note on the term loan sanctioning authority and basic terms and conditions of the term loan:

The Company has received sanction letter dated 3rd April, 2006 from Indian Overseas Bank for the term Loan of Rs. 200 Lacs for the cost of IPO.

Type of Facility	Interest Rate	Sanctioned Limit	Outstanding Loan	Purpose	Security
Term Loan IV	BPLR + 2.5% i.e. 15.00% p.a. as at present at monthly rests	200.00	110.00	To meet the cost of IPO repayable in one shot from the proceeds of IPO within six months or finalisation of IPO whichever is earlier	First charge on the entire fixed assets of the Company on pari passu basis SBI. Collateral security of residual charge on the entire Fixed Assets of the Company Personal Guarantees of Mr. Yogesh P. Kela, Mr. Umesh P. Kela & Mr. Prakash Kela

Other salient features:

- The Loan for meeting cost of the IPO will be released in stages and the end use of the funds to be ensured.
- The approval from SEBI and other concerned authorities shall be obtained for issue of IPO before release of Term Loans.
- On finalisation of the IPO process, the Loan will be repaid at the first instance.
- In case of any shortfall in subscription, Company should arrange for the funds to liquidate the loan.
- Change if any in the constitution of the company or changes in directors, proposals for merger/takeover etc shall be advised to the bank in writing.

FINANCIAL INFORMATION OF COMPANIES, FIRMS & VENTURES PROMOTED BY PROMOTERS

The information for the last 3 years based on the audited statements in respect of all the Companies, firms, ventures, etc. promoted by the promoters irrespective of whether these are covered under section 370 (1)(B) of the Companies Act, 1956 or not are given hereunder:

M/s. Tristar Industries

Nature of Business	Main activity of the firm is manufacturing films for liquid milk packaging to be supplied to the Government, Semi-Government & Co-operative Milk Dairies
Date of Commencement of Production	30/12/1999
Proprietor	Mr. Yogesh P. Kela
Factory Address	Plot no. H 16A, Mahatama Gandhi Udyog Nagar, Industrial Estate, Dabhel, Daman
Registration	SSI Unit registered with Directorate of Industries,

	Daman & Diu
Permanent registration no.	600101652 dated 18.12.2000
Type	Proprietorship firm
Business Undertaken	Manufacturing unit
Type of Manufacturing Activity for which registered with Directorate of Industries, Daman & Diu	<ol style="list-style-type: none"> 1. Single Layer/multiplayer films 2. Plain/printed bags liners 3. Cut Films, pouches of plastics 4. Sheets, laminated films, tubings 5. Scrap etc. (All items plain or printed)

Financials for the Last three years

(Rs. in Lacs)

Particulars	2005-2006	2004-2005	2003-2004
Sales (Net Sales)	602.87	689.18	469.16
Other Income	56.50	271.76	50.68
Expenditure	645.41	823.84	514.70
Profit After Tax (PAT)	13.96	137.12	05.14
Proprietors' Capital A/c	29.70	42.27	(7.78)

(As per the Audited Annual Accounts)

M/s. Trishul Industries

Nature of Activities	Main activity of the firm is manufacturing films for liquid milk packaging to be supplied to the Government, Semi-Government & Co-operative Milk Dairies
Date of Commencement of Production	30/12/1999
Proprietor	PN Kela HUF – Mr. Prakash N. Kela (Karta)
Factory Address	54/2H, 54/6A, 54/3D, Daman Industrial Estate, Village Kadiya, Daman
Registration	SSI Unit registered with Directorate of Industries, Daman & Diu
Permanent registration no.	600101653 dated 18.12.2000
Type	Proprietorship firm
Business Undertaken	Manufacturing unit
Type of Manufacturing Activity for which registered with Directorate of Industries, Daman & Diu	<ul style="list-style-type: none"> ▪ Single Layer/multiplayer films ▪ Plain/printed bags liners ▪ Cut Films, pouches of plastics ▪ Sheets, laminated films, tubings ▪ Scrap etc. (All items plain or printed)

Financials for the Last three years

(Rs. in Lacs)

Particulars	2005-2006	2004-2005	2003-2004
Sales	210.22	290.17	150.54
Other Income	9.83	0.97	0.99
Expenditure	245.19	351.87	253.09
Profit After Tax (PAT)	(25.14)	(60.68)	(101.63)
Proprietors' Capital A/c	(135.73)	(167.46)	(125.94)

(As per Audited Annual Accounts)

M/s. Immense Packaging

Nature of Activities	Main activity of the firm is printing films for liquid milk packaging to be supplied to the Government, Semi-Government & Co-operative Milk Dairies
Date of Commencement of Production	16/01/2002
Proprietor	Mr. Umesh P. Kela

Factory Address	86, VOC Street, Athipeth, Chennai - 58
Registration	SSI Unit registered with Directorate of Industries, District Industries Centre, Tiruvallur
Permanent Registration no.	330109737 dated 17.01.2002
Type	Proprietorship firm
Business Undertaken	Manufacturing unit
Type of Manufacturing Activity for which registered with Directorate of Industries, Tiruvallur	Manufacture of Plain/Printed/Multilayer/Co-Extruded Films, Bags, Liners, Cut Films, Pouches of Plastic, Sheets, Laminated Films, Tubings only

Financials for the Last three years

(Rs. in Lacs)

Particulars	2005-2006	2004-2005	2003-2004
Sales	1525.79	1277.15	663.57
Other Income	5.86	0.27	0.55
Expenditure	1505.40	1254.95	653.46
Profit After Tax (PAT)	26.24	22.45	10.66
Proprietors' Capital A/c	92.47	72.40	48.64

(As per the Audited Annual Accounts)

There are no Companies promoted by the Promoters, Promoters Group.

There are no Companies/ firms / entities from which promoters have disassociated themselves during last 3 years.

DETAILS OF GROUP COMPANIES WHOSE NAMES HAVE BEEN STRUCK OFF FROM RoC's

None of the Companies promoted by the Promoters has been struck off as a defunct Company by any RoC in India. There are no sick companies promoted by the Promoters. There are no BIFR proceedings against any company promoted by the Promoters.

COMMON PURSUITS

The following companies/firms/ventures, which are in similar packaging business, have been promoted by the promoters of Glory Polyfilms Limited. Being in similar business, the same may lead to conflict of interest between Glory Polyfilms Limited and the following companies/firms/ventures promoted and/or controlled by the promoters.

Name of the Concern	Type of Concern	Nature of Interest	Interested parties
M/s. Tristar Industries	Manufacturing films for liquid milk to be supplied to the Government, Semi Government & Co operative milk dairies	Proprietor Mr. Yogesh P. Kela	Mr. Yogesh P Kela
M/s. Trishul Industries	Manufacturing films for liquid milk to be supplied to the Government, Semi Government & Co operative milk dairies	Proprietor PN Kela HUF – Mr. Prakash N. Kela (Karta)	Mr. Prakash N Kela
M/s. Immense Packaging	Printing of films for liquid milk packaging to be supplied to the Government, Semi Government & Co operative milk dairies	Proprietor Mr. Umesh P. Kela	Mr. Umesh P Kela

The three proprietorship ventures promoted by the promoters are SSI units registered with Directorate of Industries. Registered SSI units get preference for supplying films for liquid milk packaging purchased by the Government, Semi Government & Co operative milk dairies. The

Company is not a SSI registered unit. The above ventures only supply to Government, Semi Government & Co operative milk dairies.

Related Party Transactions

Except as set out above, we do not have any other common pursuits, conflict of interest (including related party transactions within the aforesaid Group). The Company has sold to Immense Packaging goods worth Rs. 1128.25 lacs, which is around 36.14% of its total gross sales for the period-ended 31.12.2006. There are no purchases exceeding 10% of the total purchase of goods, materials or services.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There are no changes in the accounting policies in the last three years.

MANAGEMENT DISCUSSION AND ANALYSIS

You should read the following discussion of the financial condition and results of operations together with the audited financial statements for each of financial years ended 31st March 2006, 2005, 2004, 2003 and 2002 and for the period ended 31st December 2006, including the notes thereto and the reports thereon, which appear elsewhere in this prospectus.

The following discussion is based on the audited financial statements each of financial years ended 31st 2006, 2005, 2004, 2003 and 2002 and for the period ended 31st December 2006, which have been prepared in accordance with Indian GAAP. These data have been reclassified in certain respects for purposes of presentation. The financial year of the Company ends on March 31, of each year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.

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.

1. OVERVIEW – INDUSTRY STRUCTURE & DEVELOPMENTS:

The Indian packaging industry is a combination of organised large Indian and International companies and unorganized small companies. The packaging industry is primarily classified into following categories:

- The conventional rigid / semi-rigid material in tin, glass, paper boards etc.
- The plastic and paper make up the more sophisticated flexible packaging industry.

The flexible packaging industry comprises of

- The manufacturers of the packaging films.
- The converters

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 of various packaging applications. Flexible packaging has a unique set of properties to ensure toughness, moisture, aroma retention, low odour, taste etc. Flexible packaging laminates are used for packaging of processed food e.g. Biscuits, snacks, confectionery, spices, wheat flour, rice, pulses etc., personal products e.g. shampoo, soaps, detergents, hair dye etc., beverages e.g. tea, coffee, milk products, baby food etc., other items like lubricants, pesticides, pharmaceuticals etc.

According to the Indian Institute of Packaging (IIP), there are around 13,000 converters in India. A majority in the small and medium sector located in all parts of the country. The organized sector of the industry is less than 5 % but it controls over 70% of the market by volume. Currently Indian packaging industry is approximately INR 65000 Crore per annum. Worldwide the flexible packaging industry is growing at two times of the GDP growth rate. The consumer market dominates the global packaging industry and accounts for an estimated 70 per cent of sales, with industrial applications taking the remaining 30 per cent of the share. With the estimated GDP growth of about 8%-10% in India the flexible packaging industry is estimated to grow at 25%. The Indian economy is enjoying an upward trend in growth rates, with escalation of outputs in agriculture, industry and tertiary sectors. The growth movement has resulted in increasing affluence. Overall economic growth has proved to be beneficial for the consumer goods market, with more products becoming affordable to a larger section of the population. The future growth driver is Consumerism with the surge in growth in organized sector, which led to demand. Consumerism dictates the retail trends as well as packaging. With the emergence of strong Indian middle class and substantial buying power brands will flourish.

Flexible packaging materials were the most commonly and vastly used means of packing in India, accounting for more than 60% of the total demand for packaging materials in volume terms. Flexible packaging dominates the food packaging and is one of the main end-use applications for flexible packaging. Flexible packaging will continue to develop new applications while also supplanting rigid containers, supported by a favorable environmental profile and improvements in barrier properties and convenience.

The raw material for flexible packaging include Aluminium foil and Plastic films such as Polyester films, Low density polyethylene (LDPE) films, High-density Polyethylene (HDPE) films and biaxially oriented polypropylene (BOPP) films cater to the flexible packaging segment. Plastic films, which already account for over 70 percent of the total global demand, will continue to post gains at the expense of paper and aluminum foil. Plastics Film will benefit from a superior price/performance profile and efforts to improve sanitation and enhance product shelf lives in the food, pharmaceutical and personal care markets. Many of the raw material manufacturing companies are present in the organised sector on account of high capital costs required for setting up a unit.

The worldwide capacity for the product has substantially gone up in the recent past and currently stands at 2.2 million MT. The consumption of the film is approximately 2 million MT. The domestic manufacturing capacity has also seen installation and commissioning of new plants adding up almost 45,000 MT as additional capacity by the end of 2004-05. The demand for Plastic films is expected to grow at 18% as against growth rate of 8% with domestic demand increasing from 85,000 TPA in 2002 to 20,00,000 TPA in 2007. With this, India could become the second largest market for polyester films by 2007 next only to USA. The inflow of additional capacity of the films expected from some of the recent manufacturers is likely to enhance the overall supplies. The demand for polyester film in packaging segment has shown robust and healthy growth and it is expected that a part of the additional supplies will be absorbed in the domestic market in the near future.

2. BUSINESS REVIEW:

The company manufactures extruded multi layer barrier film (up to 3/5 layers) and printed/unprinted flexible laminates. Co-extruded film has multiple/ diverse applications as a packaging material for food, Liquids like Milk and Edible Oil and non-food items. The company's presence in both multi layer barrier film and flexible laminated packaging make its integrated player with ability to supply timely quality material at a competitive price. The main products of the Company comprise of Plastic Films, BOPP Films, Poly Films and various combinations of these films as laminates. The Company is also engaged in Rotogravure printing of flexible laminated packaging material.

The Company's Multilayer barrier film and flexible laminate business with its highly cost effective and functionally efficient product is growing at an impressive rate annually. The technologically superior and highly dependable plastic films produced by the Company in its state-of-the-art ISO 9001-2000 certified plants can be structured in upto five layers and tailored for almost any machining requirements and are capable of meeting both Flexographic and Rotogravure printing standards. The product can be used in a wide range of industry/business such as packaging, industrial coating, holography, metalising, printing & lamination etc.

Plastic film is a high performance film made from polyethylene granules. The film has a global importance because of its wide application in Packaging industries Multilayer barrier Film one of the initial product of your Company continues to expand its markets in today's dynamic and rapidly changing packaging scenario mainly because of dependable quality. Produced in state of the art ISO 9001-2000 certified plants in different range of microns, the Plastic films have the capacity to sustain the high fidelity graphics and to meet the requirements of both Flexographic as well as Rotogravure printing standards.

The Company has the facility to provide Multilayer barrier Film upto 5 layers with high barrier Films This advanced film technology offers customers a combined barrier and sealant film that can reduce the number of lamination passes required in the converting process, saving the converter time and money without sacrificing package performance while allowing to remain competitive in the changing marketplace while affordably expand into additional markets. These films are especially useful for packaging products that need high barrier.

The Company also is producing flexible packaging materials based on the requirement and need of the customers by laminating different substrates such as plastic films, paper and metal foils. Polyester and BOPP films are the principal plastic films used as raw materials for producing packaging materials. Each has different qualities suiting it to a particular type of application. Multilayer barrier Film enables superior print quality, high transparency, high tensile strength, good machinability, effective gas barrier properties facilitating aroma retention, exceptional features & strength to be achieved. It has very effective moisture barrier and heat sealable properties.

Flexible package, due to its convenience in handling and disposal, lower raw material cost and barrier against moisture and gases, find application in the packaging toothpastes, soaps, shampoos, detergents, processed foods, beverages, confectionary, snacks food and pan masala. To a lesser

extent, it is also used in automobile and healthcare products. The revenue growth of converters depends on the fortunes of the fast moving consumer goods industry.

The Company has successfully developed several new packaging for various applications suitable for Food Industry, the Bakery and Confectionery Industry, Beverage Industry and the Personal Care Products Industry. The Company's strategy for product innovation together with enhanced quality and low cost has led to the significant growth in sales.

The company also has 8 colour Rotogravure printing facilities which enable us to supply value added laminated printed material to our customer. Thus company is present in complete value chain in Flexible packaging segment, which gives it benefit to supply timely Quality material to its customers at a competitive price. The company is committed to provide food-packaging material for food products without any hazards and contamination and has implemented HACCP based Food Safety System.

3. FACTORS AFFECTING OUR RESULTS OF OPERATION.

The Indian Plastic films/Flexible Packaging Material market is highly competitive. The Company faces stiff competition both from the international as well as domestic manufacturers. The competition is increasing with the addition of new capacities and emergence of new global players, which could affect the Company's market shares.

Increased competition might lead to price reductions of the final products, decreased sales, lower profit margins thus adversely affecting the business and financial conditions of the Company.

The Company operates in the flexible packaging industries. Some of the products of the Company are commodity grade and are to a large extent fungible with the competitors' products.

Demand for the products is a derived demand and sensitive to changes in demand of user industry, cyclical changes in regional and global economic conditions and changes in consumer demand.

Raw material constitutes a major portion of the Company's total expenses. Since most of the raw materials are petroleum based, their prices are dependent upon, and may fluctuate with crude oil prices. Fluctuations in crude oil prices may alter the cost structure of the Company and affect its profitability. The Company may not be able to pass fully increases in raw material costs to its customers, which may affect its profitability.

Currently, Plastic Films are widely used in Flexible packaging Industry that already account for over 70 percent of the total global demand of Flexible packaging. The demand for the Company's products may be affected by the emergence of alternative packaging material, if any.

The Company is currently expanding its capacities as under: These new facilities are being set up based on the high growth in demand currently seen for such Films in India & abroad.

Particulars	Existing	Expansion	Total
Multi-layers Films	3000	11652	14652
Lamination	1500	3500	5000
Total	4,500	15,152	19,652

The company is also adding additional 8 colour Rotogravure printing machine to enable it to supply value added Printed Flexible laminated material. The Company's performance will depend on its ability to complete its expansion plans as scheduled and its ability to get continuous large order to achieve economies of scale.

COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS:

Sales:

The breakup of company's total income for the period FY 2002 to FY 2006 is as follows:

(Rs. in Lacs)

Year	FY 2002		FY 2003		FY 2004		FY 2005		FY2006	
	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%
Sales – Own Goods	1,213	96.40	1,259	96.19	1,820	98.01	3,181	98.04	3,529	69.09
Job Work Income	43	3.45	47	3.58	35	1.86	58	1.80	62	1.21
Other income (Recurring)	2	0.15	4	0.23	2	0.13	6	0.16	27	0.16
Total Income	1,258	100.00	1,309	100.00	1,857	100.00	3,245	100.00	3,619	100.00

The company's total Income has increased at CAGR of 30.2% from Rs. 1,258 lacs in FY 2002 to Rs. 3619 lacs in FY 2006. The increasing demand for Plastic Film in the Domestic market has been the key reason for the increased sales in recent years. We have been able to meet the increasing demand by continuous investment in capacity enhancement. Our competitive cost structure and quality products have helped us gain recognition and capitalize on opportunities in the international market. The company has also done optimum utilization of its capacities by doing job work whenever there was free capacity.

Expenses:

Our expenses mainly consist of the cost of raw material consumed, staff cost, manufacturing expenses, Administration Expenses, Selling and Distribution Expenses, Interest and depreciation. The following table shows our various expenses for FY 2002 to FY 2006 and those expenses as a percentage of total expenses.

(Rs. In Lacs)

Year	FY 2002		FY 2003		FY 2004		FY 2005		FY2006	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Material consumed	825	67.62	953	69.92	1,331	72.81	2,811	80.29	2758	85.23
Staff Cost	20	1.64	26	1.91	26	1.42	27	0.77	24	0.48
Manufacturing Expenses	65	5.33	76	5.58	115	6.29	143	4.08	176	3.52
Administration Expenses	25	2.05	29	2.13	33	1.80	56	1.60	48	0.96
Selling & Distribution Expenses	41	3.36	44	3.23	57	3.12	87	2.49	97	1.94
Finance cost	153	12.54	142	10.41	167	9.14	256	7.31	217	4.33
Depreciation	91	7.46	93	6.82	99	5.42	121	3.46	177	3.54
Total Expenditure	1,220	100.00	1,363	100.00	1,828	100.00	3,501	100.00	3498	100.00

The following table shows our various expenses for FY 2002 to FY 2006 and those expenses as a percentage of Net Operating Income.

(Rs in lacs)

Year	FY 2002		FY 2003		FY 2004		FY 2005		FY2006	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Income										
Sales of Manufactured Goods	1212.78	96.40	1258.62	96.13	1819.81	98.01	3180.66	98.03	3529.72	97.53
Income from Job Work	43.35	3.45	46.86	3.58	34.53	1.86	58.25	1.80	61.92	1.71
Other Income (Recurring)	1.89	0.15	3.87	0.30	2.35	0.13	5.65	0.17	27.49	0.76
Total Income	1258.02	100.00	1309.35	100.00	1856.69	100.00	3244.56	100.00	3619.13	100.00
Expenditure										
Material consumed	824.81	65.56	952.75	72.77	1330.60	71.67	2810.92	86.63	2757.77	76.20
Staff Cost	19.97	1.59	25.93	1.98	25.59	1.38	26.70	0.82	23.97	0.66
Manufacturing Expenses	64.93	5.16	75.94	5.80	114.72	6.18	142.82	4.40	176.10	4.87
Administration Expenses	25.60	2.03	29.39	2.24	33.28	1.79	55.91	1.72	48.32	1.34
Selling & Distribution Expenses	40.62	3.23	44.00	3.36	56.82	3.06	87.65	2.70	96.89	2.68
(Increase)/Decrease in inventories	(1.01)	(0.08)	(126.59)	(9.67)	(40.67)	(2.19)	(415.82)	(12.82)	(298.47)	(8.25)
Sub-Total	974.92	77.50	1001.42	76.48	1520.33	81.88	2708.18	83.47	2804.58	77.49
Operating Profit-EBIDTA	283.10	22.50	307.93	23.52	336.36	18.12	536.38	16.53	814.55	22.51
Financing costs	152.63	12.13	141.58	10.81	167.47	9.02	255.94	7.89	217.31	6.00
Amortisation	0.02	0.00	0.02	0.00	0.02	0.00	0.02	0.00	0.04	0.00
Profit before Depreciation, Tax & Non recurring items	130.45	10.37	166.33	12.70	168.86	9.09	280.42	8.64	597.20	16.50
Depreciation (net of transfer from revaluation reserve)	91.28	7.26	93.40	7.13	99.25	5.35	121.20	3.74	177.31	4.90
Net Profit/(Loss) before tax & Non recurring items	39.17	3.11	72.93	5.57	69.61	3.75	159.22	4.91	419.89	11.60
Prior Period Items	2.18	0.17	(2.25)	(0.17)	(0.07)	(0.00)	1.11	0.03	-	0.00
Current Tax	3.10	0.25	5.30	0.40	5.35	0.29	12.57	0.39	35.33	0.98
Fringe Benefit Tax	-	-	-	-	-	-	-	-	0.21	0.01
Deferred Tax Liability/(credit)	-	-	21.26	1.62	27.90	1.50	28.22	0.87	117.76	3.25
Net Profit/(Loss) after Tax	38.25	3.04	44.12	3.37	36.30	1.96	119.53	3.68	266.59	7.37

Note: The Figures given above has been reclassified, rearranged and re-casted wherever considered necessary to reflect the operation of the Company on the basis of a uniform practice.

Our Net Profit before Tax & Non-recurring expenses have increased from 3.11% in FY 2002 to 11.60% in FY 2006. This is mainly due to strict cost control measures undertaken by the company and economics of scale due to increase in capacity and mainly due to undertaking more profitable product mix and focusing on value added printed flexible laminated Materials. The Finished Goods of Stock is also converted into Sales. Also there is an insurance Claim of Rs. 18.48 Lacs on account of flood at Plant in the FY 2005.

Raw Material Consumed:

Raw materials as a percentage of total expenses have increased significantly from 65.56% in fiscal 2002 to 76.20% for the FY ended 2006. Our principal raw materials for the production of Plastic film being Granules, which are linked to petroleum prices. The increase in raw material costs as a percentage of total expenses during the periods specified above can be partly attributed to an increase in crude oil prices during the same period. In addition, our increased production of high value added products requires higher quality and more costly raw materials. Further, due to strict cost cutting measures undertaken by the company and economics of scale due to increase in capacity, we have been able to control our Manufacturing & Administrative Expenses. Wastage in production has also decreased due to increased automation and higher width production lines leading to relatively lower raw material requirements.

Manufacturing Expenses:

The principal manufacturing expenses are Labour & Job work Charges, Power and fuel, Designing and Engraving Charges and Consumables stores and spare parts. Manufacturing expenses form the third largest component of total expenses (4.87% for the FY2006). Manufacturing expenses as a percentage of total expenses have declined due to the economies of scale that we have achieved through increased capacities. This is due to the fact that, once production reaches a certain minimum level, the Manufacturing expenses necessary to produce additional output do not increase proportionately with increase in output. With further increases in our capacities and high capacity utilization, we expect manufacturing expenses as a proportion of total expenses to decrease in the medium term.

Other Factors:

- **Known trends or uncertainties**

There have not been any discernible known negative trends or uncertainties, which could adversely impact the income or revenue from continuing operations.

- **Future relationship between costs and revenues**

The Company doesn't see substantial increase in labour cost or other cost related to the product except that raw material prices may go up in near future due to rise in petroleum prices. However, any increase in raw material prices would be duly covered in the price of the product.

- **New Products**

The company has not introduced any new product during the past one year and has no plans to same.

- **Seasonality of business**

The business in which company is engaged is not seasonal.

- **Dependence on Single or few suppliers/Customers**

The Customer base of the company is strong, as it doesn't deal with single customer or single supplier, The Company has very good customer base with whom the company is dealing for quite a long time. And the company has very cordial relationship with all customers and suppliers.

- **Material Development after the date of the last Balance Sheet**

There are no material developments after the dated of last audited balance sheet which will have any adverse impact on the company.

- **Adverse events**

There are no adverse events affecting the operations of the company occurring within one year prior to the date of filing of the prospectus with the BSE & NSE

Significant developments after 31st December, 2006 that may affect our future results of operations

Except as specifically stated elsewhere in this prospectus, to our knowledge, no circumstances have arisen or developments have taken place since the date of the last audited financial statement disclosed in this prospectus which materially and adversely affect or are likely to affect the trading or profitability of our company or the value of our assets or our ability to pay material liabilities within the next twelve months.

COMPARISON OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF THE COMPANY FOR THE PAST THREE YEARS IS AS FOLLOWS:

Comparison Of FY 2006 With FY 2005- Reason For Variance

- **Total Income:**

- a) **Sales of Manufactured Goods: -**

The turnover of the company has increased by 11% over a period of previous year. During the FY 2005-06 the company has registered sales of owned goods manufactured to the tune of Rs. 3530 Lacs as against Rs. 3180 Lacs achieved during the previous financial year. The increase in sales is due to increase in production of multilayer films along with better utilization of printing and lamination capacity. The growth is normal as compared to industries growth of 10-15%

b) Job Work: -

The company has achieved Rs. 62 Lacs of job work during the FY 2005-06 as compared to 58 Lacs was achieved in FY 2004-05.

c) Other Income: -

The company has registered other income of Rs. 27.49 Lacs during the FY 2005-06 as compared to Rs. 5.65 Lacs in the previous year.

- **Raw Material Consumed**

Raw Material consists of Granules, Printing Inks & Chemicals. The consumption of raw materials in quantity has increased in FY 2005-06 as compared to FY 2004-05. However, more decrease in raw material purchase price has resulted in decrease in Raw Material cost from Rs. 2811 Lacs in the FY 2004-05 to Rs. 2758 lacs in FY 2005-06.

- **Personnel (Staff) Expenses**

The personnel expenses have decreased from Rs.26.70 lacs to Rs.23.97 lacs in absolute terms and as a percentage to total income, decreased from 0.82% in fiscal 2005 to 0.66% in fiscal 2006.

- **Manufacturing Expenses**

Manufacturing Expenses, as a percentage to total income, have increased from 4.40% in fiscal 2005 to 4.87% in fiscal 2006. The increase in manufacturing expenses is on account increase in designing & engraving charges, power and fuel expenses and repairs and maintenance cost.

- **Administration, Selling & Distribution Expenses**

The Administration, Selling & Distribution expenses, as a percentage to total income, have decreased from 4.42% in fiscal 2005 to 4.02% in fiscal 2006. The decrease in expenses is on account of reduction in printing and stationery cost and ROC filing fees & stamp duty.

- **EBIDTA**

EBITDA has increased from 537 Lacs in FY 2004-05 to Rs. 815 Lacs in the FY 2005-06, thus registered the growth of 52% as compared to previous year. This achievement was due to better purchase price of raw material.

- **Interest**

Net interest expenditure has decreased to Rs. 217 Lacs in the FY ended 2006 from Rs. 256 Lacs in the FY ended 2005 despite the Term Loan of the company has increased from 659 Lacs to 1004 Lacs during the current year. The reduction in interest is mainly converting the working capital Indian Rupee Loan to FCNR.

- **Net Profit**

The Net Profit of the company has increased from Rs.120 Lacs in 2004-05 to Rs. 267 Lacs in the FY 2005-06. This increase of Net Profit has been attained due to lowering the interest cost, better raw material pricing and reduction in administrative expenses.

Comparison of FY 2005 With FY 2004 - Reason For Variance

- **Total Income:**

The Company's total income registered a growth of 74.73% to Rs. 3245 lacs in FY 2005 compared to Rs. 1857 Lacs in FY2004. This growth is due to company's ability to foresee the demand and undertaking timely expansion, which became operational during the year. The increase in sales is due to increase in production of multilayer films and printed and laminated films.

- **Raw Material Consumed**

Raw Material consists of Granules, Printing Inks & Chemicals. The Raw Material consumptions increased 111% in FY 2005 to Rs. 2811 Lacs from Rs. 1331 Lacs in FY 2004. The same is due to increase in Sales volume and also increase in raw material prices due increase in crude oil prices.

- **Personnel (Staff) Expenses**

The personnel expenses, as a percentage to total income, decreased significantly from 1.38% in fiscal 2004 to 0.82% in fiscal 2005. However, in absolute terms, the staff cost increased marginally from Rs. 25.59 lacs in 2004 to Rs. 26.70 lacs in 2005.

- **Manufacturing Expenses**

Manufacturing Expenses, as a percentage to total income, have decreased significantly from 6.18% in fiscal 2004 to 4.40% in fiscal 2005. However, in absolute terms, the manufacturing costs increased from Rs. 114.72 lacs in 2004 to Rs. 142.82 lacs in 2005. The reduction in cost as a % of total income is due to benefit of increased production.

- **Administration, Selling & Distribution Expenses**

The Administration Selling & Distribution expenses have increased from Rs.90.01 lacs fiscal 2004 to Rs.143.65 lacs fiscal 2005 due to increased operations of the Company. However, as a percentage to total income, have decreased from 4.85% in fiscal 2004 to 4.42% in fiscal 2005 due to benefit of scale of operations.

- **EBIDTA**

EBITDA increased by 59% during the year from Rs.336 Lacs in 2003-04 to Rs. 536 Lacs during the 2004-05. This increase was mainly attributable to increase sales volume.

- **Interest**

Net interest expenditure increased by 53% from Rs. 167 Lacs in year 2003-04 to Rs. 256 Lacs in year 2004-05 mainly on account of increase in Term Loan to fund the expansion project.

- **Net Profit**

The Profit after tax of the company increased from Rs. 36 Lacs in the year 2003-04 to 120 Lacs during year 2004-05. The company could achieve better profitability due to increase in turnover, better control over overheads and economics of scale.

Comparison of FY 2004 With FY 2003- Reason For Variance

- **Total Income:**

The Company registered a growth of 42% in the sales for the FY 2004 compared to the previous year. The growth is mainly on account of increase in sale quantity and addition of new customers.

- **Raw Material Consumed**

The Raw Material consumptions increased 40% in FY2004 to Rs.1331 Lacs from Rs. 953 Lacs in FY2003. The same is due to increase in Sales volume and also increase in raw material prices due increase in crude oil prices.

- **Personnel (Staff) Expenses**

The personnel expenses, as a percentage to total income, decreased significantly from 1.98% in fiscal 2003 to 1.38% in fiscal 2004. However, in absolute terms, the staff cost slightly decreased to Rs. 25.59 lacs in 2004 from Rs. 25.93 lacs in 2003.

- **Manufacturing Expenses**

Manufacturing Expenses have increased from Rs.75.94 lacs in fiscal 2003 to Rs.114.72 lacs in fiscal 2004 due to increased operations of the Company and higher labor charges and job work expenses. As a percentage to total income manufacturing expenses have increased to 6.18% in fiscal 2004 from 5.80% in fiscal 2003.

- **Administration, Selling & Distribution Expenses**

The Administration, Selling & Distribution expenses have increased from Rs.73.39 lacs in fiscal 2003 to Rs.90.01 lacs in fiscal 2004 due to increased operations of the Company. However, as a percentage to total income, the same have decreased to 4.85% in fiscal 2004 from 5.60% in fiscal 2003.

- **EBIDTA**

EBITDA increased by 9% during the year from Rs.308 Lacs in 2002-03 to Rs. 336 Lacs during the year 2003-04. This increase was mainly attributable to high sales volume.

- **Interest**

Net interest expenditure increased by 18% from Rs. 142 lacs in year 2003-04 to Rs. 167 lacs in year 2002-03. The Company's interest cost increased due to increase in Bank Borrowings.

- **Net Profit**

The net profit after tax has decreased 27% from 44 Lacs to 36 Lacs. The decrease was due to higher raw material prices, low margins and increase in interest cost.

Comparison of FY 2003 With FY 2002- Reason For Variance

- **Total Income:**

The Company registered a marginal growth of 4% in Sales for the FY 2003 as compared to the earlier year. The growth is mainly on account of increase in sale quantity

- **Raw Material Consumed**

The Raw Material consumptions increased 16% in FY2003 to Rs.953 Lacs from Rs. 825 Lacs in FY2002. The same is due to increase in Production compared to previous year.

- **EBIDTA**

EBITDA increased by 9% during the year from Rs.283 Lacs in 2001-02 to Rs. 308 Lacs during the 2002-03. This Increase was mainly attributable to high sales volume, better sales realization & cost control measures taken by the Company.

- **Interest**

Net interest expenditure decreased by 7% from Rs. 153 lacs in year 2001-02 to Rs. 142 lacs in year 2002-03 mainly due to repayment of bank loan

- **Net Profit**

The net profit after tax increased 16% from 38 Lacs to 44 Lacs due to an increase in sales, better margins and low interest cost.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

There are no outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).

Except as described below, there are no other outstanding litigation including statutory dues, commercial disputes, patent disputes etc. No Criminal proceedings have been launched against the Company or any of the Directors for any of the offenses under the enactment specified in paragraph 1 of schedule XIII of the Companies Act 1956.

No disciplinary action / investigation has been taken by Securities and Exchange Board of India (SEBI)/ Stock Exchanges against the Company, its directors, promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.)

Further, the directors, promoters or companies promoted by the promoters have not been declared as willful defaulter by Reserve Bank of India, and also have not been debarred from dealing in securities and/or accessing the capital markets by SEBI and no disciplinary action has been taken against them by SEBI or any stock exchanges.

The Company has not defaulted in meeting any economic offences, statutory dues, Bank dues, institutional dues and any dues to instrument holders of debentures, fixed deposits.

CASES FILED AGAINST THE COMPANY

There are no outstanding litigations as on the date against the Company.

CASES FILED BY THE COMPANY

There is no pending litigation filed by the company.

The Company has not defaulted in meeting any economic offences, statutory dues, Bank dues, institutional dues and any dues to instrument holders of debentures, fixed deposits.

In terms of Clause 6.11.1.1 (g), as at March 31, 2006, the Company does not owe a sum exceeding Rs. 1 lac to any Small Scale Undertaking, which is outstanding for more than 30 days.

LITIGATIONS OF COMPANIES/FIRMS/VENTURES PROMOTED BY THE PROMOTERS/DIRECTORS OF THE COMPANY

There are no cases / litigations filed by or against companies/firms/ventures promoted by the promoters/Directors of the Company.

AGAINST OR BY THE PROMOTERS:

There are no cases / litigations filed by or against the promoters (i.e., Mr. Prakash N Kela, Mr. Yogesh P Kela and Mr. Umesh P Kela)

LITIGATIONS RELATED TO COMPANY/FIRMS/VENTURES BELONGING TO PROMOTER GROUP

There are no cases / litigations filed by or against company/firms/ventures belonging to promoter group.

MATERIAL DEVELOPMENTS

Material developments after the date of the last balance sheet

In the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last financial statement disclosed in the Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or their ability to pay their material liabilities within the next twelve months.

GOVERNMENT AND OTHER APPROVALS

Investment Approvals (FIPB/ RBI, etc.)

As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

The Company has all the necessary licenses, permissions and approvals, as may be applicable, from the Central and State Governments and other government agencies/certification bodies required for the business and no further approvals are required by the Company, except those approvals that may be required to be taken from any government or any other authority in the normal course of business from time to time to continue the activities, and those mentioned under the heading Risks Envisaged.

It must, however, be distinctly understood that in granting the below-mentioned approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and its current and proposed business activities and no further material approvals are required from any Government authority to continue such activities.

The following are the details of licences, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business:

Incorporation and Other Statutory Compliances

1. Certificate of Incorporation bearing no. 11-112461 dated 15.12.1997 issued by the Registrar of Companies, Maharashtra.
2. Certificate of Change of name from Glory Polyfilms Private Limited to Glory Polyfilms Limited dated 30.12.2005.
3. The Company's IEC (Importer-Exporter Code) No. is 319806601 as contained in the Certificate of Importer-Exporter Code from the Office of the Regional Joint Director General of Foreign Trade, Ministry of Commerce, Pune, issued from file No. 31/04/130/00666/AM99/1758 dated 23/09/1998.
4. No Certificate of Establishment is required under Shops and Establishments Act, 1948 for establishment of factory land and building acquired by the Company for the purpose of manufacturing, which is situated in Union Territory of Daman and Diu.
5. Registration Certificate of Establishment no. HW-II/005795 dated 02.03.2006 as required under Bombay Shops and Establishments Act, 1948 for establishment for the registered office situated at 201, Vintage Pearl, 'A' Wing, 29th Road, Bandra (W), Mumbai 400 050.
6. Permanent Account Number (PAN) issued by Income Tax Department, Government of India bearing number AAACG5068K.
7. TAN No. MUMG05222A issued by Income Tax Department, Government of India
8. TIN No. 25000004468 dated .7.06.2005 issued by Sales Tax Inspector, Daman

9. No Objection Certificate bearing no. VP/NOC/97-98/Village/356 dated 04/02/1998 issued by Sarpanch, Marwad Group Gram Panchayat, Marwad, Village Panchayat, Nani Daman, Daman – 396 210 for manufacture of any type of Polythene film printed, unprinted, polythene tubing, bag printed, unprinted, polythene cut films and sheets.
10. Occupancy Certificate dated 11/02/1998 issued by the Office of the Assistant Engineer, Administration of U.T. of Daman and Diu, Public Works Department Sub Division II, Nani Daman, for plot bearing Survey No. 54/4-B, 54/2-F, 51/4-A, 54/1-A, 54/1-C, 54/2-E, 54/4-D of village Kadiya of Daman upon its completion of ground floor work authorised by building permission No. MP/Plan/97-98/380.
11. Consent Letter bearing no. ED/EE/T-14/207 dated 03/07/2000 issued by Electricity Department, Administration of Daman & Diu (U.T.) to the Company situated at Survey no. 51/4-B, 54/2-F at Daman Industrial Estate, Kadiya, Daman for power connection with contract demand of 300 KVA at HT voltage. Further, vide letter no. ED/EE/T-14/383 dated 27/12/2006 issued by the Electricity Department, Administration of Daman & Diu (U.T.), approval has been given to release additional power connection to the Company for its factory situated at Survey no. 51/4-B, 54/2-F at Daman Industrial Estate, Kadiya, Daman, from 300 to 550 KVA at HT voltage.
12. NOC from Department of Medical and Health Services, Primary health Center, Daman vide their Certificate No. DMHS/D&D/NOC/97-98/5300 dated 04th February 1998 to establish an Unit for manufacturing of Polythene Film, Printed & Un printed Polythene Tubings and Bags, Printed & Un printed, Polythene Cut films and sheets at Village Kadiya Industrial Estate Ltd, Nani Daman
13. IEM Acknowledgement no. 3098/SIA/IMO/2006 dated 08/06/2006, issued by Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance (Public Relation and Complaints Section) Ministry of Industry, Government of India for the Industrial Entrepreneurs Memorandum submitted for the manufacture of plastic films, laminates (Plain & Printed) excluding Polyethylene films with thickness less than 0.10MM except co-extruded film cross linked polymer films and high density molecular films (except biaxially oriented and other items reserved for manufacture exclusively in SSI sector.
14. Application made on 10.04.2006 to the Electricity Department, Administration of Daman & Diu – Daman.
15. Licence bearing no. 788 dated 18.02.1998 issued by Chief Inspector of Factories, Daman valid up to 31.12.2006. Application for renewal has been filed on 24.11.2006.

Labour Laws:

1. Employees State Insurance Corporation is not in force in the Union Territory of Daman and Diu.
2. Professional Tax is being imposed by the State Government. Since the Company falls within the jurisdiction of Union Territory of Daman and Diu & Dadar & Nagar Haveli, tax on Profession has not been imposed.
3. Code No. GJ/VAPI/45479 dated 28.02.2000 granted by the Office of Regional Provident Fund Commissioner from Employees Provident fund Organization vide letter No. GJ/VAPI/45479/E-I/E-II/904 dated February 28, 2000

Excise:

1. Central Excise Registration Certificate bearing no. AAACG5068KXM001/3911 dated 20/10/2005 issued by the Assistant Commissioner of Central Excise under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods at Glory Polyfilms Limited situated at Survey No. 51/4B--4A--4C--4D, 54/2-F--1A--2A--1C--2E--3D--2H Daman Industrial Estate, Kadiya, Daman, Daman and Diu, 396 210.

Service Tax:

1. Certificate of Registration Under Section 69 of the Finance Act, 1994 issued for allotment of Service Tax registration No. 750503/NDMN/III/45/GOODS TRANSPORT OPERATOR / 2004-05 dated 10/02/2005 by the Central Excise Officer, North Daman Division, for collecting Service Tax on GOODS TRANSPORT OPERATOR

Sales Tax:

1. Initial certificate of registration bearing no. DA/4968 dated 06/02/1998 with effect from 31/03/1998, issued by the Asst. Sales Tax Officer.
2. Initial certificate of registration bearing no. DA/CST/4451 dated 06/02/1998 with effect from 28/01/1998, issued by the Asst. Sales Tax Officer.

Environment:

1. Consent bearing reference no. PCC/DDD/G-1158 / KY/ WH / 97-98/1141 dated December 7, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under section 25 of Water (Prevention and Control of Pollution) Act, 1974 to renew facilities to manufacture Plastic Films (Plain and Printed). Consent is valid up to February 28, 2007. Application for renewal has been made on 28.02.2007.

Others:

- i. Certification issued by Lead Auditor, TUV South Asia Private Limited for ISO 9001:2000 Quality Management System valid up to 09.02.2009 and Certificate of Conformity for HACCP Management System of Glory Polyfilms Ltd valid up to 14.02.2009 conducted by TUV South Asia Private Limited for manufacture of plastic packaging products and laminated films.
- ii. Application for Trade Mark Registration of the logo of the Company bearing application no. 1418246 dated 1st February' 2006.

The Company is yet to apply for the following approvals for the expansion project:

Sr. No.	Approval/Consent	Concerned Authority	Remarks
1	Permission to construct factory Building	Town Planner	Not yet applied. Will be applied in due course.

SECTION VII: OTHER REGULATORY AND STATUTORY DISCLOSURES

OTHER REGULATORY AND STATUTORY DISCLOSURES

1) Authority for the Present Issue

The Issue of Equity Shares by the Company has been authorized by shareholders vide a Special Resolution passed at the EGM of the Company held on 30/08/2006. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on 04/08/2006.

2) Prohibition by SEBI

The Company, its Directors/Promoters, the Group Companies, other companies (not applicable) promoted by the promoters and Companies with which the directors of the company are associated, as directors or as Promoters, are not registered with SEBI neither they are prohibited from accessing the capital market under any order or directions passed by SEBI.

3) Eligibility for the Issue

According to Clause 2.2.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and amendments thereof, an unlisted Company shall make an initial public issue of any equity share or any security convertible into equity shares at a later date subject to the following:

- (a) The Company has net tangible assets of at least Rs. 300 Lacs in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets
- (b) The Company has a track record of distributable profits in terms of Section 205 of the Companies Act, for at least three (3) out of immediately preceding five (5) years
- (c) The Company has a pre issue net worth of at least Rs. 100 Lacs in each of the preceding 3 full years (of 12 months each);
- (d) The Company did not change its name within the last one year, hence the provisions of Clause 2.2. (d) of the SEBI Guidelines will not applicable to us;
- (e) The proposed Issue size is not expected to exceed five times the pre-issue net worth of the Company and is compliant with Clause 2.2.1(e) of the SEBI Guidelines.

Based on the above criteria, the Lead Manager has confirmed that the Company is fulfilling the criteria of eligibility norms for public issue by unlisted company as specified in the Guideline 2.2.1 of SEBI (DIP) Guidelines, 2000, and subsequent amendments thereof.

The Company also undertakes that the number of prospective allottees in the Issue shall be at least 1000 failing which the entire subscription amount will be refunded.

In terms of the certificate issued by M/s B. S. Pandit, Chartered Accountants, dated 28th August, 2006, the Company satisfies the above eligibility criteria as follows:

The Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI DIP Guidelines as explained herein above. The net tangible assets, monetary assets, net profits and net worth as derived from the audited financial statements, and included in this Prospectus under the section titled "Financial Statements", as at, and for the last five financial years ended March 31, 2006, is set forth herein-below:

(Rs. In Lacs)

Particulars	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006
Net Tangible Assets	1,716.35	1,689.33	2,371.83	4,339.48	5,355.16
Monetary Assets	56.12	26.10	65.56	109.95	105.29
Net Profits (as restated)	38.25	44.12	36.30	119.53	266.59
Net Worth (as restated)	474.54	465.56	501.88	971.44	1,310.66

The Pre issue net worth as on March 31, 2006	Rs. 1310.66 Lacs
5 times pre-issue networkth	Rs. 6553.3 Lacs
Issues made during the same financial year	NIL
Maximum Size of the Issue for which the company is eligible	Rs. 6553.3 Lacs
Size of the Present Issue through offer document, firm allotment and promoters contribution through the offer document	Rs. 3945.60 Lacs
The Issue size is less than the eligibility as explained above	

Note:

1. Net tangible assets are defined as the sum of fixed assets (including capital work-in-progress and excluding revaluation reserves), current assets (excluding deferred tax assets), investments, and less current liabilities (excluding deferred tax liabilities and long term liabilities).
2. Monetary Assets is defined as the sum of cash in hand, cash at bank, quoted investments, fixed deposits and interest accrued on fixed deposits, if any.

Based on the above data, and the certification provided by the Auditors, the Lead Manager(s) has confirmed that the Company is fulfilling the criteria of eligibility norms for public issue by unlisted company as specified in the Guideline 2.2.1 of SEBI (DIP) Guidelines, 2000, and subsequent amendments thereof.

The Company also undertakes that the number of prospective allottees in the Issue shall be at least 1000 failing which the entire subscription amount will be refunded.

1. DISCLAIMERS

SEBI DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS PROSPECTUS HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI).

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGER, SREI CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES 2000, AND THE SUBSEQUENT AMENDMENTS THEREOF, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SREI CAPITAL MARKETS LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 18TH APRIL, 2007 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992 WHICH READS AS FOLLOWS:

- I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
- II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

- A. THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
- III) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATIONS ARE VALID.
 - IV) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

THE FILING OF PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN PROSPECTUS.

2. CAUTION/ DISCLAIMER STATEMENT FROM THE ISSUER AND THE LEAD MANAGER(S)

The Company, its directors and the Lead Manager(s) accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information, including the Company's web site www.glorypolyfilms.com, would be doing so at his or her own risk.

The Lead Manager(s) accepts no responsibility, save to the limited extent as provided in terms of the Memorandum of Understanding entered into between the Lead Manager(s) and the Company, and if Underwritten, the Underwriting Agreement to be entered into among the Underwriters and the Company.

All information shall be made available by the Company, the Lead Manager(s) to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

The Company and Lead Manager(s) are obliged to update the Prospectus and keep the public informed of any material changes till the listing and trading commencement

3. Disclaimer Clause of BSE

"Bombay Stock Exchange Ltd. ("the Exchange") has given vide its letter dated November 23, 2006 permission to the Company to use the Exchange's name in this Prospectus as one of the stock exchange on which the securities are proposed to be listed. The Exchange has scrutinised this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The Exchange does not in any manner:

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or
- ii) Warrant that this Company's securities will be listed or will continue to be listed on Exchange; or
- iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed that this Prospectus has been cleared or approved by the Exchange. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

4. Disclaimer Clause Of National Stock Exchange Of India Limited (NSE)

"As required, a copy of this Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/36590-3 dated January 5, 2007 permission to the Issuer to use the Exchange's name in this Prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the Exchange nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever"

5. General Disclaimer of the issuer

The Company accepts full responsibility for the accuracy of the information given in this prospectus and confirms that to the their knowledge and belief, there are no other facts, the omission of which makes any statement in this prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts.

The Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to misstatement/ misrepresentation and in the event of transpiring at any point of time till allotment/refund as the case may be, that any information /material has been suppressed/withheld and/or amounts to an misstatement/ misrepresentation, the Promoters/Directors undertake to refund the entire application monies to all subscribers within

seven days thereafter without prejudice to the provisions of Section 63 of The Companies Act, 1956.

The Company will update the prospectus and keep the public informed of any material changes in the document till the listing and trading.

6. Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons, resident in India including Indian nationals who are Adult Individuals and are not lunatic, in single name or joint names (not more than three); Hindu Undivided Families through the Karta of the Hindu Undivided Family; Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares; Indian Mutual Funds registered with SEBI; Indian Financial Institutions, Scheduled Commercial Banks, regional rural banks, co operative banks (subject to RBI permission), trusts registered under Societies Registration Act, 1860 as amended from time to time, or any other law relating to trusts and who are authorized under their constitution to hold and invest in equity shares, Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any; State Industrial Development Corporations; permitted Insurance Companies, Provident Funds with minimum corpus of Rs.2500 Lacs; Pension Funds with minimum corpus of Rs.2500 Lacs;; and to Non-Residents including NRIs and Foreign Institutional Investors (FIIs) on repatriation / non-repatriation basis. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about it and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the exclusive jurisdiction of the appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with SEBI for observations and SEBI has given its observations and the prospectus has been filed with ROC as per the provisions of Companies Act. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company from the date hereof or that the information contained herein is correct as of or at any time subsequent to this date.

7. Filing of Prospectus with the Board and the Registrar of Companies

A copy of this Prospectus along with the documents required has been filed with **Securities & Exchange Board of India** SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Mumbai - 400051

A copy of the Prospectus, along with the material contracts and documents required to be filed under Section 60B of the Companies Act would be delivered for registration to the Registrar of Companies, Maharashtra. Everest" Building, 100 New Marine Drive, Mumbai 400 002

8. Listing

The Equity Shares to be issued through this Prospectus are proposed to be listed on BSE (Designated Stock Exchange) and NSE and initial listing applications have been made by the company to BSE and NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. We have received in principle approval from BSE and NSE, for the listing of our Equity Shares, vide their letters no. DCS/IPO/PS/IPO-IP/56/2006 dated November 23, 2006 and letter no. NSE/LIST/36590-3 dated January 5, 2007 respectively for listing of the Equity shares being issued in terms of this Prospectus.

In case, the permission to deal in and for official quotation of the Equity Shares are not granted by the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the company becomes liable to repay it (i.e., from the date of refusal or within 70 days from the Issue Closing Date, whichever is earlier), then the Company and every director of the Company who is an officer in default shall, on and from the date of expiry of 8 days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act, 1956.

The Company with the assistance of the Lead Manager(s) shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

9. Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

"Any person who:

- a makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

10. Consents

The written consents of Directors, Company Secretary & Compliance Officer, Lead Manager to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Statutory Auditors, and Bankers to the Company and Bankers to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, Maharashtra as required under Section 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration with the ROC.

M/s B.S. Pandit, Chartered Accountants, the statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

M/s B.S. Pandit Chartered Accountants, the statutory auditors have given their written consent to the inclusion of their report on the tax benefits accruing to the Company and its members in the form and context in which it appears in this Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

11. Expert Opinion

Except as stated in this Prospectus, the Company has not obtained any expert opinions.

12. Public Issue Expenses

The Expenses of this Issue includes, among others, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses, bank charges, listing fees, and other miscellaneous expenses.

The total estimated expenses would be met out of the proceeds of the issue. All expenses with respect to the Issue would be borne by the company

Public Issue expenses are estimated as follows:

S. No.	Particulars	Amount (Rs. in Lacs)	% age
1	Issue Management Fees	98.64	35.87
2	Registrar, Legal Advisor, Auditors etc.	10.00	3.64
3	Printing & Stationery, Distribution, Postage, etc.	50.00	18.18
4	Brokerage & Selling Commission	39.46	14.35
5	Advertisement & Marketing Expenses	50.00	18.18
6	Other Expenses (incl. Filing Fees, Listing Fees, Depository Charges, etc.)	10.00	3.64
7	Contingencies	16.90	6.14
	Total	275.00	100.00

Fees Payable to Lead Manager

The total fees payable to the Lead Manager (including underwriting commission, if any, and selling commission) will be as per the Memorandum of Understanding executed between the Company and the Lead Manager dated 27.09.2006, copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar to the Issue dated 22/09/2006, a copy of which is available for inspection at the Registered Office of the Company.

The Registrar will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses, etc.

Others

The total fees payable to the Legal Advisor, Auditors and Tax Auditors will be as per the terms of their respective engagement letters.

13. Underwriting Commission, Brokerage and Selling Commission

The Issue is not being underwritten and therefore no Underwriting Commission is payable.

Brokerage for the Issue will be paid not more than 1.0% of the Issue Price of the Equity Shares by the Company on the basis of the allotments made against the applications bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker column.

In case of tampering or over-stamping of Brokers'/ Agents' codes on the application form, the company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. The Company is at the sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by us.

14. Previous Public or Rights Issues (during the last five years)

This is the company's first public issue and it has not made any public or rights issue since inception.

15. Previous Issue of Shares Otherwise than for Cash

The Company has not issued any Equity Shares for consideration other than cash except as stated in the Prospectus under "Capital Structure" beginning from page no. 12 of this Prospectus.

16. Commission or Brokerage on Previous Issues

The Company has not made any public or rights issue since inception and as such no amount has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription of the equity shares

17. Particulars in regard to the Company and other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956 which made any capital Issue during the last three years

There are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.

For more details, please refer to the section titled "Financial and Other Information of Other Ventures" beginning on page no. 120 of this Prospectus.

Neither the Company, nor any other company under the same management within the meaning section 370 (1) (B) of the Companies Act, 1956, has made any capital Issue during the last three years.

18. Promise vis-à-vis Performance

The Company has not made any previous public or right issue since inception and hence, Promise vis-à-vis Performance is not applicable to us.

19. Listed Ventures of Promoters

The promoters do not have any listed ventures and hence not applicable.

20. Outstanding Debentures or Bonds Issue

The Company does not have any outstanding debentures or bonds.

The Company has not made any public or rights Issue of Debentures, Redeemable Preference Shares or any other instruments, nor does the Company hold any Public Deposits.

21. Outstanding Preference Shares

The Company does not have any outstanding preference shares.

22. Stock Market Data for the Equity Shares

This being the first public issue of the Company the Equity Shares of the company are not listed on any stock exchange hence no stock market data is available.

23. Mechanism Evolved for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and the company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investor to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, bank branch or collection centre where the application was submitted.

The Registrar to the Issue will handle investors' grievances pertaining to this issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrars to the issue in attending to the grievances of the investors. The Company assures that the Registrars, in respect of the complaints, if any, to be received shall adhere to the following schedules-

Sr. No.	Nature of the Complaint	Time Taken
1	Non-receipt of the refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2	Change of Address notification	Within 7 days of receipt of information.
3	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

The Company has adopted Corporate Governance practices for ensuring protection of the rights and interests of its Shareholders. For Investor Grievances and redressal, the Company has formed a Shareholder's Grievance Committee to look into the shareholders complaints, if any, and to redress the same expeditiously.

All investor complaints that cannot be resolved by the Company Secretary & Compliance Officer would be placed before the Shareholders/ Investors Grievance Committee for resolving the same. The Company will settle investor grievances expeditiously and satisfactorily.

The agreement between the Company and the Registrar to the Issue will provide for retention of records with the Registrar to the Issue, Bigshare Services Pvt. Ltd. for a period of at least six months from the last date of dispatch of letters of allotment, demat credit, and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Objects of the Committee

To look into the shareholder complaints, if any, and to redress the same expeditiously, the Committee approves requests for issue of duplicate share certificates and issue of certificates after split/consolidation etc. as also requests for transmission of shares, referred by the Share Transfer Committee.

Composition of Committee

Name of Members	Designation
Mr. Vilas R. Shah	Chairman
Mr. Deviprasad K. Taparia	Member
Mr. Ramakant B. Jhunjhunwala	Member

Mr. Nitesh K. Jain, Company Secretary of the Company shall act as the Secretary of the above-mentioned committees.

Disposal of Investor Grievances

The Company estimates that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, the Company or the Registrars will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Nitesh Kumar Jain as Company Secretary & Compliance Officer and he may be contacted in case of any pre issue/post issue related problems. He can be contacted at

Glory Polyfilms Limited
201 Vintage Pearl', A wing,
29th Road, Bandra (W),
Mumbai - 400 050
Tel: +91-22-2651 4811,
Fax: +91-22-2651 4812.
Website: www.glorypolyfilms.com
Email: ipo@glorypolyfilms.com

24. Changes in Auditors during the Last Three Years

There was no change in the auditors in last three years except M/S P D Ghanekar & Co. Chartered Accountants resigned in the Annual General Meeting of the company held on 30th September 2004 and B. S. Pandit, Chartered Accountant was appointed as Statutory Auditor of the company. All the compliances as required under the Companies Act, 1956 in this regard have been complied with.

25. Capitalization of Reserves or Profits (during last five years)

Except as stated herein below and elsewhere in the Prospectus under "Capital Structure", beginning on page 12, the Company has not issued any Equity Shares on capitalisation of profits or reserves.

Date of Allotment of Bonus Shares	Ratio of Bonus Issue	Number of Equity Shares of Rs.10/- each issued as Bonus	Amount of Reserves Capitalised
6 th February, 2006	3:10	21,00,000	2,10,00,000

26. Revaluation of Assets, if any (during last five years)

None of the assets of the Company have been revalued.

SECTION VIII: ISSUE RELATED INFORMATION

A. TERMS OF THE ISSUE

i) Terms of the Issue

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Prospectus, Application Form, the Revision Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

ii) Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by the company after the date of Allotment of Equity Shares pursuant to the Issue. See the section titled "Main Provisions of the Articles of Association of the Company" beginning on page 171 of the Prospectus for a description of the Articles of Association.

iii) Mode of Payment of Dividend

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders, at their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition.

IV) Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this Prospectus at a price of Rs. 48 per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares of the Company, subjected to applicable laws. The issue price is 4.8 times the face value of the equity shares.

v) Compliance with SEBI DIP Guidelines

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time. In this regard the Company has appointed Mr. Nitesh Kumar Jain, Company secretary as the Compliance Officer of the Company.

vi) Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of the Company, the equity shareholders shall have the following rights:

- a Right to receive dividend, if declared.
- b Right to attend general meetings and exercise voting rights, unless prohibited by law.
- c Right to vote on a poll either personally or by proxy.
- d Right to receive offer for rights shares and be allotted bonus shares, if announced;
- e Right to receive surplus on liquidation.
- f Right of free transferability; and
- g Such other rights, as may be available to a shareholder of a listed public Ltd. company under the Companies Act, Listing Agreement with the Stock Exchanges and Articles of Association of the Company.

For further details on the main provisions of the Articles of Association relating to voting rights,

dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to section titled "Main Provisions of Articles of Association of the Company" on page 171 of this Prospectus.

vii) Market Lot And Trading Lot

In terms of Section 68B of the Companies, 1956, the Equity Shares of the Company shall be allotted only in dematerialised form for all investors. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the company shall be in dematerialised form, and hence, the marketable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of 1 Equity Share subject to a minimum Allotment of 125 Equity Shares. For details of allotment refer to chapter titled "Issue Procedure" under section titled "Issue Related Information" beginning on page 98 of the Prospectus.

viii) Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, 1956 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the Case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, becoming entitled to the Equity Shares by reason of death of the original holder(s), shall in accordance with Section 109A of the Companies Act, 1956 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed Form available on request at the Registered Office of the Company or at the Registrar and Share Transfer Agent of the Company.

In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. To register himself or herself as the holder of the Equity Shares; or
- b. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to elect/ choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

As per the policy of RBI, Overseas Corporate Bodies cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United

States in compliances with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

ix) Minimum Subscription

“If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956.

x) Withdrawal of the Issue

The Company in consultation with the Lead Manager(s) reserves the right not to proceed with the Issue, any time after the Issue opening date but before allotment without assigning any reason thereof.

xi) Period of Subscription

The subscription list for public issue shall remain open for at least 3 working days and not more than 10 working days.

xii) Arrangements for Disposal of Odd Lots

Since, the Equity Shares will be traded in dematerialised form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

xiii) Restrictions, if any, on transfer/transmission of Equity Shares & on their consolidation and splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of the Equity shares and on their consolidation/splitting, please refer to the sub-heading “Main Provisions of the Articles of Association of Glory Polyfilms Ltd” on page 171 and in the chapter titled “Capital Structure” under section titled “Introduction” beginning on page 12 of this Prospectus.

B. ISSUE PROCEDURE

1. Authority for the Present Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the EGM of the Company held on August 30, 2006. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on August 04, 2006.

2. Principal Terms and Conditions of the issue

The Equity Shares, now being issued, are subject to the terms and conditions of this Prospectus, the Application Form, the Memorandum & Articles of Association of the Company, the guidelines for listing of securities issued by Government of India and guidelines issued by SEBI from time to time, the Depositories Act and the provisions of the Act.

In addition, the Equity Shares shall also be subject to such other terms and conditions as may be incorporated in the letter of allotment, Share Certificates, as per guidelines, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

3. How To Apply

i) Availability of Prospectus and Application Forms

The Memorandum, Form 2A containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of the Company, Lead Manager(s) to the Issue, Registrar to the Issue, Brokers to the Public Issue and at the branches/collection centers of the Bankers to the Issue, as mentioned on the Application Form.

NRI/ FIIs can obtain the Application Form from the registered office of the Company.

ii) Who Can Apply:

a)	Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, or in the names of their minor children as natural/legal guardians, in single name or joint names (not more than three)
b)	Hindu Undivided Families (HUF) through the Karta of the Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
c)	Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares
d)	Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India and SEBI regulations, if any);
e)	Scientific and/or Industrial Research Organizations which are authorized to invest in shares
f)	Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any.
g)	State Industrial Development Corporations
h)	Insurance Companies registered with Insurance Regulatory and Development Authority
i)	Provident Funds with minimum corpus of Rs.2500 Lacs and who are authorized under their constitution to hold and invest in equity shares
j)	Pension Funds with minimum corpus of Rs.2500 Lacs and who are authorized under

	their constitution to hold and invest in equity shares
k)	Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company
l)	Foreign Institutional Investors (FIIs) on repatriation basis/ non-repatriation basis subject to applicable laws
m)	Permanent and Regular employees of the Company
n)	Non-Resident Indians (NRIs) on repatriation / non-repatriation basis subject to applicable laws
o)	Multilateral and bilateral development financial institutions.
p)	Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

Note: The LM shall not be entitled to subscribe to the Issue in any manner. However, associates and affiliates

May subscribe for Equity Shares in the Issue, where the allotment is on a proportionate basis.

The information below is given for the benefit of the investors. The Company and the LM are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to ensure that Equity Shares applied for under any single applications form, from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

iii) Applications not to be made by:

- a) Minors
- b) Foreign Nationals (except NRIs)
- c) Partnership firms or their nominees
- d) Overseas Corporate Bodies (OCBs)

iv) Applications by Hindu Undivided Families (HUF)

Applications may be made by Hindu Undivided Families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.

v) Minimum and Maximum Application Size

Applications should be for minimum of 125 Equity Shares and in multiples of 125 Equity Shares thereafter. An applicant in the public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public

Under existing SEBI guidelines, a QIB applicant cannot withdraw its application after the Issue Closing Date.

4. Option to Subscribe

As on the date of this document, there are no pending options to subscribe to Equity Shares or convertible instruments pending conversion into Equity Shares of any kind. The investor shall have the option to subscribe to Equity Shares to be dealt with in a depository.

In terms of Section 68B of the Companies Act, 1956, the Equity Shares in this Offer shall be allotted only in dematerialized form. The investor shall have the option to either receive the security certificates or to hold the securities in dematerialized form with a depository.

5. Filing of the Prospectus with the RoC

A copy of the Prospectus has been filed with the Registrar of Companies, Maharashtra in terms of Section 56, Section 60 of the Companies Act.

6. Pre-Issue Advertisement

The Company will issue a statutory advertisement after filing of the Prospectus with the RoC. This advertisement will contain the information that has to be set out in the statutory advertisement. Material updates, if any, between the date of filing the Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

7. Option to Subscribe in the Issue

Equity Shares being offered through the Prospectus can be applied for in dematerialised form only.

However the investor shall have the option to hold the Equity Shares in physical form or demat form.

After the allotment in the proposed issue allottees may request their respective Depository Participant for rematerialisation of shares in physical shares.

8. Availability of Prospectus and Application Forms

The memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of the Company, the Lead Manager to the Issue, the Registrar to the Issue, and at the collection centers of the Bankers to the Issue as mentioned on the application form.

NRIs/FIIs can obtain the Application Form from the Registered Office of the Company as well as from the Office of the Lead Manager.

Application by Mutual Funds/ Schedule Banks/Indian and Multilateral Development Financial Institutions

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Schedule Banks and Indian and Multilateral Development Financial Institutions can apply in this public issue based upon their own investment limits and approvals.

Application by NRIs

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment on repatriable basis. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (White in colour)

Application by NRIs for an amount of not more than Rs. 100,000/- would be considered under the Retail Portion for the purposes of allotment.

Application by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The allotment of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company. In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the company total issue capital or 5% of the Company total issued capital in case such sub-account is a foreign corporate or an individual.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, as

amended, an FII or its sub account may issue, deal or hold, off-shore derivatives instruments, such as Participatory Notes, Equity-Linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any Stock Exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities, in the countries of their incorporation or establishment, subject to compliance of "Know Your Client" requirements. An FII or sub account shall also ensure that no further downstream issue or transfer of any instrument referred to herein above is made to any other person other than a regulated entity.

Application by SEBI Registered Venture Capital Funds And Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI, in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only upto 33.33% of the investable funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under the laws or regulations, and the Company and the LM shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made by provident funds with minimum corpus of Rs.2500 Lacs (subject to applicable law) and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case without assigning any reason therefor.

In case of Applications made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject terms and conditions that the Company and the LM may deem fit.

9. General Instructions for Applicants

Application Form

Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English, as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made. The prescribed application forms will have the following colours:

Category	
Indian public, NRIs applying on a non-repatriation basis	White
Non-residents including Eligible NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

a) Application must be made only:

- i) For a minimum of 125 Equity Shares and in multiples of 125 thereafter.
- ii) In single name or joint names (not more than three);

Thumb impressions and signatures other than in English/Hindi or any other language specified in the 8th Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal.

b) Bank Account Details of Applicant:

IT IS MANDATORY FOR ALL THE APPLICANTS WILL GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Applicants such as address, bank account details for printing on refund orders or give credit through ECS and occupation (hereinafter referred to as "Demographic Details"). Hence, Applicants are advised to immediately update their bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine-digit code appearing on a cheque leaf) as appearing on the records of the depository participant, and carefully fill in their Depository Account details in the Application Form. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the LM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the refund orders/ECS credit for refunds/ Allocation Advice and printing of Company particulars on the refund order and the Demographic Details given by Applicants in the Application Form would not be used for these purposes by the Registrar.

Hence, Applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

Allocation Advice / refund orders/ECS refunds for credits/ refund advice would be mailed at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of allocation advice/ refund orders/ intimation for ECS refunds of credits/refund advice may get delayed if the same once sent to the address obtained from the

Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company nor the Registrar nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any such interest for such delay. In the case of refunds through electronic modes as detailed in page no. 163 of this Prospectus, Applicants may note that refund may get delayed if the bank particulars obtained from the Depositories are incorrect

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

- c) By signing the Application For, the Applicant would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.
- d) Applicants should write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity Shares.
- e) An applicant in the public category cannot make an application for that number of securities exceeding the number of securities offered to the public. Payment should be made in cash or by cheque/Bank Draft drawn on any bank (including a Co-operative Bank), which is situated at and is a Member or Sub-member of the Banker's Clearing House located at the place where the application is submitted.
- f) A separate cheque or Bank draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders/Postal Orders will not be accepted.
- g) All Cheques or Bank Drafts must be payable to any of the Bankers to the Issue with whom the application is lodged and marked "Name of the Bank A/c-M/s Glory Polyfilms Limited Public Issue" and crossed "Account Payee Only" (e.g. _____ **Bank A/c GLORY POLYFILMS LTD Public Issue**).
- h) All application Forms duly completed together with cash/ cheque/bank draft for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Public Issue named herein or to any of their branches mentioned on the reverse of Application Form, and NOT to the Company or to the Lead Manager to the Public Issue or to the Registrars to the Public Issue.
- i) No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning acknowledgment slip at the bottom of each application form.
- j) When an application for Equity Shares is for a total value of Rs.50,000/-or more, the applicant or in the case of application in joint names each applicant should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle, Ward, District. In case neither PAN, GIR Number has been allotted mention of "Not Allotted" must be made in the place provided. Application Form without this information will be considered incomplete and is liable to be rejected.
- k) All Cheques/Bank Drafts accompanying the application form should contain the Application Form Number on the reverse of the instrument.
- l) The applicant should fill in the details of his/her bank account in the space provided in the application form failing which the application is liable to be rejected.

- m) Having regard to the provisions of Section 269 (SS) of the Income Tax Act, 1961, subscriptions against applications for securities should not be effected in cash and must be effected only by Account Payee cheques or Account Payee bank drafts, if the amount payable is Rs. 20,000/-or more. In case payment is effected in contravention of this provision, the application is liable to be rejected.
- n) Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at a their sole risk along with Demand Draft payable at Mumbai only payable to **"GLORY POLYFILMS LTD. -Public Issue"**
- o) Applications by NRIs on non-repatriation basis can be made using the Application Form meant for Resident Indians out of the funds held in Non-Resident Ordinary (NRO) Account. The relevant bank certificate must accompany such forms. Such applications will be treated on par with the applications made by the public.
- p) The company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund Orders/ECS refunds for credits/Allotment Advice, the demographic details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic details as given in the Application Form instead of those obtained from the Depositories.
- q) In case no corresponding record is available with the Depositories, which matches three parameters, namely, name(s) of the Applicant(s) (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

For further instructions please read Application Form carefully.

10. Terms of Payment

The entire Issue price of Rs. 48 per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

11. Submission of Completed Application Forms:

All applications duly completed and accompanied by cash/ cheques/ bank drafts shall be submitted at any of the branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue. Application(s) should not be sent to the office of the Company or the Lead Manager(s) to the Issue or the Registrars to the Issue.

Applicants residing at places where no collection centers have been opened may submit / mail their applications at their sole risk along with application money due there on by Bank Draft to the Registrar to the Issue, Bigshare Services Pvt. Ltd., superscribing the envelope **"Glory Polyfilms Limited – Public Issue"** so as to reach the Registrar on or before the closure of the Subscription List. Such bank drafts should be payable at Mumbai only.

The Company will not be responsible for postal delays and loss in transit. The Company will not entertain any claims, damage or loss due to postal delays or loss in transit.

The Company will not be responsible for postal delays and loss in transit. The Company will not entertain any claims, damages or loss due to postal delays or loss in transit.

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

Applications shall be deemed to have been received by the Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

12. Payment Instructions

- a) Payments should be made in cash or cheque or bank draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member or a sub-member of the Bankers' "Clearing House", located at the Centers (indicated in the Application Form) where the Application is accepted. However, if the amount payable on application is Rs. 20,000/- or more, in terms of section 269SS of the Income-Tax Act, 1961; such payment must be effected only by way of an account payee cheque or bank draft. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each application form.
- b) Money orders, postal orders, outstation cheques or bank drafts, cheques / draft drawn on Banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.
- c) All cheques / bank drafts accompanying the application should be crossed **"A/c Payee Only"** and must be made payable to the Bankers to the Issue where the application is lodged and marked: "Name of the Bank a/c: GLORY POLYFILMS LTD PUBLIC ISSUE"
- d) In case of Applications by NRIs applying on registration basis, the payments must be made through Indian Rupee draft purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- e) In case of Applications by FIIs, the payment should be made out of funds in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
- f) Investors will not have facility of applying through stock invest instruments as RBI has withdrawn the stock invest scheme vide notification no.DBOD.NO.FSC.BC.42/24.47.001/ 2003-04 dated 5/11/2003.
- g) All cheques / bank drafts accompanying the application should be crossed "A/c Payee Only" and made payable to the Bankers to the Issue and marked:

Category of Application	Cheques / Bank Drafts favouring
Indian Public including NRIs applying on non-repatriation basis	"Name of the Bank a/c: GLORY POLYFILMS LTD - PUBLIC ISSUE"
NRIs/FIIs on repatriation basis	"Name of the Bank a/c: GLORY POLYFILMS LTD - PUBLIC ISSUE – NR"

13. Instructions For Applications By NRIs/FIIs (On Repatriable Basis):

- a) As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits.
- b) NRIs / FIIs / Indian Mutual Funds & Indian and Multilateral Development Financial Institutions can obtain the Application Form from either the Registered Office of the Company.
- c) In case of application by NRIs on repatriation basis, the payments must be made through Indian Rupees drafts purchased abroad or cheques or banks, for the amount payable on application remitted through approved banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Accounts of Non-Resident Subscribers applying on a repatriation basis. Payment by bank drafts should be accompanied by along with the Certificate from the Bank issuing the Draft confirming that the Draft has been issued by debit to NRE/FCNR account.
- d) However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to RBI approval under prevailing RBI Guidelines or any other requisite statutory authority as may be necessary under the existing Exchange Control regulations. The sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon, subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.
- e) In case of application by FIIs on repatriation basis, the payment should be made out of funds held in Special Non-Resident Rupee Account along with documentary evidence in support of the remittance like certificates such as FIRC, bank certificate etc. from the authorised dealer. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to Special Non-Resident Rupee Account.
- f) Duly filled Application Forms, by NRIs / FIIs, along with the cheques/bank drafts, and crossed '**Account Payee only**' in favour of "**Bank A/c- GLORY POLYFILMS LTD.-Public Issue-NRI**" will be accepted at designated branches of the Bankers to the Issue.
- g) Refunds/dividends and other distributions, if any, will be payable (net of Bank Charges/commissions) in Indian Rupees only. In case of applicants who remit their application money from funds held in NRE /FCNR accounts, such payments shall be credited to their respective NRE / FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.
- h) Applications in this category may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment on repatriable basis. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the blue coloured forms meant for applications on repatriable basis.
- i) The Company does not require approvals from FIPB or RBI for the transfer of Equity Shares in the Issue to eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.
- j) There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allotment.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933. as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in the Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.. Accordingly, the Equity Shares may be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sale occur.

14. Instructions For Applications By Indian Mutual Funds & Indian And Multilateral Development Financial Institutions:

- a) No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. Not mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.
- b) In case of a mutual fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Applications had been made.
- c) The applications made by the Asset Management Company or Trustees / Custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.
- d) Schedule Banks and Indian Mutual Funds & Indian and Multilateral Development Financial Institutions should apply in this Public Issue based upon their own investment limits and approvals.
- e) Application Forms together with cheques or bank drafts drawn in Indian Rupees for the full amount payable at the rate of Indian Rs. (.) per Equity Share must be delivered before the close of subscription list to such branches of the Bankers to the Issue at places mentioned in the Application Form.
- f) A separate single cheque / bank draft must accompany each Application Form.

15. Right to Reject Applications

In case of all categories of Applicants the Company has a right to reject applications based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Applicant's address at the Applicant's sole risk.

Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected on among others on the following technical grounds:

- a) Applications not duly signed by the sole/joint Applicants;
- b) Amount paid doesn't tally with the amount payable for the Equity Shares applied for;
- c) Bank account details (for refund) are not given;
- d) Age of First Applicant not given;
- e) In case of partnership firms, Equity Shares may be registered in the names of the individual partner and no firm as such shall be entitled to apply;
- f) Application by persons not competent to contract under the Indian Contract Act, 1872 including minors ,insane persons;
- g) PAN photocopy/ PAN Communication/ Form 60 / Form 61 declaration not given if Application is for Rs.50,000 or more and GIR number is given instead of PAN;
- h) Application for lower number of Equity Shares than specified for that category of investors;
- i) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- j) Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- k) Application at a price less than the offer price;
- l) Application at a price higher than the stated price;
- m) Application for number of Equity Shares, which are not in multiples of 125.
- n) Category not ticked;
- o) Multiple applications as defined in Prospectus;
- p) In case of application under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- q) Application Form does not have Applicant's depository account details;
- r) Applications accompanied by Stockinvest/money order/postal order/cash;
- s) Signature of sole and/ or joint Applicant(s) missing;
- t) Application Forms are not delivered by the applicant within the time prescribed as per the Application Form, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Form;
- u) Applications by OCBs; or
- v) Applications by U.S. residents or U.S. persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.
- w) In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant (including the sequence of names of joint holders), the Depository Participant's Identity (DP ID) and the beneficiary's account number;

For further instructions regarding application for the Equity Shares, investors are requested to read the Application Form carefully.

16. Acceptance of Applications

LM and the Company reserve the right to reject any QIB Application without assigning any reason. In case of Non-Institutional applicants and Retail Individual applicants, Permanent Employees, LM and the Company have a right to reject applications based on technical grounds. Consequent refunds shall be made as per modes disclosed.

17. General Information

(A) Joint Applications in case of Individuals

Applications may be made in single or joint names (not more than three). In case of Joint Applications, refund, pay orders, dividend warrants etc. if any, will be drawn in favour of the first applicant and all communications will be addressed to the first applicant at her/his address as stated in the application form.

(B) Multiple Applications

An applicant should submit only one application form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

NRIs/ FIIs applying on a repatriation basis shall not make an application in the public category and such applications made in both the categories i.e. reserved category and Public Category shall be treated as multiple applications.

The Company reserves the right to accept or reject, in absolute discretion, any or all-multiple applications or all categories. Unless the Company specifically agrees in writing with or without such terms and conditions it deems fit, a separate cheque/draft must accompany each application form.

(C) Bank Account Details

The applicant shall have to mention particulars relating to his saving bank / current account number and the name of the branch of the bank with whom such account is held in the respective spaces provided in the application form, to enable the registrars to print the said details in the refund orders after the names of the payee to prevent fraudulent encashment of refund order(s). Application forms without this information will be considered incomplete and will be liable to be rejected. The Applicant should note that on the basis of the name of the Applicant, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Offer will obtain from the Applicant's DP A/c, the Applicant's bank account details. The investors are advised to ensure that bank account details are updated in their respective DP A/cs as these bank account details would be printed on the refund order(s), if any.

(D) PAN / GIR Number

Where an application for allotment of securities is for a total value of Rs.50,000/-or more i.e., the total number of securities applied for multiplied by the issue price is Rs.50,000/-or more the applicant or in case of applications in joint names, each of the applicant, should mention his / her Permanent Account Number i.e. PAN allotted under the Income Tax Act, 1961. The copy of the PAN card or the PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that the applicant should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.** In case the sole or first applicant and joint applicants is /are not required to obtain PAN, each of the applicants shall mention "Not Applicable" and in the event the sole applicant and /or the

joint applicants have applied for PAN which is not been allotted each of the applicants should mention "Applied For" in the application forms. Further, where the applicants have mentioned "Applied For" or "Not Applicable", the sole/first applicant and each of the joint applicants, as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (Form of declaration to be filed by a person who has agricultural income and is not receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving Licence (d) Identity Card issued by any Institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All applicants are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

(E) Section 269 Ss Of Income Tax, 1961

In respect of all the categories eligible to apply in this issue, having regard to the provisions of Sec 269SS of the Income Tax Act, 1961 the subscriptions against these applications should not be effected in cash and must be effected by an Account Payee Cheques/Draft, if the amount payable is Rs. 20,000/-or more. In case the payment is effected in contravention of this provision, the applications are liable to be rejected.

(F) Unique Identification Number-MAPIN

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/quote UIN under the MAPIN Regulations/Circulars vide its circular MAPIN/Cir- 13/2005. However, in a press release dated December 30,2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UIN's in a phased manner. The press release states that the cut-off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs.1 Lac to Rs.5,00,000/-, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of the Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

(G) Equity Share in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Share of the Company can be held in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode).

In this context, two tripartite agreements have been signed between the Company, the respective Depositories and the Registrar to the Issue:

- i. a Tripartite agreement dated 19.01.2007 between the NSDL, the Company and the Registrar to the Issue;
- ii. a Tripartite agreement dated 05.02.2007 between the CDSL, the Company and the Registrar to the Issue.

Successful allottees in this Issue will be compulsorily allotted Equity Shares in dematerialised form.

All investors can seek allotment only in dematerialised mode. However, an investor will have an option to hold the shares in physical form or demat form. After the allotment in the proposed Issue, allottees may request their respective DPs for rematerialization of shares if they wish to hold shares in physical form. Applications without relevant details of his or her depository account are liable to be rejected.

Application from any investor, opting for allotment in dematerialised form, without the details of his depository account is liable to be rejected.

- An applicant applying for shares must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account No. and Depository Participants Identification No.) in the Application Form.
- Equity Shares allotted to successful applicants in the electronic account will be credited directly to the respective Beneficiary Accounts (with the Depository Participant)
- Name(s) in the share Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- The Registrar to this Issue will directly send non-transferable Allotment Letters/ Refund Orders to the Applicant.
- Application will be liable to be rejected if incomplete or incorrect details are given under the heading 'Request for shares in electronic/dematerialized form' in the Application Form.
- The applicant is responsible for the correctness of the Applicant's demographic details given in the Application Form vis-à-vis those with his/ her Depository Participant.
- It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where Equity Shares of the Company are proposed to be listed is connected to NSDL and CDSL.

Trading in the Equity Shares of the Company would be in only dematerialised form for all investors.

Communications

All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicant's Depository Account details, number of Equity Shares applied for, date of Application Form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.

For further instructions regarding application for the Equity Shares, investors are requested to read the application form carefully.

(H) Disposal of Applications and Application Money

The Company reserves, in own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the Issue. No interest will be payable on the application money so refunded.

The Company shall make refunds in case of oversubscription using the following modes:

- a In case of applicants residing in any of the 15 centers specified by the Board – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
- b In case of other applicants – by despatch of refund orders by registered post, where the value upto Rs 1500/- by "Under Certificate of Posting and shall dispatch refund orders above Rs.1,500/-, if any, by registered post or speed post, except for Applicants who have opted to receive refunds through the ECS facility and
- c Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 30 days of closure of Issue.

- d The company shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or ECS, as applicable, only at the sole or First Applicant's sole risk within 30 days of the Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mod(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.
- e In case of any category of applicants specified by the Board – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the Board from time to time."
- f The Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment.
- g The company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7(seven) working days of the finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI DIP Guidelines, the Company further undertakes that:

- i. Allotment shall be made only in dematerialised form within 30 (thirty) days of the Issue Closing Date;
- ii. Despatch refund orders within 30 (thirty) days of the Issue Closing Date would be ensured; and
- iii. The Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 30 (thirty) days time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 30(thirty) days time prescribed above as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31,1983 as amended by their letter No.F/14/SE/85 dated September 27,1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI DIP Guidelines.

Such refund orders will be payable at par at all the collection centres.

The subscription received in respect of Public Issue will be kept in a separate bank account and the Company shall not have access to such funds unless approval for dealing from all the Stock Exchanges, where listing has been proposed, is received.

The Company has undertaken to make adequate funds available to the Registrar to the Issue for making refunds to unsuccessful applicants as per the mode(s) disclosed.

(I) IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

"Any person who:

- a makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years."

(J) Interest in case of Delay in Despatch of Allotment Letters/Refund Orders

The Company agrees that as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in, a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner) within 30 days from the date of the closure of the Issue.

(K) Basis of Allotment

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange) The Executive Director/Managing Director of BSE along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the relevant guidelines:

Procedure and Time Schedule for Allotment of Equity Shares and Demat Credit of Equity Shares

ISSUE OPENS ON : May 9, 2007	ISSUE CLOSURES ON : May 15, 2007
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The Company, in consultation with the LM, will determine the Issue Price, and the basis of allotment based on the Applications received and subject to the confirmation by the BSE/NSE. SEBI Guidelines require the Company to complete the allotment to successful Applicants within 30 days of closure of the Issue. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor's demat account, subject to final approval by the Stock Exchanges.

Method of Proportionate Basis of Allotment

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. 125 Equity Shares.

Fresh Issue to Public

In the event of Issue being over-subscribed, the allotment will be on a proportionate basis subject to minimum allotment being equal to the minimum application size, i.e. 50 Equity Shares as explained below:

1. A minimum 50% of the Fresh Issue to the Indian Public will be made available for allotment in favour of those Retail Individual Investors/applicants that is those individual applicants (including HUF's) who have applied for Equity Shares of or for a value of not more than Rs.1,00,000/-. This percentage may be increased in consultation with the Designated Stock Exchange depending on the extent of response to the Issue from investors in this category. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category/ other categories and allotment made on a proportionate basis as per relevant SEBI Guidelines. The Executive Director/Managing Director of the Designated Stock Exchange along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI Guidelines.
2. The balance of the Fresh Issue to Indian Public shall be made available to investors including Corporate Bodies/Institutions and individual Applicants who have applied for allotment of Equity Shares for a value of more than Rs. 1,00,000/-, irrespective of number of Equity Shares applied for.
3. The Unsubscribed portion of the Fresh Issue to any of the categories specified in (1) or (2) shall be made available for allotment to Applicants in the other category, if so required.
4. Applicants will be categorized according to the number of Equity Shares applied for.
5. The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of shares applied for in that category (number of applicants in the category multiplied by the number of shares applied for) multiplied by the inverse of the over subscription ratio.
6. Number of the shares to be allotted to the successful allottees shall be arrived at on a proportionate basis i.e., total number of shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio.
7. All the Application Forms where the proportionate allotment works out to less than 125 shares per Applicant, the allotment shall be made as follows:
 - a Each successful Applicant shall be allotted a minimum of 125 Shares; and

- b The successful Applicants out of the total applicants for that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (6) above.
- 8. If the proportionate allotment to an Applicant works out to a number that is more than 125 Equity Shares but is a fraction, the fraction equal to or higher than 0.50 shall be rounded off to the next integer and if that fraction is lower than 0.50, the fraction shall be ignored.
- 9. All the Applicants in such categories shall be allotted shares arrived at after such rounding off.
- 10. If the shares allocated on a proportionate basis to any category are more than the shares allotted to the Applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful Applicants in that category.
- 11. The balance of Equity Shares, if any, remaining after such adjustment shall be added to that category comprising applicants applying for minimum number of shares.
- 12. The process of rounding off to the nearest integer subject to a minimum allotment being equal to 125 Equity Shares, which is the minimum application size in this Issue, may result in the actual allotment being higher than the shares offered. However, it shall not exceed 10% of the net offer to public.

Retail individual investor means an investor who applies for shares of value of not more than Rs. 1,00,000/-

Investors may note that in case of over -subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE. The draw of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the governing board of the BSE. The Executive Director / Managing Director of the Designated Stock Exchange in addition to Lead Merchant Bankers and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI Guidelines.

(L) Letters of Allotment or Refund Orders

The Company shall give credit to the Beneficiary Account with Depository Participants within two (2) working days of finalisation of the basis of allotment of Equity Shares. The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- a Allotment of Equity Shares, only in dematerialized form, shall be made within 30 days from the Issue Closing Date;
- b Dispatch of refund orders shall be done within 30 days from the Issue Closing Date; and
- c The Company shall pay interest at 15% per annum (for any delay beyond the 30 days time period as mentioned above), if refund orders are not dispatched and/or demat credits are not made to investors within the 30 day time period prescribed above
- d In case of applicants residing in any of the centers specified by the Board - – refunds shall be credited through electronic transfer of funds by using ECS (Electronic Clearing System), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
- e In case of other applicants - where the value of refund order is Rs. 1500/- or more, refund orders will be dispatched to the applicants by registered post;
- f In case of any category of applicants specified by the Board - crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the Board from time to time.

Refunds other than (a) above, will be made by cheques or pay-orders drawn on the bank(s) appointed by the Company, as refund banker(s). Such instruments will be payable at par at the places where applications are accepted. Bank charges, if any, for encashing such cheques or pay orders will be payable by the applicant.

- The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

(M) Mode of making refunds

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Applicants bank account details including nine digit MICR code. Hence, Applicants are advised

to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the LM nor the Company shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

- a. **ECS:** Payment of refund would be done through ECS for applicants having an account at one of the 15 centres, where clearing houses for ECS are managed by Reserve Bank of India namely 1) Ahmedabad, 2) Bangalore, 3) Bhubaneswar, 4) Kolkata, 5) Chandigarh, 6) Chennai, 7) Guwahati, 8) Hyderabad, 9) Jaipur, 10) Kanpur, 11) Mumbai, 12) Nagpur, 13) New Delhi, 14) Patna and 15) Thiruvananthapuram. This would be subject to availability of complete Bank Account Details including MICR code from the depository. The payment of refund through ECS is mandatory for applicants having bank account at any of the 15 centres named herein above, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS or NEFT.
- b. **Direct Credit:** Investors having their bank account with the Refund Bank, i.e. Standard Chartered Bank shall be eligible to receive funds, if any, through Direct Credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.
- c. **RTGS:** Applicants having a bank account at any of the 15 centres detailed above, and whose Application amount exceeds Rs. 10 Lacs, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Application Form. In the event of failure to provide IFSC code in the Application Form, the refund shall be made through ECS or Direct Credit, if eligibility is disclosed;
- d. **NEFT (National Electronic Fund Transfer):** Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC CODE will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- e. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1500/- and through Speed Post/ Registered Post for refund orders of Rs. 1500/- and above.
- f. Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by RBI are eligible to receive refunds through the modes detailed in (a), (b) and (c) herein above.

(N) Interest in Case of Delay in Dispatch of Allotment Letters / Refund Orders in case of Public Issue

The Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 30 days from the date of the closure of the Issue.

(O) Scope of activities of the Registrar to the Issue

The Registrar to the Issue shall also be the share transfer agent and would also be responsible for all the post issue activities pertaining to this issue. All future communications in connection with Application made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, number of Equity Shares

applied for, date, bank and branch where the application was submitted and cheque/draft number and issuing bank thereof.

The trading of equity shares would be dematerialised form only for all the investors.

(P) Undertaking by the Company:

The Company undertakes:

- That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.
- That all steps for completion of the necessary formalities for listing and commencement of trading at stock exchange where the Equity Shares are proposed to be listed are taken within seven working days of finalization of basis of allotment.
- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Modes of making refunds" beginning on page (.) of the Prospectus shall be made available to the Registrar to the issue by the issuer.
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days of the final transfer date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- That the refund orders or allotment advice to the successful Applicants shall be despatched within specified time;
- That the certificates of the Equity Shares / refund orders to the non-resident Indians shall be dispatched within specified time.
- That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
- That the allotment advice/refund order to the NRIs/FIIs shall be dispatched within the specified time.

The Company will provide adequate funds required for dispatch of refund orders / electronic transfer of funds for refunds or allotment advice to the Registrar to the Issue.

(Q) Utilization of Issue Proceeds

The Board of Directors of the Company certifies that:

- a All monies received out of this Issue of Equity Shares to public shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;
- b Details of all monies utilized out of the Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the purpose for which such monies had been utilized; and
- c Details of all unutilized monies out of the Issue of Equity Shares, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the form in which such unutilized monies have been invested.

The Board of Directors of the Company further certifies that:

- i) Pending utilization of net proceeds of the Issue of Equity Shares as specified under the section "Objects of the Issue", the net proceeds will be invested by the Company in high quality interest bearing liquid instruments including but not limited to deposits with banks for the necessary duration.

- ii) The Company shall not have any recourse to the Issue proceeds until the approval for listing and trading of Equity Shares is received from all the Stock Exchanges where listing is sought is received.

13. Rectification of Register of Members

The Company, under Section 111A of the Companies Act will have the right to rectify the register of members to comply with the Companies Act.

14. Restrictions on Foreign Ownerships of Indian Securities , if any

Foreign investment in Indian securities is regulated through the industrial policy of the Government of India, notified through press notes and press releases issued from time to time and the FEMA and circulars and notifications issued thereunder. While the Policy of Government prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. As per current foreign investment policies, foreign direct investment in the industries in which the Company operates is allowed upto 100% under the automatic route.

By way of Circular No.53 dated December 17,2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a Public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents.

Investors making an application in this Issue will be required to confirm and will be deemed to have represented to the Company, the LM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribe to the Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the LM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of the Company.

15. Subscription by NRIs/FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allotment.

As per the RBI regulations, OCB cannot participate in the Issue.

16. Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

As per the current regulations, the following restrictions are applicable for investments by FIIs, the allotment of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company. In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-

account shall not exceed 10% of the company total issued capital or 5% of the company total issued capital in case such sub account is a foreign corporate or an individual. The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Prospectus. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Equity Shares have not been and will not be registered under the Securities Act, 1993 or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold (i) in the United States to "qualified institutional buyers" as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

SECTION IX: OTHER INFORMATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of the Company, inter-alia, includes the following clauses:

CAPITAL

3.
 - a) The Authorised Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
 - b) The minimum paid up Share capital of the Company shall be Rs. 5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.
4. The Company in General Meeting may, from time to time, by an ordinary resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting, resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a right of voting at General Meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of the Act.
5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6. Subject to Section 80 and other applicable provisions of the Act, the Company can issue preference shares that may be liable to be redeemed on the terms and conditions and in such manner as the Company may by ordinary resolution determine.
7. On the issue of Redeemable Preference Shares under the provision of Article 6 hereof the following provisions shall take effect
 - (a) No such shares shall be redeemed except out of profits of the Company, which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of redemption.
 - (b) No such shares shall be redeemed unless they are fully paid.
 - (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.
 - (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
 - (e) Subject to the provisions of Section 80 of the Act, the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
8. (1) The Company may exercise the powers of issuing sweat equity shares conferred by Section 79A of the Act of a class of shares already issued subject to the following conditions:

- (a) The issue of sweat equity shares is authorised by a special resolution passed by the Company in general meeting;
 - (b) The resolution specifies the number of shares, their value and the class or classes of directors or employees to whom such equity shares are to be issued; and
 - (c) Not less than one year has at the date of issue elapsed since the date on which the Company was entitled to commence business.
- (2) Subject to the provisions of Section 79A and other applicable provisions of the Act and the Rules made thereunder, the Company may issue Sweat Equity Shares if such issue is authorised by a Special Resolution passed by the Company in the general meeting. The Company may also issue shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorised by a Special Resolution of the Company in general meeting subject to the provisions of the Act and the Rules and applicable guidelines made thereunder, by whatever name called.
9. (a) Pursuant to Section 77A of the Act, the Company may purchase its own shares or other specified securities out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares made specifically for buy-back purposes by passing a special resolution in the general meeting of the Company.
- (b) Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy-back such of the Company's own shares or securities, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted under Section 77A of the Companies Act, 1956 and the applicable guidelines and regulations that may be issued in this regard.
10. The Company may from time to time by Special Resolution reduce its share capital in the manner Authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

CONSOLIDATION, DIVISION AND SUB-DIVISION

11. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (I) of Section 94; and the resolution whereby any share is sub-divided, may determine that, as between the holders of the share resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

MODIFICATION OF CLASS RIGHTS

12. (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.

- (b) The rights conferred upon the holders of the Shares (including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
14. (a) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
- (i) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
 - (ii) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined;
 - (iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (ii) hereof shall contain a statement of this right; PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may, renounce the shares offered to him; and
 - (iv) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think fit, in their sole discretion;
- (b) Notwithstanding anything contained in sub-clause a(i) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) in any manner whatsoever:
- (i) if a special resolution to that effect is passed by the company in General Meeting; or
 - (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.

(c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:

- (i) to extend the time within which the offer should be accepted; or
- (ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:

- (i) to convert such debentures or loans into shares in the company; or
- (ii) to subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (i) either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (ii) in the case of debentures or loans other than debentures issued to, or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

(e) In addition to and without derogating from the powers for that purpose conferred on the Board under Article 13 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any persons (whether members or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount as the meeting shall determine and with full power to give any person (whether a member or not) the option of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

15. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
16. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
17. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services

rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

18. The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.
19. Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
20. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

CERTIFICATES

21. (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.
- (b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

22. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

23. (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.
- (b) The Company shall not be bound to register more than three persons as the joint holders of any share.
24. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
25. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

UNDERWRITING AND BROKERAGE

26. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
27. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

INTEREST OUT OF CAPITAL

28. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building the provision of any plant, or onshore or offshore rigs, which can not be made profitable for a lengthy period, the Company may pay interest on so much of that share capital at a rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

CALLS

29. (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.
- (2) A call may be revoked or postponed at the discretion of the Board.
- (3) A call may be made payable by installments.
30. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
31. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.
32. Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
33. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
34. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
35. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
36. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be

necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

37. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
38. (a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.
- (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

LIEN

39. (a) The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
- (b) Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
40. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void

and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.

41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

FORFEITURE AND SURRENDER OF SHARES

42. If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.
43. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
44. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
45. When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.
46. Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.
47. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
48. The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

49. A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
50. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
52. In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.
53. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

54. (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
55. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 108 and other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.
56. The Company shall not register a transfer in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
57. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors

shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

58. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.
59. No fee shall be charged for registration of transmission, Probate, Succession Certificate and administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
60. Subject to the provisions of Section 154 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time, determine.
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year or any statutory modification thereof.
61. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
62. Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. For this purpose the notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
63. (a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his legal representatives where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares.

(b) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.
Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.

(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
64. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors

registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.

65. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
66. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
67. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
68. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Article 54 hereof as circumstances permit.
69. No transfer shall be made to an insolvent or person of unsound mind.

NOMINATION

70.
 - i) Notwithstanding anything contained in the articles, every holder of shares or debentures of the Company may, at any time, nominate a person in whom his/her shares or debentures shall vest in the event of his/her death and the provisions of Section 109A and 109B of the Companies Act, 1956 shall apply in respect of such nomination.
 - ii) No person shall be recognised by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the shares or debentures of the Company in the manner specified under Section 109A of the Companies Act, 1956
 - iii) The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such nomination.
 - iv) If the holder(s) of the shares or debentures survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.
71. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-
 - (i) to be registered himself as holder of the share or debenture, as the case may be; or
 - (ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made;

- (iii) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;
- (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

DEMATERIALISATION OF SHARES

72. For the purpose of this Article, unless the context otherwise requires:

A. Definitions:

In the following Article, *Depositories Act, Beneficial Owner, Depository, SEBI, Security, Shareholder or member* shall mean & include *Depositories Act, Beneficial Owner, Depository, SEBI, Security, Shareholder or member as defined in the definition portion.*

B. Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

C. Option for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;

D. Securities in Depositories to be in fungible form :

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;

E. Rights of Depositories and Beneficial Owners :

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;

- ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;
- iii. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. Service of information:

Notwithstanding anything to the contrary contained in these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Transfer of Security:

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

H. Sections 83 and 108 of the Act not apply:

Notwithstanding anything to the contrary contained in the Articles -

- i. Section 83 of the Act shall not apply to the shares with a Depository;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

I. Register and Index of beneficial owners:

The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

J. Intimation to Depository:

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form:

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

L. Applicability of the Depositories Act:

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held

in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

M. Company to recognise the rights of registered Holders as also the beneficial Owners in the records of the Depository:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards to receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

JOINT HOLDER

73. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles:
- (a) the Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
 - (b) on the death of any such joint holders the survivor or survivors shall be the only person recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;
 - (c) only the person whose name stands first in the Register of Members may give effectual receipts of any dividends or other moneys payable in respect of share; and
 - (d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.

CONVERSION OF SHARES INTO STOCK

74. The Company may, by ordinary resolution in General Meeting.
- a) convert any fully paid-up shares into stock; and
 - b) re-convert any stock into fully paid-up shares of any denomination.
75. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
76. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose.

77. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.

BORROWING POWERS

78. Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receive deposits or loans from members either as an advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.
79. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
80. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture-stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.
81. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
82. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
83. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

MEETINGS OF MEMBERS

84. (a) The Company shall, in each year, hold, in addition to any other meetings, a General Meeting as its Annual General meeting, and shall specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next and the Annual General Meeting shall be held within six months of the expiry of its financial year.

Provided that if the Registrar shall have, for any special reason, extended the time within which any Annual General Meeting shall be held, by a period not exceeding three months, then such Annual General Meeting may be held within such extended period.

- (b) Every Annual General Meeting shall be called at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City, town or village in which the Registered office is situated.
- (c) The Statutory Meeting of the Company shall be held at such place and at such time (not less than one month nor more than six months from the date at which the Company is entitled to commence business) as the Directors may determine and in connection therewith, the Directors shall comply with the provisions of Section 165 of the Act.

- 85. All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.
- 86. The Directors may call an Extra-ordinary General Meeting whenever they think fit.
- 87. (a) A General Meeting of the Company, Annual or Extraordinary and by whomsoever called, may be called by giving not less than 21 days clear notice in writing.
- (b) A General Meeting may be called by giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto (a) in the case of an Annual General Meeting by all the members entitled to vote thereto and (b) in case of any other general meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

PROVIDED THAT where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this clause in respect of the former resolution and not in respect of the latter.

- 88. No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business that has not been mentioned in the notice or notices upon which it was convened.
- 89. For all purposes the quorum at a general meeting shall be five members personally present. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
- 90. (a) The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.
- (b) No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
- 91. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a Meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or any business to be transacted at an adjourned meeting.

92. In the case of an equality of votes the Chairman shall both on a show of hands and on a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a Member.
93. Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
94. At any general meeting a resolution including a special resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of a show of hands) demanded
- (a) By the Chairman or
 - (b) By any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution; or
 - (c) By any member or members present in person or by proxy and holding shares in the company on which an aggregate sum of not less than Rupees fifty thousand has been paid up.
95. A declaration by the Chairman that in pursuance of voting on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and any entry to that effect in the books containing the minutes of the proceedings of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.
96. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

97. No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
98. Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
99. On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
100. If any Member is lunatic or, idiot, the vote in respect of his shares shall be cast by his legal guardian(s), provided that such evidence of the authority of the person claiming to vote as shall be accepted by the Directors shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.
101. Notwithstanding anything contained in the provisions of the Companies Act, 1956, and the Rules made there under, the Company may, and in the case of resolutions relating to such

business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.

102. If there are joint holders of any shares, any one of such persons may vote at any meeting or appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of the said persons remain present than the person whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.
103. Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Article 104.
104. A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 187 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.
105. (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.

(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.
106. Any person entitled under Article 64 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote provided he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
107. No Member personally present shall be entitled to vote on a show of hands unless such member is present by attorney or is a corporation present by proxy or a company present by a representative duly Authorised under the provisions of the Act in which case such attorney, proxy or representative may vote on a show of hands as if he were a Member of the Company. In the case of a company the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such company and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
108. Any member of the Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote on a poll, instead of himself PROVIDED ALWAYS THAT a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a member entitled to attend and vote is entitled one or more proxies.
109. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any one of the forms set out in Schedule IX of the Act, or if the

appointer is a body corporate be under its seal or be signed by any Officer or attorney duly Authorised by it.

110. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
111. Every member entitled to vote at a Meeting of the Company according to the provisions of these Articles on any resolution to be moved thereof shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days notice in writing of the intention to inspect is given to the Company.
112. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
113. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the time of taking a poll shall be the sole judge of the validity of every vote tendered at such poll.
114. (1) Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

(3) The following resolution shall require special notice :
 - (a) resolution under Section 225 of the Act at an Annual General Meeting for appointing a person as Auditor other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.
 - (b) resolution under Section 284 of the Act removing a Director before the expiry of his period of office.
 - (c) resolution under Section 284 of the Act appointing a Director in place of the Directors so removed.

DIRECTORS

115. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than twelve.

The present directors of the Company are:

- | | |
|---------------------------------|-------------------------|
| 1. Mr. Prakash N. Kela | 2. Mr. Yogesh P. Kela |
| 3. Mr. Umesh P. Kela | 4. Mr. Kishor N. Kela |
| 5. Mr. Deviprasad Taparia | 6. Mr. Navin C. Chokshi |
| 7. Mr. Ramakant B. Jhunjhunwala | 8. Mr. Vilas R. Shah |

116. It shall not be necessary for a director to hold any qualification shares in the Company.

117. (a) Subject to the provisions of the Companies Act, 1956 and notwithstanding anything to the contrary contained in these Articles, any Financing Company or Body Corporate or Bank or Insurance Corporation (hereinafter referred to as "the Financial Institution") shall have a right to appoint, remove, reappoint, substitute from time to time, its nominee as a Director (hereinafter referred to as the "Nominee Director") on the Board of the Company, so long as any moneys remain owing to them or any of them, by the Company, out of any Financial assistance granted by them or any of them to the Company by way of loan and/or by holding debentures and/or share in the Company and/or a result of underwriting or direct subscription and/or any liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding.

(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. Subject to the aforesaid Article 117(a) the said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.

(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.

(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

118. Any trust deed for securing the debentures or debenture-stock (or a deed or mortgage of any assets of the Company) may if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture-stock (or in the case of a deed of mortgage by the person or persons having such power) of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stocks (or such person or persons) from time to time, remove any Director so appointed. The Director appointed under the article is herein referred to as the "Debenture Director" (or a "Mortgage Director") and the term "Debenture Director" (or "Mortgage Director") means the Director for the time being in office under this article. This Debenture Director (or the Mortgage Director) shall not be liable to retire by rotation, or be removed by the Company. The trust deed (or the mortgage deed) may contain such ancillary provisions as may be arranged between the Company and the trustees (or mortgage) and all such provisions shall (subject to the provisions of the Act) have effect notwithstanding any of the other provisions herein contained.

119. Any advocate or Chartered Accountant or any professional who may for the time being be a Director of the Company:

- (a) Shall be entitled to charge the Company, professional remuneration for all work done by him for or on behalf of the Company at the rate agreed upon and on such terms and conditions as may be agreed upon;
 - (b) Shall be entitled to vote on all resolutions on all matters in any way he thinks fit irrespective of the fact that he has advised upon or been concerned with any matters relating to the said resolution prior to the passing thereof or is likely to advise upon or may have to deal with matters relating to any resolution after the same has been passed;
 - (c) Shall not be liable or responsible for the day to day or routine management and running of the Company and its affairs including setting aside, appropriations or payment of any statutory dues by or on behalf of the Company; and
 - (d) Shall be indemnified by the Company in respect of and fines or penalties that may be imposed upon him as a Director of the Company as a result of any act or omission of the Company and/or any of its Officers in failing to comply with any requirements of the law whether with regard to any payments to be made or otherwise howsoever, and also against all costs, charges and expenses that may be incurred by him in any proceeding against or relating to the said Professional Director in his capacity as a Director.
120. The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
121. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.
122. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.
123. (a) Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act for attending meetings of the Board or committees thereof.
- (b) The remuneration of a Director for his service shall be such sum as may be determined by the Board of Directors but not exceeding such sum as may be prescribed by the Act or Central Government and/or the listing agreement with Stock Exchange. The Directors subject to the sanction of the Central Government (if any required) may be paid such further remuneration as the Company in General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided amongst the Directors equally.
- (c) Subject to the provisions of the Act, a Director who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either;
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (ii) by way of commission if the Company by a special resolution authorises such payment.

124. The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for traveling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
125. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing out of the city of his normal residence or otherwise for any of the purposes of the Company, the Company shall subject as aforesaid, remunerate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.
126. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number falls below the minimum number fixed by Article 115 hereof the continuing Directors may act for the purpose of increasing the number of Directors to that minimum number, or for summoning a General Meeting of the Company or in emergencies but no other purpose.
127. Subject to the provisions of the Act and observance and fulfilment thereof and subject to restrictions imposed by Articles, no Director shall be disqualified by his office of a Director in the Company from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by the Act.
128. A Director of the Company may become a Director of any Company promoted by the Company, or in which he may be interested as a vendor or Member and subject to the provisions of the Act and these Articles no such Director shall be accountable for any benefits received as a Director or Member of such Company.
129. The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any, of the Act.
130. Subject to the provisions of the Act and these Articles, the Company may by an Ordinary Resolution in General Meeting from time to time increase or reduce within the maximum limit permissible the number of Directors provided that any increase in the number of Directors exceeding the limit in that behalf provided in the Act shall not have any effect unless approved by the Central Government and shall become void if and so far it is disapproved by the Government.

PROCEEDING OF THE BOARD OF DIRECTORS

131. (a) The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.
- (b) The Chairman of the Board of Directors or the Managing Director or any two-Directors may at any time convene a meeting of the Board of Directors.
132. The Directors may from time to time elect from among their members a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.

133. Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.
134. Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
135. The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
136. (a) A resolution passed by circular without a meeting of the Board or a committee of the Board appointed under Article 134 shall, subject to the provisions of sub-clause (b) hereof and the Act be as valid and effectual as a Resolution duly passed at a meeting of the Board or of a committee duly called and held.
- (b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by a circular, if the Resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum requisite for a Meeting of the Board or the committee as the case may be) and to all other Directors or other members of the Committee at their usual addresses in India and has been approved by such of the Directors or members of the committee as are then in India or by a majority of such of them as are entitled to vote on the Resolution.
- (c) Subject to the provisions of the Act, a statement signed by the Managing Director, Secretary or other person authorised in that behalf by the directors certifying the absence from India of any Directors shall for the purposes of this Article be prima facie conclusive.
137. Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.
138. Subject to the provisions of Section 287 of the Act, the quorum for a Meeting of the Directors shall be one-third of the total strength of the Board of Directors, or two Directors whichever is higher.

RETIREMENT AND ROTATION OF DIRECTORS

139. (a) Not less than two-third of the total number of directors of the Company shall be person whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company, in General Meeting.
- (b) The remaining Directors shall be appointed in accordance with the provisions of the Articles.
140. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or multiple of three then the number nearest to one-third shall retire from office.

141. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the dissolution of the meeting at which the re-appointment is decided or his successor is appointed.
142. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.
143. Subject to the applicable provisions of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by selecting the retiring Director or some other person thereto.
144. (1) If the place of the retiring Director is not so filled up and the meeting had not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
- (a) At the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (b) The retiring Director has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
 - (c) He is not qualified or is disqualified for appointment;
 - (d) A resolution whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act;
 - (e) Sub-clause (2) of Section 263 of the Act is applicable to the case.
145. (1) Subject to the provisions of the Act and these Articles, any person who is not a retiring Director shall be eligible for appointment to the Office of Director at any General Meeting if he or any member intending to propose him, has atleast 14 clear days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for that office or the intention of such member to propose him as a candidate for that office as the case may be. The Company shall duly comply with the provisions of Section 257 of the Act for informing its members of the candidature of the Director concerned.
- (2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257, signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the company, his consent in writing to act as a Director, if appointed.
- (3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional
- or alternate Director immediately on the expiry of his term of office, shall not act as a Director of the company, unless he has within 30 days of his appointment signed and filed with the Registrar his concerned in writing to act as such Director.

146. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time to its being so moved: Provided that where a resolution so moved is passed and no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

REMOVAL OF DIRECTORS

147. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.
- (2) Special notice as provided by Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and requests its notification to members of the Company, the company shall unless the representation is received by it too late, for it to do so :
- (a) in the notice of the resolution given to members of the company state the fact of the representation having been made, and
- (b) send a copy of the representation to every member of the company, and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting:
- Provided that copy of the representation need not be sent or read out at the meeting on the application of the Company or of any other person who claims to be aggrieved if the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 121 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed.
- Provided special notice of the intended appointment has been given under sub-clause (2) hereof. A director so appointed shall hold office until the date upto which his predecessor would have held office if he had and not been removed as aforesaid.
- (6) If the vacancy is not filled under sub-clause (5), it may be filled as a casual vacancy in accordance with the provisions in so far as they are applicable, of Article 122 or Section 262 of the Act, and all the provisions of that section shall apply accordingly.
- (7) A Director who was removed from the office under this Article shall not be reappointed as a Director by the Board of Directors.

148. The Board of Directors shall not except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the Company the whole or substantially the whole of any such undertaking.
 - (b) remit, or give time for the repayment of any debt due by a Director;
 - (c) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred in sub-clause (a) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on with difficulty or only after a considerable time;
 - (d) borrow moneys in excess of the limits prescribed in the Act.
 - (e) contribute, to charitable and other funds not directly relating to the business of the Company or the Welfare of its employees, any amounts the aggregate of which will in any financial year exceed Fifty Thousand Rupees or five percent of its average net profits as determined in accordance with the Act during the three financial years, immediately preceding, whichever is greater.
149. (1) The Board shall exercise the following powers on behalf of the Company and it shall do so only by means of resolution passed at the meetings of the Board of Directors:
- (a) The power to make calls on members in respect of money unpaid on their shares;
 - (b) The power to issue debentures;
 - (c) The power to borrow moneys otherwise than on debentures;
 - (d) The power to invest the funds of the Company.
 - (e) The power to make loans.

Provided that the Board may, by resolution passed at a meeting, delegate to any Committee of Directors or the Managing Director, or the Secretary, or any principal officer of the Company or of any of its branch offices the powers specified to in (c), (d) and (e) of this sub-clause to the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegatee. Provided, however, that where the Company has an arrangement with its bankers for the borrowing of money by way of overdraft, cash credit or otherwise, the actual day-to-day operation of the overdraft, cash credit or the accounts by means of which the arrangement made is availed of shall not require sanction of Board.
- (3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amounts upto which the funds may be invested and the nature of the investments which may be made by the delegates.
- (4) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
- (5) Nothing contained in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board and any of the powers referred to in (a), (b), (c) and (d) of clause (1) above.

POWERS OF THE BOARD

150. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

Without prejudice to the general powers conferred by the Article 149 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding two Articles, it is hereby, declared that the Directors shall have the following powers, that is to say :

- (1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.
- (2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.
- (3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.
- (4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.
- (7) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.
- (8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.
- (9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to

do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

- (10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.
- (11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.
- (12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.
- (13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;
- (15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.
- (16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.
- (17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.
- (18) Before recommending any dividend subject to provisions of Section 205 of the Act, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the

full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

- (19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.
- (20) To comply with the requirement of any local law which in their opinion it would be in the interest of the Company be necessary or expedient to comply with.
- (21) From time to time and at any time to establish any local board for managing the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards, and to fix their remunerations;
- (22) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys; and to authorise the members for the time being of any local Board, or any of them to fill up any vacancies, and such appointment or delegation may be made on such terms and conditions to the Board may think fit, and the Board may at any time remove any person so appointed and may revoke or vary such delegation.
- (23) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- (24) Subject to Sections 294 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (25) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.
- (26) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.

- (27) To apply for, promote and obtain any act, charter, privilege, concession, license, authorisation, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.
- (28) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act and of the provisions contained in these presents.
- (29) To redeem preference shares.
- (30) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.

MANAGING AND WHOLE-TIME DIRECTORS

- 151. Subject to the provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
- 152. Subject to the provisions of the Act and to these Articles, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation in accordance with the provisions of the Act but he shall subject to the provisions of any contract between him and company be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he ceased to hold the office of Director from any cause. Provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being then such Managing Director or Managing Directors' or Whole-time Director or Whole-time Directors as the Directors shall from time to time determine as to who shall be made liable to retirement by rotation in accordance with the provisions of the Act to the intent that the number of directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.

- 153. The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
- 154. Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. The Directors may from time to time

entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.

THE SECRETARY/MANAGER

155. The Directors may from time to time appoint a duly qualified person to be the Secretary/Manager of the Company and on such terms and conditions as they shall deem fit and may from time to time suspend, remove or dismiss him from office and appoint another in his place.

Subject to the provisions of the Act and these Articles the Directors may delegate to the Secretary such powers and entrust him with such duties as they may deem fit from time to time and revoke, cancel, alter or modify the same, and in particular, entrust to him the performance of the functions which, by the Act, are to be performed by the Secretary of the Company and other administrative and ministerial duties. The remuneration of the Secretary shall be such as may be determined by the Directors from time to time.

THE SEAL

156. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (b) The Company shall also be at liberty to have an Official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
157. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by any two Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 21(a).

DIVIDEND WARRANTS

158. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
159. The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

160. (1) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf. PROVIDED HOWEVER whether owing to inadequacy or absence of profits in any year, the Company proposes to declare out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and whether any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

(2) The depreciation shall be provided either —

- (a) to the extent specified in Section 350 of the Act; or
- (b) in respect of each item of a depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the Company by the specified period in respect of such asset; or
- (c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95 per cent of the original cost of the Company of its such depreciable asset on the expiry of the specified period; or
- (d) as regards any other depreciation assets for which no rate of depreciation has been laid down by the Indian Income-tax Act, 1961 or the rules made there-under on such basis as may be approved by the Central Government by any general order published in the Official Gazette or by any special order in the case of the Company;

Provided that where depreciation is provided for in the manner laid down in Clause (b) or Clause (c), then in the event of the depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the asset is sold, discarded, demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.

- (3) No dividend shall be payable except, in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.
- (4) Nothing in this Article shall be deemed to affect in any manner the operation-of Section 208 of the Act.
- (5) For the purposes of this Article 'Specified period' in respect of any depreciable asset shall mean the number of years at the end of which at least 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 350 of the Act.

161. The Board of Directors may from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

162. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
163. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
164. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
165. The Board of Directors may retain the dividend payable upon shares in respect of which any person under Article 64 has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
166. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.
167. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
168. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
169. The dividend payable in cash may be paid by cheque or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.
170. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.
171. (1) The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within "thirty" or such days as may be prescribed from the date of the declaration of the dividend unless -
- (a) where the dividend could not be paid by reason of the operation of any law;
 - (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
 - (c) where there is a dispute regarding the right to receive the dividend;
 - (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder; or
 - (e) where for any other reasons, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

- (2) (a) The amount of dividend, including interim dividend, declared shall be deposited in a separate bank account within five days from the date of declaration of such dividend or such time as may be prescribed in the Act from time to time.
 - (b) If the dividend has not been paid within thirty days or such time as may be prescribed in the Act from time to time to a share holder, then the Company shall within seven days from the date of expiry of the said thirty days or such days as prescribed transfer the whole of the dividend amount to a special account called **"Unpaid/Unclaimed Dividend Account GLORY POLYFILMS LIMITED"** to be opened with a scheduled bank.
 - (c) Any money transferred to the unpaid/Unclaimed dividend account of the Company, which remains unpaid or unclaimed for a period of seven years or such time as may be prescribed in the Act from time to time from the date of such transfer shall be transferred by the Company to Investor Education and Protection Fund established under Section 205C of the Act.
172. All amounts due as provided in Section 205C of the Companies Act, 1956, which remains unpaid or unclaimed for a period of seven years from the date of transfer to the prescribed accounts provided in the Act shall be transferred by the Company to Investor Education and Protection Fund established under Section 205C of the Act.
173. No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company.
174. Any General Meeting declaring a dividend may on the recommendations of the Directors make a call of the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members be set off against the calls.

CAPITALIZATION

175. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (3) A Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.

- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
176. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and;
 - (b) Generally to do all acts and things required to give effect thereto.
- (2) The Board shall have full power -
- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also
 - (b) To authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

MINUTES

177. (1) The Company shall cause minutes of all proceeding of General Meetings and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed;
- (a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting; and
 - (b) in case of minutes of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorised by the Board for the purpose.
- (3) in no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) the minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) all appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) in the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall contain-

(a) the names of the Directors present at the meeting; and

(b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

(7) nothing contained in Clauses (1) to (6) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting;

(a) is or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

178. The minutes of meeting kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

179. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings, there at to have been duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

180. (1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 196 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.

(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of thirty-seven paise for every hundred words or fractional part thereof required to be copied

181. No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by Section 193 of the Act, to be contained in the Minutes of the proceedings of such meeting.

ACCOUNTS

182. (1) The company shall keep at its head office proper Books of Account with respect to :

(a) all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditure take place.

(b) all sales and purchases of goods by the Company.

(c) the assets and liabilities of the Company.

(d) such particulars relating to utilisation of material or labour or other items of cost as may be prescribed by Section 209(1)(d) of the Act.

All or any of the books of account aforesaid may be kept at such other place In India as the Board of Director may decide and when the Board of Directors so decides the Company shall, within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

- (2) Where the Company has a branch office, whether in or outside India, the company shall be deemed to have complied with the provisions of clause (1) If proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns are made upto dates at intervals of not more than three months are sent by the branch office to the Company at Its Head Office or other place referred to in clause (1).
- (3) The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (4) The books of account relating to a period of not less than eight years immediately preceding the current year together with the vouchers relating to any entry in such books of account shall be preserved in good order.
- (5) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection by Members not being Directors, and no Member (not being a Director) shall have the right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.
- (6) The Directors shall from time to time, in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheet, Profit and Loss Accounts and Reports as are required by the Act and within the periods therein mentioned.

AUDIT

183. The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall, within 7 days of the appointment, give intimation thereto to every Auditor so appointed. Provided that before any appointment or re-appointment of Auditor or Auditors is made by the Company at any Annual General Meeting a written certificate shall be obtained by the Company from the auditor or Auditors proposed to be so appointed to the effect that the appointment or re-appointment if made will be in accordance with the limits specified in sub-section (IB) of Section 224 of the Act.
184. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company whether kept at the head office of the Company or elsewhere and shall be entitled to require from the officers of the Company such information and explanations as he may think necessary for the performance of his duties as Auditor.
185. The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance sheet and Profit and Loss Account which are to be laid before the Company in General Meeting in terms of the Act.
186. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

FOREIGN REGISTER

187. The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture-holders, and the Board may,

subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.

DOCUMENTS AND SERVICE OF NOTICES

188. Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.
189. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore authorised on or to every member, every person entitled to a share in consequence of the death or insolvency of a member and the Auditor or Auditors for the time being of the Company.
Provided that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company pursuant to sub-section 3 of Section 53 of the Act, the statement of material facts referred to in Section 173 need not be annexed to the notice, as is required by that Section, but is shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
190. (a) A document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office or by leaving it at its Registered Office.
(b) Subject to provisions of the Act, any notice or document delivered or sent by post to or left at the Registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company have notice of his decease be deemed to have been duly served in respect of any registered share whether held solely or jointly with other person by such Member until some other person be registered in his place as the holder or joint holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such shares.
191. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.

REGISTERS AND DOCUMENTS

192. The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following :
- (1) Register of Investment made by the Company but not held in its own name, as required by Section 49(7) of the Act and shall keep it open for inspection by any member or debenture holder of the Company without charge.
 - (2) Register of Mortgages and Charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 134 of the Act and shall keep open for inspection of any creditor or member of the Company without fee and for inspection by any person on payment of a fee of such sum as may be prescribed by Central Government.
 - (3) Register and Index of Members as required by Sections 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of such sum as may be prescribed by Central Government
 - (4) Register and Index of Debenture Holders under Section 152 of the Act and keep it open for inspection by any member or debenture holder without fee and by any other person on payment of such sum as may be prescribed by Central Government.

- (5) Foreign Register if thought fit as required by Section 157 of the Act and it shall be open for inspection and may be closed and extracts may be taken there from and copies thereof as may be required, in the manner mutatis mutandis, as is applicable to the Principal Register.
 - (6) Register of Contracts, and Companies and firms in which Directors are interested, as required, by Section 301 of the Act and shall keep it open for inspection of any member free of charge.
 - (7) Register of Directors, and Secretary etc., as required by Section 303 of the Act and shall keep it open for inspection by any member of the Company without charge and of any other person on payment of a fee of Rupee one for each inspection.
 - (8) Register as to Holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's Annual General Meeting and ending three days after the date of its conclusion.
 - (9) Register of Investments made by the Company in shares and debentures of the bodies corporate as required by Section 372 of the Act.
 - (10) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meetings of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 193 of the Act.
 - (11) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.
 - (12) Register of loans as required by Section 370 of the Act.
193. The Registers mentioned in Clauses 9 and 12 of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company, as provided for in clause 3 of the said Article. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of such sum as may be prescribed by Central Government. The Company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in General Meeting.

WINDING UP

194. If the Company is to be wound up and the assets available for distribution among the Members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the Members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
195. (a) If the Company is to be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a Special Resolution, divide amongst the contributories, in specie or kind any part of the assets of the company and may, with the like sanction, vest any part

of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and have ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(c) In case any share to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after passing of the Special Resolution by notice in writing direct the liquidators to sell his portion and pay him the net proceeds and the liquidators shall if practicable act accordingly.

196. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

INDEMNITY

197. Subject to provisions of Section 201 of the Act, every Director, or Officer or Servant of the Company or

any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act on which relief is granted to him by the Court.

198. Subject to the provisions of Section 201 of the Act, no Director, Auditor or other Officer of the Company

shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

199. Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired

by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECRECY

200. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered in the ordinary course of business carried on by the Company, which are or may be deemed material contracts have been attached to the copy of this Prospectus delivered to the Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company at: "Vintage Pearl", A – wing, 29th Road, Bandra (W) Mumbai 400 050. Telephone # 91 22 2651 4811 Fax # 91 22 2651 4812 between 11.00 a.m. and 5.00 p.m. on any working day from the date of this Prospectus until the closure of the issue.

A. MATERIAL CONTRACTS

- i. Letter of appointment dated 21/09/2006 appointing SREI Capital Markets Limited as the Lead Manager for this Issue.
- ii. Memorandum of Understanding 27/09/2006 with SREI Capital Markets Limited, appointing them as Lead Manager to the Issue.
- iii. Memorandum of Understanding dated 22/09/2006 signed with Bigshare Services Private Limited, appointing them as Registrar to the Issue.
- iv. Copy of tripartite agreement dated 19/01/2007 between the company, NSDL and the Registrars.
- v. Copy of tripartite agreement dated 05/01/2007 between the company, CDSL and the Registrars.

B. MATERIAL DOCUMENTS

1. Memorandum of Articles and Articles of Association of Glory Polyfilms Limited.
2. Certificate of Incorporation of Glory Polyfilms Private Ltd. Dated 15/12/1997.
3. Registered sale deeds of factory land & building situated at Survey No. 51/4-A, 54/1-A, 51/4-B, 54/2-F, 54/2-A, 54/1-C, 51/4-C, 54/2-E and 51/4-D, Daman Industrial Estate, Village Kadiya, Daman (UT) dated 22nd December 1997.
4. Agreement for Sale of factory land & building situated at Survey No. 54/2-H, 54/6-A and 54/3-D Daman Industrial Estate, Village Kadiya, Daman (UT) dated 14th February 2005.
5. Agreement for Sale of Registered Office of the Company situated at "Vintage Pearl", A – Wing, 29th Road, Bandra (W), Mumbai - 400 050, dated 21/11/1999.
6. MoU between Glory Polyfilms Ltd. "Issuer Company" and M/s Super Pack Industries for the sale of Factory Land and Building situated at Plot No. 05, Village Kadiya, Nani Daman, Dist. Daman for a consideration of Rs. 77.00 Lacs dated 4th February 2006. Extension of the validity period by supplementary MoU dated 14/03/2007.
7. Copies of Annual report of Glory Poly Films Limited for the year ended 31/03/2002, 31/03/2003, 31/03/2004, 31/03/2005 and 31/03/06 and 31/12/2006.
8. Copy of Special Resolution under section 81(1A) and other relevant provisions of Companies Act, 1956 dated 30th August, 2006 passed at the Extra Ordinary General Meeting of the company authorizing present issue of Equity shares.
9. Copy of certificate dated 28th February 2007 issued by B S Pandit, Chartered Accountant & Statutory Auditors of the Company reporting financials of Glory Poly Films Limited in terms of part II schedule II of the Companies Act, 1956 and including capitalization statement, taxation statement and accounting ratios.
10. Copy of letter dated 28th August 2006 from the Statutory Auditors of the Company regarding tax benefits accruing to the company and its shareholders.

11. Copy of listing Applications made to BSE on 28/09/06 and NSE on 28/09/06
12. Copy of in Principle listing permission received from BSE vide their letter No. DCS/IPO/PS/IPO-IP/56/2006 dated November 23, 2006
13. Copy of in Principle listing permission received from NSE vide their letter No. Letter no. NSE/LIST/36590-3 dated January 5, 2007
14. Copy of quotations received by the company.
15. Copies of undertakings from Glory Polyfilms Ltd.
16. Consent from the Directors, Company Secretary, Compliance Officer, Auditor, Bankers to the Company, Lead Manager to the Issue, Registrar to the Issue and Legal Advisor to the Issue to act in their respective capacities.
17. Copy of SEBI Observation letter no. CFD/DIL/ISSUES/PB/MKS/87392/2007 dated 26th February, 2007 in respect of the Public Issue of the Company.
18. Copy of reply dated 18/04/2007 given to SEBI by Lead Manager
19. Copy of various Resolutions and form No. 5 for increase in authorized share capital of the company during the last three years.
20. Annual Return filed by the company for the last three years.
21. Resolution u/s 293(1) (a) and 293(1)(d) of the companies Act, 1956 passed at the Extra Ordinary General Meeting held on 10.12.2005.
22. Copy of Members' Resolution dated 28/01/2006 for appointment and fixation of remuneration of Mr. Prakash Kela as Executive Chairman.
23. Copy of Members' Resolution dated 28/01/2006 for appointment and fixation of remuneration of Mr. Yogesh Kela as Managing Director.
24. Copy of Members' Resolution dated 28/01/2006 for appointment and fixation of remuneration of Mr. Umesh Kela as Executive Director.
25. List of Directors for the last three years.
26. Copy of Form No. 32 for the appointment of the Company Secretary.
27. Appraisal Report of Indian Overseas Bank, Chennai dated 08/ 02/ 2006.
28. Auditors Certificate dated 28/02/2007 regarding the Sources and Deployment of Funds.
29. Letter from State Bank of India dated 18/ 08/ 2006 giving their consent to act as monitoring agency to the Issue.
30. Legal Due Diligence Report of Arpan M. Rajput & Co.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

PART III

DECLARATION

This is to confirm that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 and rules made there under. All the legal requirements connected with this said offer as also the guidelines; instructions etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

We, the Directors of Glory Polyfilms Limited declare and confirm that no information/material likely to have a bearing on the decision of the investor in respect of the Equity shares offered in terms of this Prospectus have been suppressed/ withheld and/or incorporated in a manner that would amount to misstatement/misrepresentation and in the event of it transpiring at any point of time till allotment/ refund, as the case may be, that any information/material has been suppressed/withheld and/or amounts to misstatement/misrepresentation, we undertake to refund the entire application moneys to all the subscribers within seven days thereafter, without prejudice to the provisions of Section 63 of the Act.

Since the date of last financial statement disclosed in this Prospectus, there have been no circumstances that materially and adversely affects or is likely to affect the profitability of the Company or the value of its assets or its ability to pay off its liabilities within a period of next twelve months. The Directors and the Compliance Officer of the Company certify that all disclosures made in the Prospectus are true and correct.

SIGNED BY THE DIRECTORS

Mr. Prakash Kela

Mr. Yogesh Kela

Mr. Umesh Kela

Mr. Kishore Kela

Mr. Deviprasad Taparia

Mr. Navin C. Choksi

Mr. Ramakant Jhunjhunwala

Mr. Vilas R. Shah

Mr. Nitesh Kumar Jain
(Company Secretary and Compliance Officer)

Place: Mumbai
Date: 24/04/2007

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