



MOLD-TEK

Packaging Limited

(formerly known as MOLD-TEK PLASTICS LIMITED)

An ISO-9001:2008 Company

15th

Annual Report 2011-12

For innovative packaging solutions...



In Pursuit of perfection

ANNUAL REPORT
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Board of Directors

J. Lakshmana Rao, Chairman & Managing Director

A. Subrahmanyam, Deputy Managing Director

P. Venkateswara Rao, Deputy Managing Director

J. Mytraeyi, Non-Executive Director

Dr. T. Venkateswara Rao, Non-Executive Director

Vasu Prakash Chitturi, Non-Executive Director

P. Shyam Sunder Rao, Non-Executive Director

Dr. N.V.N. Varma, Non-Executive Director

Statutory Auditors

Praturi & Sriram

Chartered Accountants

201, Sapthagiri Residency

1-10-98/A, Chikoti Gardens

Begumpet, Hyderabad - 500 016

Internal Auditors

GMK Associates

Chartered Accountants

607, Raghava Ratna Towers

Chirag Ali Lane

Hyderabad - 500 001

Bankers

Citibank

ICICI Bank Limited

Legal Advisor

M. Radhakrishna Murthy, Advocate

Vidya Nagar, Hyderabad

Registered Office

Plot # 700, Road No. 36,

Jubilee Hills, Hyderabad - 500 033

Phone + 91 40 4030 0300/01/02/03/04

Fax + 91 40 4030 0328

E-mail ir@moldtekindia.com

finance@moldtekindia.com

Works

Unit I

Annaram Village

Near Air Force Academy

Jinnaram Mandal

Medak District,

Andhra Pradesh

Unit III

Survey No. 160-A, 161-1, & 161-5,

Kund Falla, Behind Hotel Hilltop,

Near Coastal Highway,

Bhimpore, Nani Daman,

Daman - 396210.

Unit V

Survey No. 110/1A1, 110/1A2

Street No. 1,

Onnalvadi, Hosur,

Krishnagiri District,

Tamilnadu - 635 125

Unit II

Survey No.164/Part,

Dommarapochampally Village

Quthbullapur Mandal

Ranga Reddy District,

Andhra Pradesh

Unit IV

Survey No. 79,

Alinagar, Jinnaram Mandal

Medak District,

Andhra Pradesh

Unit VI

Survey No.586 to 589/Part,

Dundigal Village, Near SGS

Ashram, Quthbullapur Mandal,

Ranga Reddy District,

Andhra Pradesh

FIVE YEAR PERFORMANCE REVIEW

₹ Lakhs

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Gross income from operations	19254.36	16433.40	13094.05	11279.44	9728.63
Less: Excise duty	1743.45	1466.43	986.95	1242.85	1205.90
Other income	25.80	77.26	9.74	9.79	13.18
NET INCOME	17536.71	15044.23	12116.84	10046.38	8535.91
<i>Growth rates (%)</i>	<i>16.57</i>	<i>24.16</i>	<i>20.61</i>	<i>17.70</i>	<i>27.59</i>
Materials cost	11637.97	9858.53	7881.22	6878.14	5913.40
<i>% to Net income</i>	<i>66.36</i>	<i>65.53</i>	<i>65.04</i>	<i>68.46</i>	<i>69.28</i>
Overheads	3764.65	3253.62	2563.64	2155.39	1825.59
<i>% to Net income</i>	<i>21.47</i>	<i>21.63</i>	<i>21.16</i>	<i>21.45</i>	<i>21.39</i>
EBDITA	2134.09	1932.08	1671.98	1012.85	796.92
<i>% to Net income</i>	<i>12.17</i>	<i>12.84</i>	<i>13.80</i>	<i>10.08</i>	<i>9.34</i>
Depreciation	441.04	432.86	374.84	312.30	272.71
Interest & finance expenses	380.17	291.14	176.75	264.88	148.09
PBT	1312.88	1208.08	1120.39	435.67	376.12
<i>% to Net income</i>	<i>7.49</i>	<i>8.03</i>	<i>9.25</i>	<i>4.34</i>	<i>4.41</i>
Taxes	365	398.32	369.19	49.37	44.20
PAT	947.88	809.76	751.20	386.30	331.92
<i>% to Net income</i>	<i>5.41</i>	<i>5.38</i>	<i>6.20</i>	<i>3.85</i>	<i>3.89</i>
Prior period adjustments	14.77	9.45	15.58	18.70	0.80
NET PROFIT	933.11	800.31	735.62	367.60	331.12
<i>% to Net income</i>	<i>5.32</i>	<i>5.32</i>	<i>6.07</i>	<i>3.66</i>	<i>3.88</i>
<i>Growth rates (%)</i>	<i>16.59</i>	<i>8.79</i>	<i>100.11</i>	<i>11.02</i>	<i>28.39</i>
<i>Equity dividend (%)</i>	<i>50.0</i>	<i>50.0</i>	<i>30.0</i>	<i>20.0</i>	<i>20.0</i>
<i>Dividend payout (including tax)</i>	<i>651.8</i>	<i>511.2</i>	<i>280.6</i>	<i>187.1</i>	<i>185.9</i>
Share capital	1121.65	799.58	799.58	799.58	799.58
Reserves & surplus	3510.49	2091.86	1783.44	1328.46	1147.95
NETWORTH	4632.14	2891.44	2583.01	2128.04	1947.53
Net fixed assets	5767.70	4019.76	3064.98	3190.74	2543.17
Total assets	12161.51	9235.25	7310.32	7470.49	5834.94
Market capitalization	6505.59	3845.97	3106.36		
KEY INDICATORS					
Earnings per share (After prior period adjustments) (₹)	10.33	10.01	9.20	4.60	4.14
Turnover per share (₹)	156.35	188.17	151.56	125.66	106.77
Book value per share (₹)	41.30	36.16	32.30	26.61	24.36
Dividend pay-out ratio	69.85	63.88	38.15	50.90	56.15
Debt:Equity ratio	1.11 : 1	1.33 : 1	1.13 : 1	1.39 : 1	1.57 : 1

Notice

NOTICE is hereby given that the 15th Annual General Meeting of the Members of Mold-Tek Packaging Limited (Formerly known as Mold-Tek Plastics Limited) will be held on **Saturday, 22nd day of September, 2012 at 11.00 a.m. at Swagath-De-Royal, #2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad 500 081** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2012 and Statement of Profit and Loss for the period ended 31st March, 2012 and the Report of the Directors and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2012.
3. To appoint a Director in place of J. Mytraeyi, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Dr. T. Venkateswara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messrs. Praturi & Sriram, Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 314 and other applicable provisions of the Companies

Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 as amended from time to time, and all other applicable provisions, if any, of the Act, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to appoint J. Navya Mythri as Corporate Executive, holding office of profit under the Company, she being a relative of J. Lakshmana Rao, Managing Director and J. Mytraeyi, Director of the Company, for a period of five years with effect from 1st May, 2012 on a monthly remuneration not extending ₹49,000 per month including all perquisites.

"RESOLVED FURTHER THAT J. Navya Mythri, shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by her in connection with the Company's business.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing Resolution, or as may be otherwise considered by it to be in the best interest of the Company."

By Order of the Board
for **MOLD-TEK PACKAGING LIMITED**



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
2nd August, 2012

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item 6 is annexed.
3. In terms Articles of Association of the Company, J. Mytraeyi and Dr. T. Venkateswara Rao, Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Information about such Directors as stipulated under Clause 49 of Listing Agreement is contained in the statement annexed hereto. The Board of Directors of the Company recommends the respective re-appointment of the retiring Directors.
4. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with the copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2012 to 22nd September, 2012 (both days inclusive), for the purpose of Payment of Dividend. The Dividend declared at the Annual General Meeting will be paid to the Members whose names appear in the Register of Members of the company at the end of the Business Hours on 16th September, 2012 and in respect of shares held in electronic form to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).
7. Members are requested to notify change of address, if any, with Pincode to the Company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
8. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
9. Individual shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of

the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact the Registrar and Share Transfer Agent of the Company, M/s XL Softech Systems Limited, 3 Sagar Society, Road No 2, Hyderabad - 500 034, Andhra Pradesh.

10. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take a note of the same.
11. Members are requested to note that as per Section 205A of the Companies Act,1956
- dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. Members who have not yet encashed the Dividend warrant(s) for the year 2005-06 to 2010-11 are requested to forward their claims to the Company's Registrar and Share Transfer Agent. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.
12. The Certificate from the Auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended, and in accordance with the resolutions of the Members passed at the general meetings will be available for inspection by the Members at the AGM.

EXPLANATORY STATEMENT**(Pursuant to Section 173(2) of the Companies Act, 1956)****Item 6**

J. Navya Mythri is a commerce graduate and completed Chartered Accountancy course conducted by the Institute of Chartered Accountants of India.

The Board of Directors has at its meeting decided to appoint her as Corporate Executive effective from 1st May, 2012 on a salary not exceeding ₹49,000 per month (Rupees Forty nine thousand only) including all perquisites. J. Navya Mythri shall assist in managing accounts, tax audit and finalization of accounts on quarterly and annual basis.

The terms of appointment of J. Navya Mythri are at par with the employees similarly placed in the Company and are comparable with industry standards.

J. Navya Mythri is the daughter of J. Lakshmana Rao, Managing Director and granddaughter of J. Mytraeyi, Director of the Company. Therefore, approval of the

Members pursuant to Section 314 of the Companies Act, 1956 is necessary for her to hold an office or place of profit in the Company.

Except J. Lakshmana Rao, Managing Director and J. Mytraeyi, Director of the Company, being a relative of J. Navya Mythri, no other Director is concerned or interested in the said Resolution.

The Board recommends the Resolution for approval of the Members.

By Order of the Board
for **MOLD-TEK PACKAGING LIMITED**



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
2nd August, 2012

Annexure		
Additional information on Directors seeking appointment/re-appointment in the Annual General Meeting (under Clause 49(IV)(G)(i) of the Listing Agreement		
Name of the Director	J. Mytraeyi	Dr. T. Venkateswara Rao
Date of birth	29th October, 1934	22nd July, 1956
Date of appointment	27th August, 2008	27th August, 2008
Relationship with other Directors	J. Lakshmana Rao	Not applicable
Expertise in specific functional area		Former Dy. Commissioner of Commercial Taxes, Government of Andhra Pradesh
Qualification	B.Sc.	M.Sc., PhD
Names of companies in which holds the directorship	Nil	a. Pallavi Homes Private Limited b. Transmedia Technologies (A.P.) Private Limited c. Bhavyabharati Softsols Limited d. Manam Infotech Private Limited e. Pallavi Sudha's Solutions Private Limited
Names of companies in which holds the membership of committees of the board	Nil	Nil
No of shares held in the Company as on 31st March, 2012	29,520	1,00,480

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 15th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The Company's operating performance during the year ended 31st March 2012 is summarized below:

₹ Lakhs

Particulars	Year ended	
	March 31, 2012	March 31, 2011
Sales (Gross)	19254.36	16433.40
Other income	25.80	77.26
Total Income (Gross)	19280.16	16510.66
Profit before interest, depreciation & tax (EBDITA)	2134.09	1932.08
Interest	380.17	291.14
Depreciation	441.04	432.86
Profit before tax	1312.87	1208.08
Provision for tax	365.01	398.32
Profit after tax	947.86	809.76
Profit brought forward from previous year	323.87	154.81
Profit available for appropriation	1271.73	964.57
Appropriation		
Extraordinary items	(14.77)	(9.45)
Transferred to general reserve	(139.96)	(120.05)
Interim & proposed dividend	(560.83)	(438.39)
Corporate dividend tax	(90.98)	(72.81)
Balance carried forward	465.19	323.87

RESULTS OF OPERATIONS

The Ministry of Corporate Affairs (MCA) vide notification no. S.O. 447(E) dated 28th February, 2011 amended the existing Schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from 1st April, 2011. The financial statements of your Company for the year ended 31st March, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly, the previous year's figures have been reclassified/regrouped to conform to the revised classification.

The financial year 2011-12 was challenging. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. Rising

unrest in the Middle East and North Africa resulted in unprecedented levels of crude oil volatility. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation. In addition, civil unrest in Libya and the tsunami in Japan posed further challenges. Despite these constraints and the challenging environment, your Company performed reasonably well.

Revenue from operations increased to ₹19254.36 lakhs from ₹16433.40 lakhs in the previous year, a growth of 17.17%. The operating profit (EBDITA) increased by 10.46%, from ₹1932.08 lakhs to ₹2134.09 lakhs. The profit after tax for the current year is ₹947.86 lakhs as against ₹809.76 lakhs in the previous year, a growth of 17.06%.

FUTURE PROSPECTS

Your Company has developed IML decorated small containers of 100,125, 500 & 1000 ml for packing ice-creams for which orders were received from HUL, Vadilal & Amul etc. Mold-Tek has started with 2 & 4 cavity moulds and now enhanced its capacity by adding additional 8 cavity moulds to produce ice-cream, butter, cheese, and readymade foods containers in larger quantities. Apart from ice-creams, IML containers can be used for several food items such as jams for which orders were received from Mapro. Recently, your Company received enquiries from other major players in food & FMCG industry. Mold-Tek enjoys a higher EBITDA margins in these products.

Your Company is setting up a full-fledged pail manufacturing unit at Khandala near Satara, Maharashtra, to cater to the pail requirements of Asian Paints which is setting up a world class paint plant at Satara. Majority of the plant's capacity is confirmed to be utilized by Asian Paints and it plans to start trial production from the last quarter of 2012.

DIVIDEND

Your Directors have recommended a final dividend of ₹2.5 per equity share @ 25% of the equity share capital in addition to interim dividend of ₹2.5 (25%) hitherto declared, making a total of ₹5 (50%) per equity share (previous year ₹5 per equity share @ 50%) for the financial year ended 31st March 2012. The final dividend, if approved, will be paid to those members, whose names appear in the Register of Members as on 16th September 2012. In respect of shares held in dematerialized form, it will be paid to members whose name are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. This will entail an outflow of ₹651.81 lakhs (inclusive of corporate dividend tax).

The dividend payout for the year under review has been formulated keeping in view your Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the optimum.

Equity shares that may be allotted on exercise of ESOPs before the book closure for payment of dividend

will rank pari passu with the existing shares and be entitled to receive the dividend.

CREDIT RATING

Particulars	September 2011	April 2010
Long-term, term loans	[ICRA]BBB (Stable)	LBBB
Long-term, fund based bank limits	[ICRA]A2	A2
Short-term, non-fund based bank limits	A2	A2

TRANSFER TO RESERVES

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer of Reserves) Rules, 1975 your Directors propose to transfer a sum of ₹139.96 Lakhs (15% of the net profit) to General Reserve out of the profits earned by the Company.

ALLOTMENT OF EQUITY SHARES

The Board of Directors at its meeting held on 6th July, 2011 allotted 46,625 equity shares of ₹10 each at a price of ₹26 [comprising nominal value of ₹10 and premium of ₹16 each] to its employees who have exercised the option vested on them under the MTPLEmployees Stock Option Scheme.

The Board of Directors at its meeting held on 7th September, 2011 allotted 12,40,000 equity shares of ₹10 each at a price of ₹40 [comprising nominal value of ₹10 and premium of ₹30 each] pursuant to conversion of fully convertible warrants allotted on 10th March, 2010 and the issue price being not less than the price as arrived at, in accordance with the terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board of Directors at its meeting held on 19th December, 2011 allotted 9,125 equity shares of ₹10 each at a price of ₹26 [comprising nominal value of ₹10 and premium of ₹16 each] to its employees who have exercised the option vested on them under the MTPLEmployees Stock Option Scheme.

The Board of Directors at its meeting held on 4th February, 2012 allotted 19,25,000 equity shares of ₹10 each at a price of ₹45.80 [comprising nominal

value of ₹10 and premium of ₹35.80 each] pursuant to conversion of fully convertible warrant allotted on 6th August, 2010 and the issue price being not less than the price as arrived at, in accordance with the terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board of Directors at its meeting held on 5th July, 2012 (after the Balance Sheet date) allotted 37,800 equity shares of ₹10 each at a price of ₹26 [comprising nominal value of ₹10 and premium of ₹16 each] to its employees who have exercised the option vested on them under the MTPL Employees Stock Option Scheme.

CANCELLATION OF WARRANTS AND FORFEITURE OF AMOUNT

The Board of Directors at its meeting held on 4th February, 2012 cancelled 3,15,000 fully convertible warrants held by the warrants holders who have not exercised the option to take equity shares against warrants held by them. Consequently, an amount of ₹36,06,750 (Thirty six lakhs six thousand seven hundred and fifty only) received @ ₹11.45 per warrant on allotment of the said 3,15,000 fully convertible warrants to the warrant holders was forfeited

EMPLOYEES STOCK OPTION SCHEME

The Company has in operation MTPL Employees Stock Option Scheme, 2009 for granting stock options to the employees of its Company, in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Disclosures pursuant to Para 12 of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are enclosed as Annexure - B to this report.

SCHEME OF ARRANGEMENT

In terms of Scheme of Arrangement, your Company is taking steps to complete the necessary actions:

- process of creation of a Trust and transfer of the existing shares and accumulated dividends to it;
- Process of transfer/mutation of its corporate property.

FIXED DEPOSITS

Your Company has not invited any deposits from the public during the year under review within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

INTERNAL CONTROL SYSTEMS

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

CORPORATE GOVERNANCE

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

A separate report on Corporate Governance and a Management Discussion and Analysis Report is being presented as a part of the Annual Report of the Company.

A Company Secretary in Practice has certified that conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement have been complied by your Company and his certificate is annexed to the Report on Corporate Governance.

A declaration on Code of Conduct from J. Lakshmana Rao, Chairman and Managing Director forms part of the Corporate Governance Report.

CEO/CFO CERTIFICATION

J. Lakshmana Rao, Chairman and Managing Director and A. Seshu Kumari, Chief Financial Officer of the Company have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

DIRECTORS

In accordance with the Articles of Association of the Company J. Mytraeyi and Dr. T. Venkateswara Rao retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 and the Companies (Amendment) Act, 2001 your Directors confirm that in the preparation of the accounts for the financial year ended 31st March, 2012:

- a. the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

RISK MANAGEMENT

All assets of your Company and other potential risks have been adequately insured.

AUDITORS' REPORT

The observations of the auditors are explained, wherever necessary, in appropriate notes to the accounts.

AUDITORS

The Company's Statutory Auditors M/s. Praturi & Sriram, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

As required under the provisions of 224(1B) of the Companies Act, 1956, the Company has obtained a

written certificate from M/s. Praturi & Sriram, Chartered Accountants, to the effect that their re-appointment, if made, would be within the limits prescribed under Section. Members are requested to re-appoint them and to authorize the Board to fix their remuneration.

CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are provided in the annexure forming part of this Report.

EMPLOYEE RELATIONS

Your Directors are pleased to record their sincere appreciation of the contribution by the workmen and staff at all levels in the improved performance of the Company.

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed and forms an integral part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and gratitude for all the assistance and support received from Citibank and ICICI Bank Limited, and officials of concerned government departments, for their co-operation and continued support extended to the Company. They also thank the Members for the confidence they have reposed in the Company and its management.

For and on behalf of the Board of Directors



Hyderabad
2nd August, 2012

J. LAKSHMANA RAO
Chairman & Managing Director

Annexure to the Directors' Report

A. Details of conservation of energy

Power & fuel consumption

Electricity	2011-12	2010-11
a. Purchased unit (KWH) (Lakhs)	94.78	91.63
Total amount (₹ Lakhs)	426.06	374.96
Rate per unit (₹)	4.50	4.09
b. Own generation		
Diesel generation unit (Lakhs)	11.76	8.23
Total amount (₹ Lakhs)	131.23	82.12
Rate per unit (₹)	11.15	9.97

B. Technology absorption

Research and Development

Specific areas in which R&D was carried out by the Company	Nil	Nil
Benefits derived as a result of the above	Nil	Nil
Future plan of action		Yet to be decided
Expenditure on R&D	Nil	Nil

C. Foreign exchange earnings and outgo (₹ Lakhs)

Foreign exchange earnings	167.62	281.33
Foreign exchange outgo	569.35	565.80

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 2012.

Employed throughout the year and in receipt of remuneration aggregating ₹60,00,000 or more per annum

Name	Age Yrs.	Qualifications	Date of employment	Designation	Gross remuneration ₹ Lakhs	Experience	Last Employment
A. Subrahmanyam	57	B.E.	1st April, 2007	Deputy Managing Director	94.67	28 years	Executive Director, Mold-Tek Technologies Limited
P. Venkateswara Rao	55	PG in Material Mgt	1st April, 2007	Deputy Managing Director	63.66	22 Years	Commercial Director, Mold-Tek Technologies Limited

Annexure

Disclosures pursuant to Para 12 of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

S.No.	Description	Year ended 31st March, 2012
1.	Options granted during the year	Nil
2.	Pricing formula	Exercise price for the purpose of the grant of options shall be the price as reduced by around 60% of the closing market price of the equity shares of the company available on the Bombay Stock Exchange on the date immediately preceding the Grant Date, subject to minimum of the face value of equity share. The Exercise Price shall be rounded off to the next rupee.
3.	Options Vested	2,02,000
4.	Options exercised	55,750
5.	The total number of shares arising as a result of exercise of option	55,750
6.	Options lapsed	Nil
7.	Variation of terms of options	Nil
8.	Amount realized by exercise of options (₹)	14,49,500
9.	Total number of options in force	1,46,250
10.	Employee wise details of options granted to	
	a. senior managerial personnel;	Nil
	b. Others	Nil
	c. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	
	d. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 - Earnings Per Share	8.21

12.	i. Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the fair value base
	ii. Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized had it used the fair value of the option	₹74.64 lakhs (increase) (₹31.20 lakhs for current year increase)
	iii. The impact of this difference on profits and on EPS of the Company	
	● Profit after Tax	₹964.29 lakhs
	● Less: Additional employee compensation cost based on fair value	₹31.20 lakhs
	● Adjusted PAT	₹933.09 lakhs
	● Adjusted EPS	₹10.33
13.	Weighted-average exercise price and fair value of Stock Options granted:	
	● Stock Options granted on	4th June, 2010
	● Weighted average exercise (₹)	26
	● Weighted average fair value (₹)	26
	● Closing price on BSE on the date of grant of Option (₹)	62.95
14.	A description of the method and significant assumptions used during the year to estimate the fair values of options	As per pricing formula

Management Discussion and Analysis

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year. This report may also contain certain statements that the company believes are or may be considered to be 'forward looking statements' which are subject to certain risks and uncertainties.

ECONOMIC BACKGROUND

India's GDP growth rate dropped to 5.3% during the last quarter of the previous financial year 2011-12 due to dismal performance by the manufacturing as well as agricultural sectors. This is the slowest GDP growth in last 9 years and much lower than 9.2% GDP growth rate in the same quarter last year. With this poor quarterly growth rate, GDP growth for FY2011-12 dropped to just 6.5% compared to 8.4% in the previous financial year of 2010-11.

The main reason behind this dismal number was the dismal growth in manufacturing and agricultural sectors. In the fourth quarter, growth in manufacturing sector dropped to just -0.3% compared to 0.6% in third quarter and 7.3% in the same quarter last year and growth in the agricultural sector dropped to just 1.7% compared to 2.8% in third quarter and 7.5% in the same quarter last year.

At the same time, mining sector growth stood at 4.3% in the fourth quarter compared to -2.8% growth in the third quarter and 0.6% in the same quarter last year. Also, the service sector stood at 10% in the fourth quarter as well, unchanged from the third quarter growth rate.

PLASTIC INDUSTRY PERSPECTIVE

The Indian plastic industry has taken great strides. In the last few decades, the industry has grown to the status of a leading sector in the country with a sizable base. The material is gaining notable importance in different spheres of activity and the per capita consumption is increasing at a fast pace. Continuous advancements and developments in polymer technology, processing machineries, expertise, and cost effective manufacturing is fast replacing the typical materials in different segments with plastics. On the basis of value added, share of India's plastic products industry is about 0.5% of India's GDP. The export of plastic products also yields about 1% of the country's exports. The sector has a large presence of small scale companies in the industry, which account for more than 50% turnover of the industry and provides employment to an estimate of about 0.4 million people in the country. Approximately, `100 billion are invested in the form of fixed assets in the plastic processing industry.

PACKAGING INDUSTRY IN INDIA - GROWTH FACTORS

The ever increasing Indian middle class population as well as the fast expanding retail sector of Indian economy is two of the main factors promoting the growth of packaging industry. Other factors responsible for the growth of packaging industry include:

- ✓ Industrialization and urbanization has led to increased income per head leading to greater consumption of products. More products and increased purchasing capacity mean higher buying choices. Further, Indian consumers prefer to buy products with attractive products made so through packaging;
- ✓ Liberalized economy has exposed the Indian markets to the global industry standards where attractive packaging designs mean more business. So, the companies to pay more attention to packaging and packaging designs
- ✓ Rural marketing and low purchasing power of middle or lower class Indians has led to the growth of small packaging products like sachets etc.
- ✓ **India's packaging industry has grown at a healthy 15% CAGR over the last 3 years. While rigid packaging has grown at a little over 14%, flexible packaging has grown faster at approximately 17% over the past 5 years.**

The per capita use of plastics in India may still be quite low (compared to the developed countries); however, the Indian plastic industry is now one of the largest in the world at almost US\$ 25bn in size, and promises a steady double digit growth rate for the next three years, projected to reach US\$ 30bn by 2015.

COMPANY PERSPECTIVE

During last three decades, your Company has emerged as a leader in the country for manufacturing and supply of high quality airtight and pilfer proof pails for the paint, lube, food, pharma and cosmetic industries in India.

Your Company has 6 manufacturing facilities 3 in Hyderabad, 1 in Daman, 1 in Hosur and another unit is being set up in Satara. All the plants are ISO certified and are equipped with the best of the injection molding machines, moulds and decoration equipment to offer high quality pails to all its clients. Mold-Tek is one of the very few companies in the world to have highly integrated in house facilities and has state-of-the-art in-house tool room with sophisticated Swiss and German machinery to design & produce complex moulds. Your Company has introduced in-mould labeling for the first time in India. In mould labeling (IML) is the latest development in the packaging industry all over the world. Though developed nations adopted this robotic decoration technology few years ago, it was brought for the first time into India by Mold-Tek. IML technology involves robots placing preprinted labels inside the mould and plastic material flows underneath the labels and fuse them to the container thereby IML label becomes the integral part of the container & hence irremovable.

The demand from our major industrial sectors, paints and lubes is increasing with increasing consumption of these products as economy and per capital incomes are improving. Your Company has now entered in food packaging through IML containers which is likely to see phenomenal growth prospects as consumer demand for packaged food is rising. Until now Mold-Tek's clients are mainly the top companies in paint & lube Industry in India. Through the IML decoration, Mold-Tek has diversified its business by adding food and FMCG players also in its list. The scope and opportunity for packaging in food segment is huge. The products that can be packed in IML decorated containers are ice creams, jams, Milk and nutrition powders, yogurt, Butter, cheese, adhesives, tablets and many more in the list.....The scope is unlimited.

In Europe alone, the consumption of IML containers crossed 12 billion pieces a year. In India Mold-Tek stands tall over its competitors who are still at very nascent stage. Having acquired in-house ability to manufacture moulds, labels and robots, an advantage **no other packaging company can offer**, your Company plans to go full tilt into this segment in the next few years.

This is evident from the immense response Mold-Tek received from the food industry majors such as HUL, Amul, Vadilal, MAPRO etc. for packing their famous products such as ice cream & jams. Many other food & FMCG industries are active in considering IML containers. Going forward, your Company expects that this segment will contribute significantly to its top and bottom lines.

STEPS TAKEN BY YOUR COMPANY IN IML

Your Company has imported 3 robots from Taiwan in 2010-11 and mastered the decoration technology and carried out necessary corrections in the existing molds and made new moulds to suit to IML process. During the year 2011-12, Mold-Tek has installed necessary in-house printing facilities to manufacture IML labels for the first time in the Country. Your Company's world-class tool room and experienced engineers have achieved a major milestone by **re-engineering 'the robots'** in-house and made 10 robots in the last 6 months. Mold-Tek has now established and proved its capability in engineering 8 cavity fast cycle hot runner moulds and robots for production of IML decorated small containers (100 to 1000 ml) for food and FMCG applications.

Performance highlights

Customer groupwise performance ₹ Lakhs

Name of the Customer Group	2011-12	2010-11	Growth%
Lube & Oils	10105.07	9785.65	3.26
Paints	8600.06	6176.89	39.23
Inks & Chemicals	236.14	159.28	48.26
Blow	3.12	59.3	(94.76)
Food	252.97	217.88	16.11
Others	57.00	34.40	50.09
TOTAL	19254.36	16433.40	17.17

Outlook

At present, Mold-Tek's sales are mainly contributed by pails for supplies to paint and lube industries which are screen printed and shrink sleeved. With 100% IML integrated facilities Mold-Tek could offer IML decorated pails to its existing clients at a marginally higher cost. Thus, the existing clients in paint and lube industry are shifting to the world class IML containers which have various advantages over the screen printing/shrink sleeved pails. World over, the food and FMCG products use IML decorated containers which require integrated molding and robotic facilities, which are set up by Mold-Tek for the first time in India.

Other growth plans

Mold-Tek is setting up a full-fledged pail manufacturing unit at Khandala near Satara, Maharashtra to cater to the pail requirements of Asian Paints which is setting up a world class paint plant at Satara. Majority of the plant's capacity is confirmed

to be utilized by Asian Paints and it plans to start trial production from the last quarter of 2012.

Risks and concerns

The Company lays emphasis on risk management and has an enterprise-wide approach to risk management, which lays emphasis on identifying and managing key operational and strategic risks. Through this approach, the company strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact its future performance.

Your Company continues its initiatives aimed at assessment and avoidance of various risks affecting its business and towards cost control and efficiency across its businesses and functions, taking appropriate measures and reviewing them from time to time. Mold-Tek's current and fixed assets as well as products are adequately insured against various risks.

Internal control systems and their adequacy

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness. The internal control system

is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements.

The Company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures and ensure compliance to policies, plans and statutory requirements.

The Company encourages and recognizes improvements in work practices. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors and internal auditors.

Human resources

During the year under review, the Company had undertaken several steps in optimizing the manpower at the Annaram, Dommarapochampally, Daman, Alinagar, Hosur and Dundigal plants, corporate office and field locations. Human relations were cordial throughout the year. Measures for safety of the employees, training and development continue to receive top priorities.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a management's ability to take sound decision vis-à-vis all its stake holders-in particular, its shareholders, creditors, the state and employees.

A Company which is proactively compliant with the law and which adds value to itself through corporate governance initiative would also command a higher value in the eyes of present and prospective shareholders.

Mold-Tek Packaging therefore believes that corporate governance is not an end in itself but is a catalyst in the process of maximization of share holder value. Therefore, shareholder value as an objective is woven into all aspects of corporate governance - the underlying philosophy, development of roles, creation of structures and continuous compliance with standard practices. For Mold-Tek Packaging, however, good corporate governance has been a cornerstone of the entire management process, the emphasis being on professional management with a decision making model based on decentralisation, empowerment and meritocracy.

BOARD OF DIRECTORS

Composition

Your Company's Board comprises of eight Directors comprising,

3 Executive Directors

1 Non-Executive, Promoter Director

4 Independent Directors

The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 committees across all the companies in which they are Directors.

Board Meetings

The Board of Directors met 10 times during the financial year 2011-12:

18th May, 2011; 30th May, 2011; 6th July, 2011; 20th July, 2011; 19th August, 2011; 7th September, 2011; 9th November, 2011; 19th December, 2011; 4th February, 2012; and 13th February, 2012.

The maximum gap between any two meetings was less than 4 months, as stipulated under Clause 49 of the Listing Agreement.

Board Meetings/AGM - Attendance & directorships/committee memberships

Name of the Director	Category	Number of Board Meetings attended during the year	Whether attended last AGM 19th September, 2011	No of directorships in other public companies		No of committee positions in other public companies	
				Chairman	Member	Chairman	Member
J. Lakshmana Rao (Chairman & Managing Director)	Executive & Promoter Director	10	Yes	1	-	-	-
A. Subrahmanyam (Deputy Managing Director)	Executive & Promoter Director	10	Yes	-	1	-	-
P. Venkateswara Rao (Deputy Managing Director)	Executive & Promoter Director	10	Yes	-	1	-	-
J. Mytraeyi	Non-Executive Promoter Director	10	Yes	-	-	-	-
Dr. T. Venkateswara Rao	Non-Executive Independent Director	6	No	-	-	-	-
Vasu Prakash Chitturi	Non-Executive Independent Director	3	No	-	-	-	-
P. Shyam Sunder Rao	Non-Executive Independent Director	3	No	-	1	1	-
Dr. N. V. N. Varma	Non-Executive Independent Director	1	No	-	-	-	-

Note:

- The directorships held by Directors do not include private limited companies, unlimited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
- In accordance with Clause 49, membership/chairmanship of only audit committee, shareholders/investors grievance committee and remuneration committee of all public limited companies has been considered.

BOARD COMMITTEES

AUDIT COMMITTEE

Overall Purpose/Objectives

The purpose of the Audit Committee is to assist the Board of Directors in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal accountants/ internal auditors and overseeing the Company's accounting and financial reporting process and the audit of the Company's financial statements.

Composition & Meeting

The Audit Committee comprises of 3 Non-Executive Directors and chaired by Mr. P. Shyam Sunder Rao. J. Lakshmana Rao, Chairman & Managing Director, A. Subrahmanyam, Deputy Managing Director and

P. Venkateswara Rao, Deputy Managing Director and representatives of Statutory Auditors are permanent invitees to the meetings. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

5 meetings of the Audit Committee were held during the financial year 2011-12.

The dates on which the said meetings were held are as follows:

30th May, 2011; 20th July, 2011; 19th August, 2011; 9th November, 2011; and 13th February, 2012.

The composition of Audit Committee and particulars of attendance of the members of the Audit Committee are given below:

Name	Designation	No of Meetings attended during the year 2011-12
P. Shyam Sunder Rao, Independent Non-Executive	Chairman	2
T. Venkateswara Rao, Independent Non-Executive	Member	4
Vasu Prakash Chitturi, Independent Non-Executive	Member	3

Powers and Terms of Reference

The powers and terms of reference of the Audit Committee are as mentioned in Clause 49 of the Listing Agreement with the stock exchange as amended from time to time, read with Section 292A of the Companies Act, 1956.

REMUNERATION COMMITTEE

The terms of reference to the Remuneration Committee would include review of remuneration policy to the Managing Director, Executive Director, other whole-time directors and also key managerial personnel. The Company, while deciding the remuneration package of the Managing Director, whole-time director and senior management, takes into consideration the following items:

- Job profile and special skill requirement.
- Prevailing compensation structure in companies of smaller size and in the industry.
- Remuneration package of comparable managerial talent in other industries.

The terms of reference to the Remuneration Committee also include:

- recommend employees stock option scheme, and,
- administer employee stock option schemes.

During the year, one meeting of the Remuneration Committee was held on 19th August, 2011.

The composition of Remuneration Committee and attendance at the meeting is as follows:

Name	Designation	Category	No of meeting attended
P. Shyam Sunder Rao	Chairman	Non-Executive Independent Director	-
Dr. T. Venkateswara Rao	Member	Non-Executive Independent Director	1
Vasu Prakash Chitturi	Member	Non-Executive Independent Director	1

Remuneration policy

The Company pays remuneration to the Managing Director and Executive Director as per the individual agreements entered into with them. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for each meeting of the Board, Audit Committee, Remuneration Committee and Shareholders/Investor Grievance Committee attended by them.

Details of the remuneration of Directors for the year ended 31st March, 2012 are as follows:

₹ Lakhs

Name	Salary	Perquisites & Other benefits	Sitting Fees	Total
J. Lakshmana Rao (Chairman & Managing Director)	-	-	-	-
A. Subrahmanyam (Deputy Managing Director)	55.20	19.93	-	75.13
P. Venkateswara Rao (Deputy Managing Director)	34.80	16.82	-	51.62
J. Mytraeyi	-	-	0.45	0.45
Dr. T. Venkateswara Rao	-	-	0.20	0.20
Vasu Prakash Chitturi	-	-	-	-
P. Shyam Sunder Rao	-	-	0.25	0.25
Dr. N. V. N. Varma	-	-	0.05	0.05

Shareholding of the Directors of the Company as on 31st March, 2012

Name	No. of shares	% of share capital
J. Lakshmana Rao	12,61,476	11.25
A. Subrahmanyam	10,14,562	9.05
P. Venkateswara Rao	1,17,948	1.05
J. Mytraeyi	29,520	0.26
Dr. T. Venkateswara Rao	1,00,480	0.90
P. Shyam Sunder Rao	2,520	0.02
Dr. N. V. N. Varma	-	-
Vasu Prakash Chitturi	-	-

Non-Executive Directors do not hold any fully convertible warrants as on 31st March, 2012.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2012 was as under:

Name	Designation	Category of directorship
P. Shyam Sunder Rao	Member	Non-Executive Independent Director
Dr. T. Venkateswara Rao	Member	Non-Executive Independent Director
Vasu Prakash Chitturi	Member	Non-Executive Independent Director

The Shareholders'/Investors' Grievance Committee met 4 times during the year.

The Shareholders'/Investors' Grievance Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, etc. It also approves share transfer and issue of share certificates. The status of complaint is also reported to the Board of Directors. During 2011-12, 28 complaints were received, and all 28 complaints were resolved and none were pending as on 31st March, 2012.

J. Lakshmana Rao, Chairman & Managing Director is the Compliance Officer of the Company.

Details of Annual/Extraordinary General Meetings

Location and time of general meetings held in past 3 years

Year	Location	Date	Time
2008-09 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	24th September, 2009	10.30 a.m.
2009-10 (EGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	9th February, 2010	10.30 a.m.
2010-11 (EGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	1st July, 2010	10.30 a.m.
2009-10 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	12th August, 2010	10.30 a.m.
2010-11 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	19th September, 2011	11.00 a.m.

The Company passed Special Resolutions as per the agenda given in the notice calling the general meetings. No resolution was passed by way of postal ballot at the last AGM. No resolution is proposed to be passed by way of postal ballot in the ensuing Annual General Meeting.

Disclosures

- a. *Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large:*

The necessary disclosures of related party transactions are provided in the Notes to the Accounts. None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b. *Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:*

No non-compliance by the Company was observed during the last three years nor any penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets.

- c. *Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49:*

The Company is complying with all the mandatory requirements of corporate governance and also is also making attempts to comply with non-mandatory requirements of that clause.

- d. *Disclosure on accounting standard:*

The Company has followed the accounting standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the financial statements.

- e. *Disclosure of risk management:*

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.

Management Discussion and Analysis

A separate report on Management Discussion and Analysis forms part of the Annual Report.

Means of Communication

Financial results are published by the Company in the prescribed format in Business Standard and Andhra Prabha newspapers within 48 hours of approval by the Board.

GENERAL SHAREHOLDER INFORMATION

15th Annual General Meeting

Date and Time : 22nd September, 2012 at 11.00 a.m.

Venue : Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081

Financial calendar (2012-13)

The financial year of the Company is 1st April to 31st March. For the year ending 31st March, 2013 quarterly un-audited/annual audited results shall be announced as follows:

Financial reporting for	Proposed Date (Tentative)
Unaudited results for the quarter ending: 30th June, 2012	On or before 15th August, 2012
30th September, 2012	On or before 15th November, 2012
31st December, 2012	On or before 15th February, 2013
Audited results for the year ended 31st March, 2013	On or before 30th May, 2013

Book Closure date : 17th September, 2012 to 22nd September, 2012 (both days inclusive)

Registered Office : Plot No.700, Door No.8-2-293/82/A/700, Road No.36, Jubilee Hills, Hyderabad - 500 034, Andhra Pradesh

Listing of Equity Shares : BSE Limited, Mumbai (BSE)

Listing Fees : Listing fee has been paid to BSE Limited for the year 2012-13

Stock Code : 533080

ISIN : INE893J01011

CIN Number : L21022AP1997PLC026542

MARKET PRICE DATA**The monthly high and low quotations and volume of shares traded on BSE**

Month		BSE		
		High ₹	Low ₹	Volume of shares
2011	April	55.00	48.30	2,29,150
	May	62.10	47.65	4,71,554
	June	61.25	50.40	5,42,840
	July	67.15	53.10	8,55,193
	August	68.45	52.90	7,79,817
	September	65.80	52.60	4,08,227
	October	66.00	54.80	4,62,341
	November	79.50	58.20	13,53,043
	December	68.50	49.00	6,97,557
2012	January	60.00	51.00	5,01,663
	February	69.50	54.00	9,35,882
	March	63.60	54.00	4,52,318

Registrar & Share Transfer Agent**M/s. XL Softech Systems Limited**

3, Sagar Society, Road No 2,

Hyderabad - 500 034

Tel : + 91 40 2354 5913/14/15

Fax : + 91 40 2355 3214

Email: xlfield@gmail.com

xlfield@rediffmail.com

Shareholding pattern as on 31st March, 2012

Category	No. of shares Held	Percentage of shareholding
Promoters	47,24,031	42.12
Banks, financial institutions, insurance companies	1,89,626	1.69
Private bodies corporate	9,08,649	8.10
Indian public	50,63,676	45.15
NRI/OCBs	1,13,830	1.01
Clearing members	2,16,714	1.93
TOTAL	112,16,526	100.00

Distribution of shareholders as on 31st March, 2012

Shareholding ₹	Shareholders		Share value	
	Number	Percentage	₹	Percentage
Upto - 5,000	6,306	86.11	76,38,570	6.81
5,001 - 10,000	442	6.04	33,60,660	3.00
10,001 - 20,000	202	2.76	30,26,060	2.70
20,001 - 30,000	67	0.91	16,80,890	1.50
30,001 - 40,000	62	0.85	22,23,620	1.98
40,001 - 50,000	30	0.41	14,44,800	1.29
50,001 - 1,00,000	91	1.24	67,33,370	6.00
1,00,001 and above	123	1.68	8,60,57,290	76.72
TOTAL	7,323	100.00	11,21,65,260	100.00

Share Transfer System

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the document is in order in all respects.

Dematerialization of Shares

As on 31st March, 2012, NSDL & CSDL hold in demat form 98,70,677 equity shares of ₹10 each aggregating to 88% of the paid up capital & the rest 13,45,849 equity Shares aggregating to 12% are in physical form.

ADR/GDR holding is Nil

Code of Conduct for the Board & senior management personnel

The Board of Directors has laid down a code of conduct for all Board Members and senior managerial personnel of the Company. All the Directors and senior management personnel have affirmed compliance with the code of conduct. A declaration to this effect duly signed by Managing Director of the Company is attached and forms part of the Report on Corporate Governance.

Declaration under Code of Conduct

As provided under Clause 49 of the Listing Agreement with the stock exchange, the Board Members and senior management personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

Hyderabad
2nd August, 2012



J. LAKSHMANA RAO
Chairman & Managing Director

CEO/CFO Certification

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is attached and forms part of the Annual Report.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors
Mold-Tek Packaging Limited

We certify that:

- a. We have reviewed the financial statements, read with the cash flow statement of Mold-Tek Packaging Limited (the Company) for the year ended 31st March, 2012 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements and other financial information included in this report present a true and fair view of Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting;
- d. We have disclosed to the Company' Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any , of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies
- e. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in the Company's internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - iii. instances of significant fraud of which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting.



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
2nd August, 2012



A. SESHU KUMARI
Chief Financial Officer

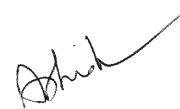
Certificate on Corporate Governance

The Members
Mold-Tek Packaging Limited

I have examined the compliance of conditions of Corporate Governance by Mold-Tek Packaging Limited for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally

complied with the conditions of Corporate Governance as stipulated in the above-referred Listing Agreement. I am informed that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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



Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6681
CP No.: 7321

Hyderabad
2nd August, 2012

Auditors' Report

The Members

M/s. Mold-Tek Packaging Limited

We have audited the attached Balance Sheet of Mold-Tek Packaging Limited as at 31st March, 2012 and also the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
2. Further to our comments in the annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-clause (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012
 - ii. In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **PRATURI & SRIRAM**
Chartered Accountants
(Firm Registration No. 002739S)



Sri Raghuram Praturi
Partner
Membership No. 221770

Hyderabad
29th May, 2012

Annexure to Auditors' Report

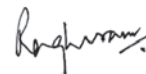
(Referred to in paragraph 1 of our report of even date attached)

1. In respect of its fixed assets:
 - a. The Company maintains a soft copy record of its depreciable assets, reflecting a year wise classification of assets of such category.
 - b. No physical verification of fixed assets has been carried out by the management during the year ended 31st March, 2012.
 - c. During the year, we are informed, that the Company has not disposed off a substantial part of its fixed assets.
 2. In respect of its inventory:
 - a. As per the explanations given to us, physical verification of raw materials, stocks in process, finished goods and other items of consumables inventory has been conducted by the management during the period at regular intervals. In our opinion, the frequency of such physical verification is reasonable.
 - b. The procedures for physical verification of inventory followed by the management, in our opinion, have scope for further improvement. Most of the procedures followed, are prima facie reasonable in relation to the size of the Company and the nature of the business at present.
 - c. The Company maintains excise related records for its raw materials and finished goods, which are reasonably properly maintained. For its semi finished (in-process) stocks, the records can be improved/bettered with respect to receipts, issues, balances being maintained in a chronological sequence, recording of movement & custody of such stocks as well as consumables inventory.
- We recommended the maintenance of a priced stores ledger, and a formal procedure for reconciliation of factory & accounts related inventory records.
- d. We are informed by the management that no material differences or discrepancies were noticed on physical verification of stocks with accounts related inventory records.
3. a. The Company has not granted/taken any loans, secured or unsecured to/from the companies, firms of other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b. In respect of the debit balances and advances in the nature of loans, including amounts due on current accounts, no stipulations have been made as to repayments, and management expresses confidence in recovering the amounts due.
4. a. In our opinion, and according to the information and explanations given to us, there exist adequate internal control procedures commensurate with the size of the Company, and the nature of its business for the purchase of inventory & fixed assets and for the sale of goods and services.
 - b. Certain areas/procedures and control weaknesses identified during the course of internal/statutory audit and other reviews need to be considered immediately for improvement and up-gradation to better levels.
 - c. While we have not observed any continuing failure of intent to correct identified weaknesses in internal controls during the course of our audit, observations made need to be comprehensively addressed and rectified.

5. a. According to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, at prices which are prima facie reasonable having regard to prevailing market prices.
6. In our opinion and explanations given to us, the Company has not invited or accepted any deposits from the public attracting the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board regarding compliance of above said provisions. However, security deposits received from employees ₹4,11,458 are not maintained in a separate bank account as stipulated in Section 417 of the Companies Act, 1956.
7. The Company presently has an internal audit conducted by an external agency, which needs to be reviewed for its depth & scope so as to make it commensurate with the size of the Company & the nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company as per Cost Accounting Records Rules, 2011. A suitable compliance/report in this regard is pending.
9. a. According to the records of the Company furnished to us, the Company is regular in depositing undisputed statutory dues including, provident fund, employees state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues with delays of nominal nature.
- b. According to the information and explanations given by the management, there are no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty and cess which were in arrears as 31st March, 2012 for a period of more than six months from date they become payable.
10. The Company has no accumulated losses at the end of the financial year under review. The Company has not incurred cash losses during the financial year covered by our audit, and also in the previous financial year.
11. In our opinion and according to the information and explanations given to us, there are no defaults on dues payable to institutions/bank/others on the date of the Balance Sheet.
12. We are informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. We are informed that the Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. In our opinion, the term-loans availed have generally been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that during the report under review, short term funds, (inclusive of cash generated from operations) of ₹4.98 crore have been used for long term purpose. Interest of ₹58.25 lakhs computed based on weighted average cost of borrowings on such short term funds utilised for long term purpose (acquisition, erection and construction of Daman plant expansion) has been capitalized.
18. During the year, the Company has allotted a total of 31,65,000 equity shares on conversion of warrants allotted on preferential basis (12,40,000 warrants allotted on 7th September, 2011 @ ₹40 including premium of ₹30 per equity share and 19,25,000 warrants allotted on 4th February, 2012 @ ₹45.80 including premium of ₹35.80 per equity share) which includes the parties covered under Section 301 of the Companies Act. The price at which the shares are allotted is based on Chapter XIII of SEBI Regulations, 2000 and thereby not prejudicial to the interest of the Company.
19. According to information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.
20. According to information and explanations given to us, the Company has not raised monies by means of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **PRATURI & SRIRAM**
Chartered Accountants
(Firm Registration No. 0027395)



Sri Raghuram Praturi

Partner

Membership No. 221770

Hyderabad
29th May, 2012

Balance Sheet

AS AT 31st MARCH, 2012

₹ Lakhs

	Note	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	11,21.65	7,99.58
Money received against share warrants	4	–	3,80.48
Reserves & surplus	5	35,10.49	20,91.86
Non-current liabilities			
Long-term borrowings	6	12,74.12	14,74.53
Other long-term liabilities	7	17.86	14.25
Long-term provisions	8	91.24	75.52
Current liabilities			
Short-term borrowings	9	38,47.81	23,81.20
Trade payables	10	10,47.08	5,43.10
Other current liabilities	11	5,47.57	5,65.21
Short-term provisions	12	7,03.69	9,09.52
TOTAL		<u>1,21,61.51</u>	<u>92,35.25</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	46,61.22	36,17.37
Capital work-in-progress	13	10,82.36	3,75.62
Leasehold building	13	24.12	26.77
Non-current investments	14	3,16.32	3,06.67
Long-term loans & advances	15	3,48.72	1,47.04
Other non-current assets	16	33.10	26.70
Current assets			
Inventories	17	20,25.42	17,78.12
Trade receivables	18	28,62.26	22,43.59
Cash and cash equivalents	19	27.51	10.22
Short-term loans & advances	20	7,52.73	6,75.40
Other current assets	21	27.75	27.75
TOTAL		<u>1,21,61.51</u>	<u>92,35.25</u>
Notes to the Balance Sheet & Statement of Profit and Loss	1 & 2		

Per our Report of even date
for **PRATURI & SRIRAM**
Chartered Accountants
Firm Reg No. 002739S



Sri Raghuram Praturi
Partner
Membership No. 221770
Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors



J. LAKSHMANA RAO
Chairman & Managing Director



A. SUBRAHMANYAM
Deputy Managing Director

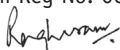
Statement of Profit and Loss

FOR THE YEAR ENDED 31st MARCH, 2012

₹ Lakhs

	Note	2011-12	2010-11
INCOME			
Sales			
Domestic sales		1,90,87.14	1,61,56.67
Less: Excise duty		17,43.45	14,66.43
Export sales		<u>1,67.22</u>	<u>2,76.73</u>
Other income	22	25.80	77.26
TOTAL		<u>1,75,36.71</u>	<u>1,50,44.23</u>
EXPENDITURE			
Material consumed	23	1,15,40.84	1,01,52.80
Changes in inventories	24	97.14	(3,02.28)
Employee remuneration & benefits	25	13,46.70	11,16.85
Selling & distribution expenses	26	13,78.46	11,72.50
Interest & financial charges	27	3,80.17	2,91.14
Other expenses	28	10,34.39	9,67.18
Preliminary & deferred expenses written off	29	5.10	5.10
Depreciation		<u>4,41.04</u>	<u>4,32.86</u>
TOTAL		<u>1,62,23.84</u>	<u>1,38,36.15</u>
Profit before prior period adjustments & tax		13,12.87	12,08.08
Provision for tax		3,65.01	3,98.32
Profit after tax		9,47.86	8,09.76
Prior period adjustments	30	14.77	9.45
Profit transferred to Balance Sheet		9,33.09	8,00.31
Earning per share - Basic (₹)		10.33	10.01
Earning per share - Diluted (₹)		8.21	7.37
Notes to the Balance Sheet & Statement of Profit and Loss 1 & 2			

Per our Report of even date
for **PRATURI & SRIRAM**
Chartered Accountants
Firm Reg No. 002739S



Sri Raghuram Praturi

Partner

Membership No. 221770

Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors



J. LAKSHMANA RAO

Chairman & Managing Director



A. SUBRAHMANYAM

Deputy Managing Director

Cash Flow Statement

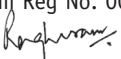
FOR THE YEAR ENDED 31st MARCH, 2011

₹ Lakhs

	2011-12	2010-11	
A. Cash flow from operations			
Net profit as per Statement of Profit and Loss	13,12.87	12,08.08	
Adjustment for			
Depreciation	4,55.86	4,32.86	
Preliminary expenses & deferred expenses	5.10	2.82	
Interest paid	3,80.17	8,41.13	2,91.14
Operating profit before working capital changes	21,54.00	19,34.90	
Adjustment for			
Trade and other receivables	(6,18.67)	(2,25.96)	
Inventories	(2,47.30)	(6,50.33)	
Trade payables	5,03.98	(28.49)	
Other liabilities & short-term provisions	(1,44.27)	3,03.18	
Loans & advances & others	(77.33)	2,56.11	
Non-current assets	(2,13.17)	(7,96.76)	(55.91)
Cash generated from operations	13,57.24	15,33.50	
B. Cash flow from investment activities			
Purchase of fixed assets	(15,22.36)	(12,40.48)	
Sale of fixed assets	25.29	1,02.56	
Sale/transfer of investments	(9.66)	(2,95.69)	
Capital work-in-progress and pending capitalisation	(7,06.74)	(22,13.47)	(2,49.72)
	(8,56.23)	(16,83.33)	
		(1,49.83)	


	₹ Lakhs	
	2011-12	2010-11
C. Cash flow from financing activities		
Warrants application money	(3,80.48)	2,56.48
Share capital	3,22.08	-
Securities premium & capital reserve	11,26.74	-
Employee stock expenses outstanding	10.60	19.32
Provision for taxation	(3,65.01)	(3,98.32)
Provision for proposed dividend	(5,60.83)	(4,38.39)
Additions/repayment of loans	12,06.34	10,85.34
Provision for corporate dividend tax	(90.98)	(72.81)
Interest paid	(3,80.17)	(2,91.14)
Prior period & extraordinary Items	(14.77)	(9.45)
	8,73.52	1,51.03
Net increase in cash & cash equivalents (A+B+C)	17.29	1.20
Opening balance of cash & cash equivalents	10.22	9.02
Closing balance of cash & cash equivalents	27.51	10.22

Per our Report of even date
for **PRATURI & SRIRAM**
Chartered Accountants
Firm Reg No. 002739S


Sri Raghuram Praturi
Partner
Membership No. 221770
Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors


J. LAKSHMANA RAO
Chairman & Managing Director


A. SUBRAHMANYAM
Deputy Managing Director

Notes to the Balance Sheet & Statement of Profit and Loss

1. SIGNIFICANT ACCOUNTING POLICIES

a. Method of accounting

- i. The financial statements are prepared on a going concern basis with historical costs, in accordance with the Accounting Standards specified in sub-section (3C) of Section 211 of the Companies Act 1956, to the extent applicable to the Company.
- ii. The Company generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- iii. The preparation of financial statements requires the management of the company to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- iv. For the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 is applicable to the Company for presentation and disclosures in financial statements. The Company has reclassified the previous year's figures in accordance with the revised Schedule VI as applicable in the current year.

b. Fixed assets

- i. Fixed assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits. Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India (ICAI).
- ii. Expenditure not specifically identified to any asset and incurred in respect of fixed assets not commissioned is carried forward as expenditure pending allocation and forms part of capital work in progress.

c. Depreciation

Straight-line method of depreciation is adopted on the basis of and at rates prescribed by Schedule XIV to the Companies Act, 1956 except for leasehold buildings, wherein depreciation is provided on the basis of estimated useful life.

Residual values of assets depreciated on straight line basis to the extent of assets not in use, and/or discarded having outlived their utility are charged off during the year.

d. Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

e. Investments

Investments are either classified as current or long-term, based on the management's intention at the time of purchase. Long-term investments are carried in the books of accounts at cost of acquisition. Current investments are carried in the books of accounts at the lower of cost and fair value. Decline in market value of long-term and current investments, if any, are considered in accordance with Accounting Standard 13.

f. Inventories

Inventories are valued as follows:

Raw material	At lower of applicable weighted average of landed cost net of CENVAT benefits or market value.
Finished goods	At lower of applicable weighted average cost (including conversion costs) or market value.
Work-in-process	At applicable weighted average cost including conversion costs to the stage of manufacture.
Returned goods	At applicable raw material cost net of estimated reprocessing cost.
Consumables, packing & bought outs	At cost.

Cost includes material cost, labour, factory overheads and depreciation and excludes interest on borrowings.

g. Interest and financial charges

- i. Documentation, commitment and service charges are spread over the tenure of the finance facility.
- ii. Interest on hire purchase finance is charged to Statement of Profit and Loss on diminishing balance method as per the guidance note of the Institute of Chartered Accountants of India (ICAI).

h. Loans under deferred credit/hire purchase

The hypothecation rights of assets financed by hire purchase vest with the financing companies and on expiry of agreements will be cancelled in favour of the Company. The cash price of assets thus financed is capitalized and the principal amount along with future interest is reflected in unsecured loans. The corresponding amount of future interest is reflected as deferred interest under loans & advances.

i. Revenue recognition

Revenue is recognized only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, sales tax, VAT, excise duty, adjusted for discounts and sale returns. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

j. Employee benefits

i. Gratuity & provident fund

Post employment and other long term benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined based on actuarial valuation.

In accordance with the Payment of Gratuity Act, 1972, Mold-Tek provides for gratuity, a defined benefit retirement plan ('the Gratuity plan') covering eligible employees of the

Company. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the group.

Liabilities with regard to the gratuity plan are determined by actuarial valuation at each balance sheet date using the projected unit credit method as per the Accounting Standard 15. The Company contributes the ascertained liabilities to a scheme with Life Insurance Corporation as permitted by the law.

Eligible employees of the company receive provident fund benefits, a defined contribution plan. Contributions of the Company as employer are expensed as incurred/accrued.

ii. Liability for leave encashment

Leave encashment also considered as long term liability and provided for on the basis of actuarial valuation, estimated during the year.

iii. Employee share based payments

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the guidance note on 'Accounting for Employee Share Based Payments', issued by the Institute of Chartered Accountants of India (ICAI). The excess of market value of the stock on the date of grant over the exercise price of the option is recognized as deferred employee stock compensation and is charged to profit and loss account on straight-line method over the vesting period or on exercise of the options. The unamortized portion of cost is shown under stock options outstanding.

k. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange gains or losses on conclusion of transaction within the

accounting year relating to fixed assets are capitalized while in respect of others the impact is recognized in the Statement of Profit and Loss. Outstanding monetary transactions denominated in foreign currencies at the year end are restated at year end rates.

l. Taxes on income

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax provisioning on account of timing difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India. Deferred tax asset is not recognized in the books.

m. Miscellaneous expenditure

Preliminary expenses are amortized over a period of 5 years.

n. Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of the cumulative minimum lease rentals along with other incidental expenses during the lease term or the asset's fair value.

The rental obligations, net of interest charges, are reflected in loans and advances. Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made over the lease term.

o. Earnings per share

The basic earnings per share ('BEPS') is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The diluted earnings per share ('DEPS') is calculated after adjusting the weighted average number of equity shares to give effect to the potential equity shares on the fully convertible warrants outstanding.

p. Contingent liabilities and assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2. The previous period's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

3. SHARE CAPITAL

	As at 31st March, 2012	As at 31st March, 2011
₹ Lakhs		
a. Authorised		
1,35,00,000 equity shares of ₹10 each (31st March, 2011: 1,35,00,000 equity shares of ₹10 each)	13,50.00	13,50.00
	<u>13,50.00</u>	<u>13,50.00</u>
b. Issued, subscribed and paid up		
1,12,16,526 equity shares of ₹10 each (31st March, 2011: 79,95,776 equity shares of ₹10 each)	11,21.65	7,99.58
	<u>11,21.65</u>	<u>7,99.58</u>

- 3.1 79,95,776 equity shares out of the issued, subscribed and paid up share capital were allotted in the financial year 2008-09 pursuant to the Scheme of Arrangement without payments being received in cash.
- 3.2 12,40,000 equity shares of ₹10 each issued at a premium of ₹30 per share on 7th September, 2011 by way of preferential offer.
- 3.3 19,25,000 equity shares of ₹10 each issued at a premium of ₹35.80 per share on 4th February, 2012 by way of preferential offer.
- 3.4 46,625 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 6th July, 2011 by way of Employee Stock Option Scheme.
- 3.5 9,125 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 19th December, 2011 by way of Employee Stock Option Scheme.

The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	79,95,776	7,99,57,760	79,95,776	7,99,57,760
Add: Shares issued on exercise of Employee Stock Option Scheme	55,750	5,57,500	-	-
Shares issued on exercise of warrants by preferential offer	31,65,000	3,16,50,000	-	-
Shares outstanding at the end of the year	1,12,16,526	11,21,65,260	79,95,776	7,99,57,760

The details of shareholders holding more than 5% shares

Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% Held	No. of shares	% Held
J. Sudharani	5,51,990	4.92	8,43,307	10.55
A. Seshu Kumari	3,81,391	3.40	4,08,391	5.11
J. Lakshmana Rao	12,60,627	11.24	3,90,627	4.89
A. Subrahmanyam	10,14,562	9.05	3,74,562	4.68

MTPL Employee Stock Option Scheme

2,02,000 Options have been granted to employees on 4th June 2010 under the Employees Stock Option Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 at ₹26 per option.

The Discount value (₹36.95) of Option is accounted as deferred Employee Compensation which is either amortised on a straight line basis over the vesting period or on the basis of Option exercised whichever is earlier.

During the year, 55,750 number of shares has been allotted to the employees against options exercised by them. The Deferred Employee Compensation of ₹20,59,963 pertaining to such options exercised during the year have been charged off to the Statement of Profit and Loss.

Particulars	As at 31st March, 2012	As at 31st March, 2011
Options outstanding, beginning of the year	2,02,000	-
Add: Granted	-	2,02,000
Less: Exercised	55,750	-
Options outstanding, end of the year	1,46,250	2,02,000

4. WARRANTS APPLICATION MONEY

- During the year, on 7th September, 2011 the Company allotted 12,40,000 equity shares against fully convertible warrants. (12,40,000 warrants were allotted at a price of ₹40 comprising nominal value of ₹10 and premium of ₹30 each on 10th March, 2010).
- On 4th February, 2012 the Company allotted 19,25,000 equity shares against fully convertible warrants. (22,40,000 Fully convertible warrants were allotted at a price of ₹45.80 per warrant comprising nominal value of ₹10 and premium of ₹35.80 on 6th August, 2011). The balance of 3,15,000 warrants are forfeited. The application money received against forfeited warrants being ₹36,06,750 (25% of the issue price of the warrants) is transferred to capital reserve account.

5. RESERVES & SURPLUS

₹ Lakhs

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Capital reserve				
Opening balance	13.06		13.06	
Additions during the year	36.06	49.12	–	13.06
Securities premium				
Opening balance	12,03.30		12,03.30	
Additions during the year	10,90.67	22,93.97	–	12,03.30
General reserve				
Opening balance	5,32.32		4,12.27	
Add: Transfer from profit for the year	1,39.96	6,72.28	1,20.05	5,32.32
Share options outstanding account				
Opening balance	19.32		–	
Add: Current year transfer	31.20		19.32	
Less: Written back in current year	20.60	29.92	–	19.32
Surplus				
Opening balance	3,23.87		1,54.80	
Add: Profit for the year	9,33.09	12,56.96	8,00.31	9,55.11
Less: Appropriations				
Interim dividend	2,80.41		1,59.92	
Proposed final dividend	2,80.41		2,78.47	
Tax on dividend	90.98		72.81	
General reserve	1,39.96	7,91.76	1,20.05	6,31.25
TOTAL		35,10.49		20,91.86

The Board of Directors at its meeting held on 29th May, 2012 has recommended a final dividend of ₹2.5 per equity share of ₹10 each in addition to the interim dividend of ₹2.50 per equity share declared on 13th February, 2012

6. LONG-TERM BORROWINGS

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Non-current	Current	Non-current	Current
Secured loans				
Term loan from banks	2,37.89	1,05.73	3,43.62	2,05.93
Hire purchases finance	50.86	53.53	58.42	38.88
	2,88.75	1,59.26	4,02.04	2,44.81
Unsecured loans				
Sales tax deferment	9,85.37	87.12	10,72.49	61.43
TOTAL	12,74.12	2,46.38	14,74.53	3,06.24

6.1 Secured loans

Long-term loan facilities from the banks

The Company has availed 2 long-term loan facilities from ICICI Bank Limited totaling ₹4,50,00,000. Repayment schedule for Term Loan 1 amounting to ₹1,00,20,000 was completed during the year. Schedule for repayment against Term Loan 2 amounting to ₹4,49,35,251 has commenced from March, 2011 (repayable in 18 quarterly installments).

The above loans are secured by way of pledge/first charge on the following assets of the Company:

- Land measuring 11,586 sq mtrs & building in Sy No. 160A, 161/1, 161/5, 160B of Bhimpore Village & Panchayat, Nani Daman, Daman Taluk & District, belonging to the Company;
- Other fixed assets of the Company located at Daman.

Vehicle loans

The Company is availing 11 vehicle loans from various financial institutions of which repayment schedule for 10 vehicles is 36 monthly installments while the loan on 11th vehicle is repayable in 60 monthly installments.

Loan installments amounting to ₹53,52,996 payable with the next 12 months (April 2012 to March 2013) have been grouped under current liabilities.

6.2 Unsecured loans

The Government of Andhra Pradesh has extended to the Company, incentive of sales tax deferral scheme pursuant to which, the sales tax attributable to the sales effected out of production is deferred (interest-free) for maximum period of 14 years or 2010 whichever is earlier. The sales tax payment deferred in each year is repayable over equal number of years commencing from the year in which the deferment period expires.

The Company has availed this scheme for its 2nd expansion at Annaram unit and Dommarapochampally unit. The Company has completed its 14 deferment years period for its Annaram unit and has commenced the repayments. Repayment of sales tax deferment availed on Dommarapochampally unit will commence from 1st April, 2014. The total sales tax deferral amount as on 31st March 2012 stands at ₹10.73 crore.

7. OTHER LONG-TERM LIABILITIES

₹ Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deposits collected from employees & job workers	17.86	14.25
TOTAL	17.86	14.25

The Company collected security deposits from employees and various job workers which are repayable after successful completion of contract terms.

8. LONG-TERM PROVISIONS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Gratuity (unfunded)	70.33	74.23
Leave encashment (unfunded)	20.91	1.29
TOTAL	91.24	75.52

9. SHORT-TERM BORROWINGS

₹ Lakhs

Particulars	As at 31st March, 2012		As at 31st March, 2011	
a. Secured loans				
- ICICI Bank cash credit	14,10.60		6,65.94	
- Citibank cash credit	24,37.21	38,47.81	<u>17,10.81</u>	23,76.75
b. Unsecured loans				
- Received from promoters		-		4.45
TOTAL		38,47.81		23,81.20

The Company entered in to multiple banking facility by availing fund based working capital requirements from Citibank while earlier entire facilities (fund and non-fund) were availed from ICICI Bank Limited. The Company during the year under review has been sanctioned/availed working capital facility of ₹20 crore from Citibank and ₹15 crore (₹14.50 crore fund based and ₹0.50 crore non-fund based) from ICICI Bank Limited (making a total of ₹35 crore), against ₹28 crore in the previous financial year.

Working capital facilities from the banks are secured by way of first charge on the following assets of the Company:

- a. *Paripassu* first charge to both banks by way of hypothecation of the borrower's entire current assets which inter-alia include stocks of raw material, work-in-process, finished goods, consumable stores & spares and such other movables including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- b. *Paripassu* first charge to both banks by way of hypothecation of the borrower's movable fixed assets of the Company (Except movable property at Daman).
- c. *Paripassu* first charge to both banks by way of equitable mortgage on the following immovable assets of the Company:
 1. Land measuring 6.5125 acres & building in Sy. No 54,55/A,70, 71&72 of Annaram Village, Near Air Force Academy, Jinnaram Mandal, Medak District, Andhra Pradesh belonging to the Company.
 2. Land measuring 6413 sq. yards & building in Sy. No. 164 part, Dammarapochampally Village, Quthbullapur, Ranga Reddy District, Andhra Pradesh belonging to the Company.
 3. Land measuring 1066.63 sq. yards & buildings in Plot No. D-177 phase III, IDA, Jeedimetla, Quthbullapur Mandal, Ranga Reddy District, Andhra Pradesh belonging to the Company.
 4. Ground floor, cellar area of building bearing Municipal No. 8-2-293/82/A/700&700/1 on Plot No. 700 forming part of Sy. No. 120 (New) of Shaikpet Village and Sy. No. 102/1 of Hakimpet Village admeasuring 3,653 sq. ft of office space presently occupied by the vendee 50% or 930 sq. ft of reception area of 1860 sq. ft all in relevance to the ground floor 400 sq. yds out of 1,955 sq. yds situated within the approved layout of the Jubilee Hills Co-operative House Building Limited at Road No. 36, Jubilee Hills, belonging to the Company.
- d. Personal guarantees of J. Lakshmana Rao, A. Subrahmanyam, P. Venkateswara Rao and J. Mytreji, Directors of the Company.

10. TRADE PAYABLES

₹ Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Creditors for goods	7,83.06	3,51.42
Creditors for expenses	2,64.02	1,91.68
TOTAL	10,47.08	5,43.10

Creditor's balances are subject to confirmation and reconciliation.

11. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Current maturities of long term debt (Refer Note No. 6)	2,46.38	3,06.24
Duties & taxes (Including excise & service tax)	27.51	29.30
Advances received from customers	32.46	11.48
Interest accrued but not due	0.49	-
Unpaid dividend	52.87	27.85
Outstanding expenses payable	85.34	1,03.03
TDS payable	9.58	15.67
Employee salaries, benefits & contributions payable	92.94	71.64
TOTAL	5,47.57	5,65.21

Unpaid dividend includes an amount of ₹38.88 lakhs comprising unpaid dividend accounts of various years and an amount of ₹13.99 lakhs transferrable to a proposed employee trust in terms of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.

12. SHORT-TERM PROVISIONS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits	12.78	-
Provision for proposed dividend & tax thereon	3,25.90	5,11.20
Provision for current year income tax	3,65.01	3,98.32
TOTAL	7,03.69	9,09.52

₹ Lakhs

13. FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As on 1st April, 2011	Additions	Deletions	As on 31st March, 2012	For the year*	Deletions	As on 31st March, 2012	As on 31st March, 2011
TANGIBLE ASSETS								
Land	5,42.68	1,32.94	-	6,75.62	-	-	-	5,42.68
Building	8,22.03	3.55	-	8,25.58	26.94	-	2,30.14	6,18.83
Leasehold improvements	27.95	-	-	27.95	2.65	-	3.83	26.77
Plant and machinery	34,34.10	10,38.07	1,54.51	43,17.66	3,00.43	1,33.32	17,41.46	18,59.75
Moulds	6,56.88	2,25.77	-	8,82.65	80.99	0	4,66.79	2,71.08
Electrical installations	1,77.05	9.48	13.33	1,73.20	13.79	11.27	87.16	92.41
Works equipments & instruments	29.81	15.62	-	45.43	3.29	-	14.86	18.24
Office equipments	14.78	6.04	-	20.82	1.63	-	4.85	11.56
Computer & computer Software	22.88	19.08	-	41.96	4.27	-	12.10	15.05
Furniture & fixtures	45.79	5.05	-	50.84	2.41	-	15.45	32.75
Vehicles	1,78.01	66.76	2.95	2,41.82	19.47	0.91	41.55	1,55.02
TOTAL - A	59,51.96	15,22.36	1,70.79	73,03.53	4,55.87	1,45.50	26,18.19	36,44.14
Previous Year	50,36.94	12,40.48	3,25.46	59,51.96	4,32.86	2,22.91	23,07.81	36,44.14

* Depreciation of ₹.14,82,669 has been capitalised, pertaining assets used for the purpose of generating inhouse assets during the year.

CAPITAL WORK-IN-PROGRESS

Particulars	As on 1st April, 2011	Additions during the year	Capitalised during the year	As on 31st March, 2012
CWIP- Unit 1, 2, 4 & 6	1,75.05	15,31.34	13,80.81	3,25.58
CWIP- Daman (New)	2,00.57	5,64.82	8.61	7,56.78
TOTAL	3,75.62	20,96.16	13,89.42	10,82.36
Previous Year	2,51.67	13,64.44	12,40.49	3,75.62

During the year, the Company has acquired 1.85 acres of land in Satara at a cost of ₹1.33 crore for construction of a modern plant, which is ongoing.

The Company added new machinery to the tune of ₹10.39 crore for its modernization at all units which includes IML containers at unit 1. This capital expenditure will also facilitate expansion in pail production capacity at all existing units.

14. INVESTMENTS

₹ Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
In equity shares (quoted) (at cost)		
4,23,433 Equity shares of Mold-Tek Technologies Limited (31st March, 2011: 4,07,933)	3,16.32	3,06.67
TOTAL	3,16.32	3,06.67

The Company at the beginning of the year had 4,07,933 equity shares of Mold-Tek Technologies Limited (MTTL) carried at a value of ₹3,06,66,503 stated as long-term investment. During the year, the Company has purchased from open market 15,500 equity shares of MTTL at a cost of ₹9,65,577. All these shares are classified as 'Long-term investments.'

15. LONG-TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
(Unsecured and considered good)		
Deposits to government bodies	56.31	55.08
Capital advances	2,08.11	18.21
Other deposits	84.30	73.75
TOTAL	3,48.72	1,47.04

Capital advances include Unit-3 building advance of ₹49.93 lakhs, advance of ₹32.82 lakhs for 33KV work at Unit-1, advance of ₹94.76 lakhs issued for IML label cutting, lamination & slitting machine and ₹30.6 lakhs issued towards Satara plant advances.

16. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Preliminary expenses	4.80	9.90
Employee Gratuity Trust	12.78	-
Deferred interest on HP loans	10.49	11.22
Margin money	5.03	5.58
TOTAL	33.10	26.70

17. INVENTORIES

₹ Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Raw materials	7,26.96	5,91.07
Finished goods	2,67.67	3,31.59
Work-in-process	5,75.26	6,07.82
Packing material & consumable stores	3,64.45	1,55.91
Sale-in-transit	91.08	91.73
TOTAL	20,25.42	17,78.12

Inventory quantities & values are as at the Balance Sheet date and are as certified by the management.

18. TRADE RECEIVABLES

Particulars	As at 31st March, 2012	As at 31st March, 2011
(Unsecured) Over six months		
Considered good	54.46	39.32
Considered doubtful	10.86	7.65
Provision for doubtful debts	(10.86)	(7.65)
Others		
Considered good	28,07.80	22,04.27
TOTAL	28,62.26	22,43.59

Sundry debtors are subject to confirmation and reconciliation. Sundry debtors include an amount of ₹65.32 lakhs outstanding for more than 6 months against which a provision for ₹10.86 lakhs has been made. Management expresses confidence in the recovery of the balance over dues.

19. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cash in hand	1.97	0.91
Bank current & dividend accounts	25.54	9.31
TOTAL	27.51	10.22

Bank balances include unpaid dividend of various years, FCD & share application refunds due. FCD application money of ₹41,000 & share application money of ₹2,34,158 were pending for more than 7 years remains yet to be transferred to the Investor Education and Protection Fund.

20. SHORT TERM LOANS AND ADVANCES

₹ Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
(Unsecured and considered good)		
Deposits with excise authorities	1,38.62	91.01
Advance tax & TDS receivable	4,56.81	4,55.84
Prepaid expenses	27.27	17.10
Staff advances	15.28	21.97
Advance to suppliers	1,16.66	89.32
Mold-Tek Technologies Limited (Related party)	(1.91)	0.16
TOTAL	7,52.73	6,75.40

21. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Others (Value of the shares when allotted transferrable to employee welfare trust pending creation)	27.75	27.75
TOTAL	27.75	27.75

96,480 shares of Mold-Tek Plastics Limited, vested in your Company in accordance with the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh, are pending transfer into a separate trust.

22. OTHER INCOME

Particulars	2011-12	2010-11
Sale of scrap & others	0.88	3.90
Rent received	1.65	1.32
Dividend received	6.35	5.99
Profit on sale of assets	–	55.32
Exchange rate fluctuation	5.51	–
Interest received	11.41	6.49
Provision for diminution in value of current investments	–	4.24
TOTAL	25.80	77.26

23. MATERIAL CONSUMED

₹ Lakhs

Particulars	2011-12		2010-11	
Raw material				
Opening stocks	5,91.07		2,89.12	
Add: Purchases	97,84.78		88,75.08	
Less: Closing stocks	7,26.96	96,48.89	5,91.06	85,73.14
Consumables & spares		38.16		44.04
Packing materials		3,16.71		2,77.12
Others		15,37.08		12,58.50
TOTAL		115,40.84		101,52.80

24. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROCESS

Particulars	2011-12		2010-11	
Finished goods/Sale-in-transit				
Opening stocks	4,23.33		3,32.62	
Closing stocks	3,58.75	64.58	4,23.33	(90.71)
Work-in-process				
Opening stocks	6,07.82		3,96.25	
Closing stocks	5,75.26	32.56	6,07.82	(2,11.57)
TOTAL		97.14		(3,02.28)

25. EMPLOYEE REMUNERATION & BENEFITS

Particulars	2011-12	2010-11
Salaries, wages, allowances & bonus	10,54.23	8,60.50
Contribution to provident fund & ESIC	44.59	35.10
Welfare expenses	65.51	52.03
Gratuity	8.40	40.92
Directors' remuneration & perquisites (See note below)	1,42.77	1,08.98
Employee compensation expenses (ESOS)	31.20	19.32
TOTAL	13,46.70	11,16.85

Note:

Excludes a sum of ₹18.78 lakhs capitalized during the year allocated for expansion of facilities (31st March, 2011: ₹16.13 lakhs) and a sum of ₹14.65 lakhs paid towards leave encashment for earlier years which is accounted under prior period items.

26. SELLING & DISTRIBUTION EXPENSES

₹ Lakhs

Particulars	2011-12	2010-11
Carriage outwards	8,07.98	6,97.25
Sales promotion & commission	1,18.84	1,36.53
Advertisement expenses	16.08	2.10
Sales tax	4,35.56	3,36.62
TOTAL	13,78.46	11,72.50

27. INTEREST & FINANCIAL CHARGES

Particulars	2011-12	2010-11
Interest on term loans	60.77	69.28
Interest on working capital	3,08.64	2,16.05
Interest charges on other loans	10.76	5.81
TOTAL	3,80.17	2,91.14

Interest on working capital excludes a sum of ₹58.25 lakhs as costs pertaining to acquisition, erection and construction of new facilities at Daman, arrived based on weighted average cost of capital as per Accounting Standard 16.

28. OTHER EXPENSES

Particulars	2011-12	2010-11
Manufacturing expenses		
Power & fuel	5,47.26	4,48.37
Repairs & maintenance - Machinery	95.15	88.33
- Moulds	14.47	16.77
Administrative expenses		
Rent	47.81	36.95
Rates & taxes	14.23	25.80
Insurance	13.90	12.07
Communication expenses	32.50	28.76
Electricity charges	13.15	9.37
Foreign travel	16.12	11.50
Travelling and conveyance - others	63.87	53.15
Printing & stationery	19.22	19.92
Repairs to buildings	10.79	7.03
Repairs to others	73.92	96.44
Professional charges	17.09	13.58
Payment to auditors	7.00	6.09
Bank charges	17.77	24.48
Loss on sale of assets	8.17	31.69
Exchange rate fluctuation	-	19.02
General expenses	21.97	17.86
TOTAL	10,34.39	9,67.18

Payments to auditor

₹ Lakhs

Particulars	2011-12	2010-11
Statutory audit fee including quarterly reviews	5.00	2.75
Tax audit fee	0.75	0.75
Retainer fee for tax and other works	1.25	2.59
TOTAL	7.00	6.09

29. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF

Particulars	2011-12	2010-11
Opening balance as on 1st April, 2011	9.90	12.72
Add: Additions	–	2.28
Less: Written off during the year	5.10	5.10
TOTAL	4.80	9.90

30. PRIOR PERIOD ADJUSTMENTS

Prior period items includes a sum of ₹14,65,000 pertaining to leave encashment for earlier years ending tenure till 2008, now paid to Wholetime Directors of the Company.

31. CONTINGENT LIABILITIES
a. Bank guarantees

The Company has provided bank guarantees to the tune of ₹47.49 lakhs comprising of bid securities and performance guarantees.

b. Export obligations

Guarantee bonds issued in favour of the customs authorities amounting to ₹59.00 lakhs for fulfillment of export obligations of USD 3.70 lakhs equivalent to ₹190 lakhs for import of machinery against licenses granted under EPCG Scheme. The Company has to fulfill the said export obligation by 13th March, 2020.

The Company has fulfilled export obligations of USD 9.02 Lakhs in the name of erstwhile Mold-Tek Technologies Limited, up to 31st March, 2011. However, the redemption of the guarantee bonds to that extent is in process.

- c. No contingent liability is considered towards rebates availed on power bills in earlier years and short payments arising as a consequence thereof.

32. EARNINGS PER SHARE

Particulars	2011-12	2010-11
Profit available for equity share holders ₹	933,09,496	800,30,204
Weighted average number of equity shares outstanding for BEPS	90,31,278	79,95,776
Weighted average number of potential equity shares, warrants and ESOPs outstanding	1,46,250	28,60,493
Weighted average number of equity shares for DEPS	113,62,776	108,56,269
Earning per Share - Face value of ₹10		
- Basic ₹	10.33	10.01
- Diluted ₹	8.21	7.37

33. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956**a. Production, sales and stocks (Qty in Nos.)**

Plastic Components	Opening stock 01.04.11	Production including reprocessing	Closing stock 31.03.12	Sales
Pails	9,54,596	3,01,86,281	9,00,940	3,00,93,655
Caps	8,83,593	3,03,47,474	9,00,940	3,01,92,696
Thin wall	-	24,55,748	2,05,870	22,49,878
Pet	1,58,119	8,284	1,25,919	40,484
Others	16,261	125,000	16,261	1,25,000

b. Consumption of materials

Particulars	2011-12		2010-11	
	Kgs	₹ Lakhs	Kgs	₹ Lakhs
PPCP/PP	1,01,68,797	81,98.00	98,12,410	76,13.76
LDPE/LLDPE	12,25,758	9,12.41	10,49,431	7,66.07
HDPE	7,91,734	5,90.97	2,06,275	1,40.58
LG hips & engage	31,579	44.64	35,716	52.73
Mould material		1.89		8.01
Packing materials		3,16.71		2,77.12
Others		15,37.08		13,02.55
TOTAL	1,22,17,868	116,01.70	1,11,03,832	101,60.82

c. CIF value of imports		₹ Lakhs	
Particulars	2011-12	2010-11	
Raw Materials	92.53	3,34.26	
Capital Goods	4,54.77	2,14.61	
Others	5.94	-	
TOTAL	5,53.24	5,48.87	

d. Earnings in foreign currency (on accrual basis)			
Particulars	2011-12	2010-11	
FOB Value of Exports	1,67.23	2,76.73	

e. Expenditure in foreign currency			
Particulars	2011-12	2010-11	
Travelling	16.11	11.50	

34. OPERATING LEASES

The Company has entered into operating lease agreements for factory buildings at Hosur (Tamil Nadu) & Dundigal (Andhra Pradesh). The maximum obligations on non-cancelable operating leases payable as per the minimum lease rentals stated in the respective agreements for tenor are as follows:

Particulars	2011-12	2010-11
Lease expense for the year	10.44	8.60
Minimum lease payments		
Not later than one year	-	-
Later than one year but not later than five years	16.68	21.72
Later than five years	285.12	290.52

35. RELATED PARTY DISCLOSURES

i. Related parties and nature of relationship

- | | |
|--------------------------------------|----------------------|
| a. Mold-Tek Technologies Limited | Associate |
| b. Friends Packaging Private Limited | Relative of Director |
| c. Tarus Industries | Relative of Director |

ii. Key management personnel

- J. Lakshmana Rao, Chairman & Managing Director
- A. Subrahmanyam, Deputy Managing Director
- P. Venkateswara Rao, Deputy Managing Director

iii. Relatives of key management personnel

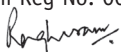
- Seshu Kumari, Finance Controller

Related party transactions

₹ Lakhs

Particulars	Related Party		Relative of Key Management Personnel		Key Management Personnel	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Purchases						
Friends Packaging Industries	163.77	120.91				
Tarus Industries	73.50	55.02				
Remuneration						
A. Subrahmanyam					94.67	74.06
P. Venkateswara Rao					63.66	49.84
J. Lakshmana Rao					16.93	-
Dividend						
J. Lakshmana Rao					62.21	11.74
A. Subrahmanyam					51.29	11.23
P. Venkateswara Rao					6.35	2.03
A. Seshu Kumari			29.20	12.55		
Salaries & rent						
A. Seshu Kumari			14.58	12.00		
Personal guarantee given to bank						
J. Lakshmana Rao					260.00	260.00
A. Subrahmanyam					172.00	172.00
P. Venkateswara Rao					50.00	50.00
Other transactions						
Mold Tek Technologies Limited	2.07	(39.03)				
Outstanding payable as at 31st March, 2011						
Friends Packaging Industries	13.94	10.80				
Tarus Industries	10.36	1.37				
Other receivables						
Mold-Tek Technologies Limited	(1.91)	0.16				

Per our Report of even date
for **PRATURI & SRIRAM**
Chartered Accountants
Firm Reg No. 002739S



Sri Raghuram Praturi
Partner
Membership No. 221770
Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors



J. LAKSHMANA RAO
Chairman & Managing Director



A. SUBRAHMANYAM
Deputy Managing Director

ADMISSION SLIP

MOLD-TEK

Packaging Limited

Registered Office: Plot # 700, Road No. 36, Jubilee Hills, Hyderabad - 500 033

Name & Address of Member

Folio No.	DP ID No.	Client ID No.



I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hold _____ Shares.

I hereby record my presence at the 15th ANNUAL GENERAL MEETING of the Company on 22nd day of September, 2012 at 11.00 a.m. at Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad 500 081.

Please indicate whether Member/Proxy.

Member's/Proxy's Signature

Note: Shareholder/Proxy holder must bring the Admission Slip to the meeting and hand over at the entrance duly signed.

PROXY FORM

MOLD-TEK

Packaging Limited

Registered Office: Plot # 700, Road No. 36, Jubilee Hills, Hyderabad - 500 033

Folio No.	DP ID No.	Client ID No.



I/We _____

of _____ in the district of _____

a Member/Members of **MOLD-TEK PACKAGING LIMITED** hereby appoint _____

of _____ in the district of _____ or failing him

of _____ in the district of _____

my/our Proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11.00 a.m. on Saturday, 22nd September, 2012 or at any adjournment thereof.

AS WITNESS my hand/our hands this _____ day of 2012 _____.

NOTE

A proxy need not be a member. This form must be deposited at the Registered Office of the Company not less than 48 hours before the beginning of the Meeting.

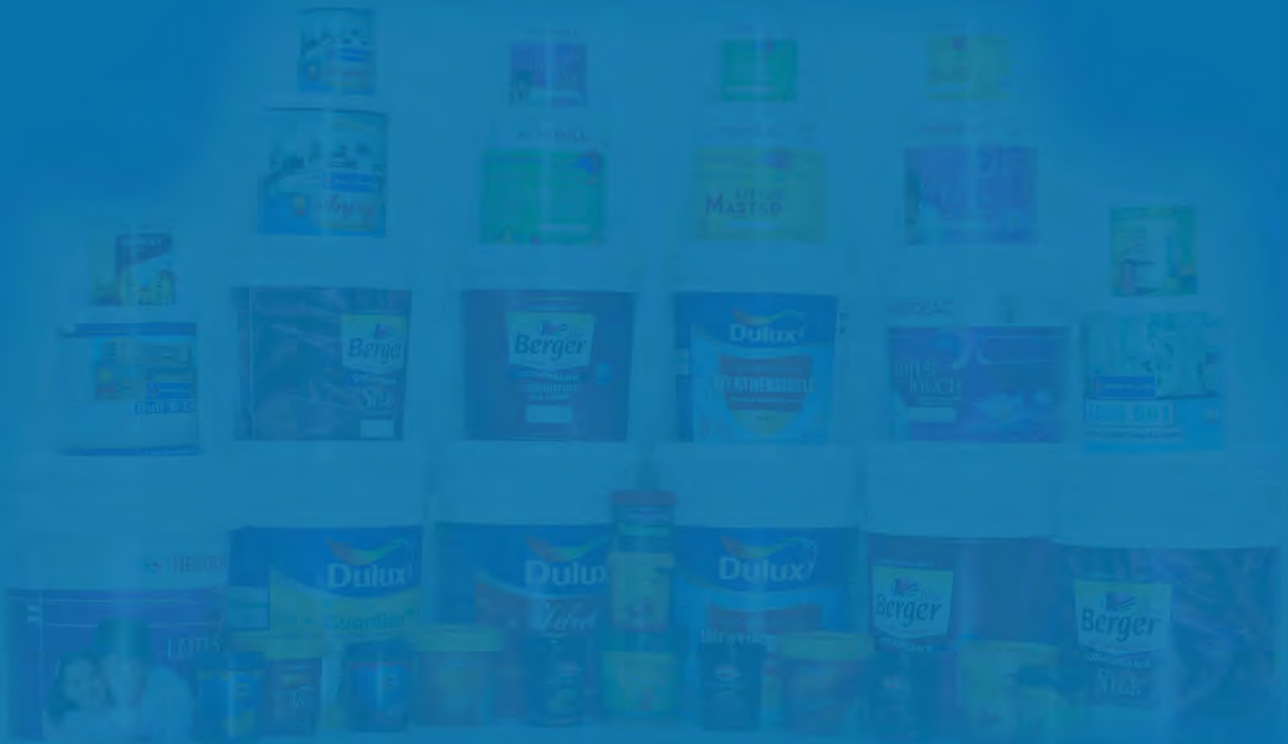
Affix
15 P.
Revenue
Stamp

NO GIFTS WILL BE DISTRIBUTED AT THE MEETING.

Signed by the said



A Few of our IML products



If undelivered, please return to



MOLD-TEK

Packaging Limited

Plot # 700, Road No.36,

Jubilee Hills, Hyderabad - 500 033

Phone : +91 40 4030 0300/01/02/03/04 Fax : +91 40 4030 0328