

*For innovative packaging solutions...*



**MOLD-TEK**

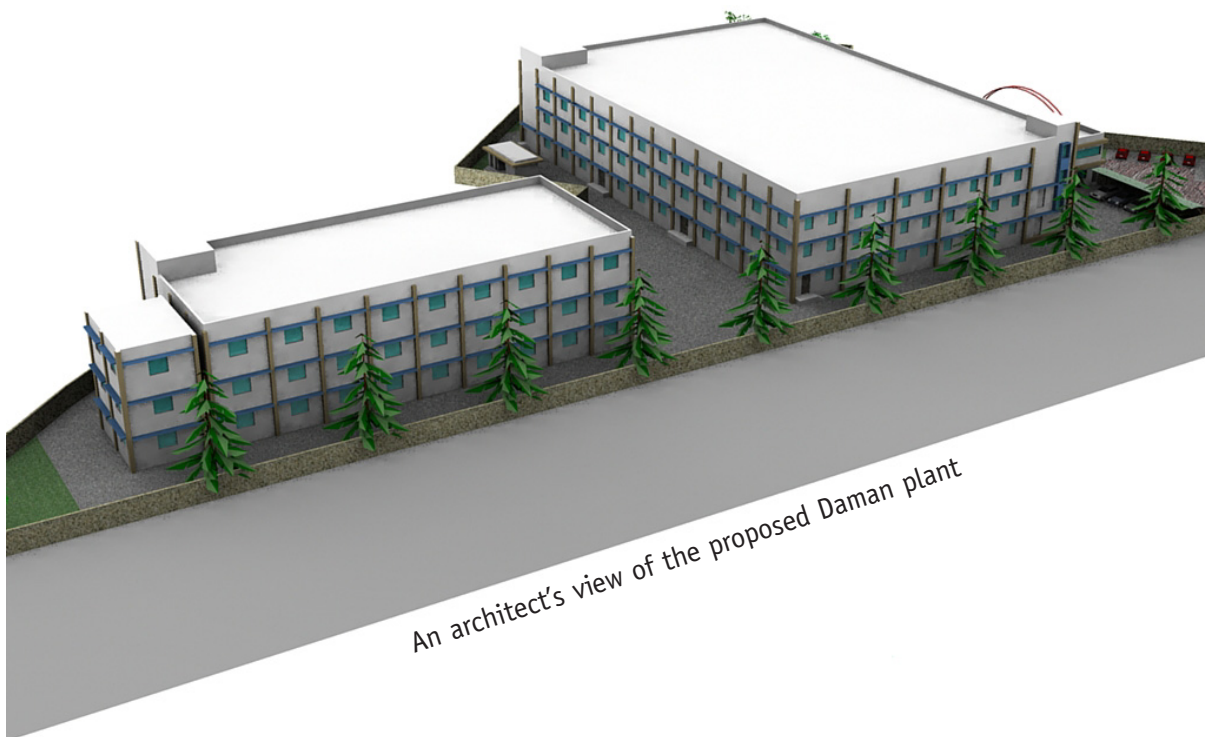
*Packaging Limited*

(formerly known as MOLD-TEK PLASTICS LIMITED)

An ISO-9001:2008 Company

13th Annual Report |  
2009-2010





## ANNUAL REPORT

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# Board of Directors

(As at 12th July, 2010)

**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 Sundar 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](mailto:ir@moldtekindia.com)  
[finance@moldtekindia.com](mailto:finance@moldtekindia.com)

## Works

### Unit I

Annaram Village  
Near Air Force Academy  
Jinnaram Mandal  
Medak Dist. (A.P.)

### Unit III

Plot No. 16-19,  
Bharat Industrial Estate,  
Bhimpore - Daman  
396 210

### Unit V

S.No. 110/1A1, 110/1A2  
Street No. 1, Onnalvadi,  
Hosur, Krishnagiri Dist.  
Tamilnadu - 635 125

### Unit II

Survey No.164/Part,  
Dommarapochampally Village  
Qutubullapur Mandal  
Ranga Reddy Dist (A.P.)

### Unit IV

Survey No. 79,  
Alinagar,  
Jinnaram Mandal  
Medak Dist. (A.P.)

## Notice

NOTICE is hereby given that the 13th Annual General Meeting of the Members of Mold-Tek Packaging Limited (Formerly known as Mold-Tek Plastics Limited) will be held on **Thursday 12th day of August, 2010 at 10.30 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, 2010 and Profit and Loss Account for the period ended 31st March, 2010 and the Report of the Directors and Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2010.
3. To appoint a Director in place of P. Venkateswara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of P. Shyam Sunder Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messrs. Praturi & Sriram, Chartered Accountants, Statutory 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 Resolution as an Ordinary Resolution:**

"RESOLVED that Dr. N. V. N. Varma, retiring at this Annual General Meeting, having been appointed as an Additional Director, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing

his candidature, be and is hereby appointed a Director of the Company liable to retire by rotation."

7. **To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:**

"RESOLVED that Vasu Prakash Chitturi, retiring at this Annual General Meeting, having been appointed as an Additional Director, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

"RESOLVED that the resolution passed by the Members of the Company at the extra-ordinary general meeting held on 1st July 2010, relating to issue of Convertible Warrants be is hereby ratified by substituting the issue price from Rs.45.40 per warrant to Rs.45.80 per warrant, wherever it appears in the Resolution and its Explanatory Statement.

"RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorized to do all acts, deeds and things in this connection and/or incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company."

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



Hyderabad  
12th July, 2010

**J. LAKSHMANA RAO**  
Chairman & Managing Director



## 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 items 6, 7 & 8 is annexed.
3. In terms Articles of Association of the Company, P. Venkateswara Rao and P. Shyam Sunder 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-appointments of the aforesaid 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 9th August, 2010 to 12th August, 2010 (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 7th August, 2009 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 communicated 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 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 M/s. XL Softech Systems Limited, 3 Sagar Society, Road No. 2, Hyderabad - 500 034, the Registrar and Share Transfer Agents of the Company.

10. Members may please note that the 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.
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 2005-2006 to 2008-2009 are requested to forward their claims to the Company's Registrar and Share Transfer Agents. 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.

## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

### Item 6

The Board of Directors of the Company has appointed Dr. N. V. N. Varma at its meeting held on 31st October, 2009 as Additional Director under Section 260 of the Companies Act, 1956 read with Articles of Association of the Company. Dr. N. V. N. Varma holds office only till the date of the forthcoming Annual General Meeting.

Notice has been received from a Member as required under Section 257 of the Companies Act, 1956 proposing Dr. N. V. N. Varma as candidate for the office of Director. Your Directors recommend Resolution No.6 for your approval.

None of the Directors of the Company, except Dr. N. V. N. Varma, is deemed to be concerned or interested in the Resolution.

### Item 7

The Board of Directors of the Company has appointed Vasu Prakash Chitturi, at its meeting held on 12th July, 2010 as Additional Director under Section 260 of the Companies Act, 1956 read with Articles of Association of the Company. Vasu Prakash Chitturi holds office only till the date of the forthcoming Annual General Meeting.

Notice has been received from a Member as required under Section 257 of the Companies Act, 1956 proposing Vasu Prakash Chitturi as a candidate for the office of Director.

Your Directors recommend Resolution No.7 for your approval.

None of the Directors of the Company, except Vasu Prakash Chitturi, is deemed to be concerned or interested in the Resolution.

### Item 8

The Members of the Company at the Extraordinary General Meeting of the Company held on 1st July, 2010 passed a Special Resolution authorizing issue of 22,50,000 (Twenty Two Lakh Fifty Thousand only) Fully Convertible Warrants (Convertible into equal number of Equity Shares within a period of 18 months from the date of allotment of Warrants) at a price of Rs.45.40 per warrant [comprising nominal value of Rs.10 and premium of Rs.35.40 each]. However there was an error in calculation of the issue price. The issue price works out to Rs.45.80 per warrant, in accordance with the terms of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Consent of the Members is therefore being sought for ratification in the issue price from Rs.45.40 to Rs.45.80.

Your Directors recommend Resolution No.8 for your approval.

The Directors of the Company are deemed to be concerned and interested in the Resolution to the extent of number of equity shares held by them and their associates and/or to be allotted to them and to their associates out of the proposed allotment.

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



Hyderabad  
12th July, 2010

**J. LAKSHMANA RAO**  
Chairman & Managing Director

## 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	<b>P. Venkateswara Rao</b>	<b>P. Shyam Sunder Rao</b>	<b>Dr. N. V. N. Varma</b>	<b>Vasu Prakash Chitturi</b>
Date of Birth	18th January, 1957	21st January, 1941	5th May, 1961	31st July, 1971
Date of Appointment	30th September, 1994	21st April, 1998	31st October, 2009	12th July, 2010
Relationship with other Directors	Not applicable	Not applicable	Not applicable	Not applicable
Expertise in Specific Functional Area	Materials Management	Accounts	Cardiology	Educational Institution - Secretary and Correspondent
Qualification	PG in Materials Management	B.Com, FCA, FCS	M.S. M.Ch.	M.B.A.
Names of companies in which holds directorship	Mold-Tek Technologies Ltd	Mold-Tek Technologies Limited	Nil	Sri Prakash Vidya Niketan Private Limited
Names of companies in which holds membership of Committees of the Board	Nil	Mold-Tek Technologies Limited	Nil	Nil
No of Shares held in the Company as on 31st March, 2010	67,948	2,520	Nil	Nil

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report and the audited statement of accounts for the year ended 31st March, 2010.

## FINANCIAL RESULTS

The performance during the period ended 31st March 2010 has been as under:

Particulars	Rs. Lakhs	
	Year ended	
	March 31, 2010	March 31, 2009
Sales	13094.05	11279.44
Other Income	9.74	9.79
Total Income	13103.79	11289.23
Profit before Interest, Depreciation & Tax	1676.65	1017.43
Interest	176.75	264.88
Depreciation & Preliminary Expenses written off	379.48	316.88
Profit before Tax	1120.42	435.66
Provision for Tax	369.20	49.37
Profit after Tax	751.22	386.29
Profit/(Loss) brought forward from previous year	(189.83)	(315.20)
Profit available for appropriation	561.39	71.09
<b>Appropriation</b>		
Extraordinary Items	(15.58)	(18.70)
Transferred to General Reserve	(110.34)	(55.14)
Proposed dividend	(239.87)	(159.91)
Corporate dividend tax	(40.77)	(27.17)
Balance carried forward	154.81	(189.83)

Your Company recorded 16.09% growth in gross turnover for the year at Rs.13094.05 lakhs and 94.46% growth in profit after tax for the year at Rs.751.20 lakhs. The net revenues grew by 20.63% in the year under review to Rs.121.07crore from Rs.100.36 crore in the previous year.

## CHANGE OF NAME OF THE COMPANY

The Members of the Company at the Extraordinary General Meeting held on 9th February 2010 had passed a special resolution for change of name of the Company from Mold-Tek Plastics Limited to Mold-Tek

Packaging Limited. Fresh certificate of incorporation pursuant to name change was received from Registrar of Companies, Andhra Pradesh on 12th March, 2010. The name change is significant in that it places the Company in its true industry segment of packaging products instead of being perceived as a plastics company.

## ALLOTMENT OF FULLY CONVERTIBLE WARRANTS

The Board of Directors at its meeting held on 10th March 2010 allotted 12,40,000 Fully Convertible Warrants (Convertible into equal number of Equity

Shares within a period of 18 months from the date of allotment of Warrants) at a price of Rs.40 per Warrant [comprising nominal value of Rs.10 and premium of Rs.30 each 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.

### **FUTURE OUTLOOK**

Your Company has introduced for the first time in India, In-mould Label (IML) decoration system in order to expand its product range.

Your Company expects a significant demand for such high quality products from the food and FMCG sectors, apart from its existing customer base, in view of the elimination of hand based manufacturing processes. We expect improvements in quality and in productivity.

Your Company has initiated capacity expansion and modernization at both Hyderabad and Daman plants to meet fast growing demand for your Company's products.

Your Company has acquired 3 acres of land on coastal highway in Daman and started construction of a modern plant which is expected to go into production early next year. The Hyderabad plant is being modernized and expanded to have additional capacity in pails and also for IML containers. These initiatives will expand the capacity by more than 50%. Your Company started production at a leased premise in Hosur (TN) to cater to the needs of the Hosur plant of Kansai Nerolac Paints and will be further expanded to meet the demand of the southern markets.

The future looks promising with demand prospects increasing not only from existing clients but also from new clients of food and FMCG sectors.

### **DIVIDEND**

Your Company has recommended a dividend of Rs.3 per Equity Share @ 30% of the Equity Share Capital (Previous year Rs.2 per Equity Share @ 20%) for the financial year ended 31st March 2010. The Dividend will be paid to those Members whose names appear

in Register of Members as on 7th August 2010 (8th August 2010 being a Sunday). 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 Rs.280.64 lakhs (inclusive of tax thereon).

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.

### **TRANSFER TO RESERVE**

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer of Reserves) Rules, 1975, the Directors propose to transfer a sum of Rs.110.34 Lakhs to General Reserve out of the profits earned by the Company.

### **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 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 annexed and forms 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 are complied by the Company and his certificate is annexed to the Report on Corporate Governance.

A declaration of 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, P. V. Rao and P. Shyam Sunder Rao retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, Dr. N. V. N. Varma was appointed as an Additional Director of the Company by the Board on 31st October, 2009 in terms of Section 260 of the Companies Act, 1956. He holds the office till the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received a notice in terms of Section 257 of the Companies Act, 1956 for appointment of Dr. N. V. N. Varma as Director liable to retire by rotation.

On 12th July 2010, Vasu Prakash Chitturi was appointed as an Additional Director of the Company by the Board in terms of Section 260 of the Companies Act, 1956. He holds the office till the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received a notice in terms of Section 257 of the Companies Act, 1956 for appointment of Vasu Prakash Chitturi as a Director liable to retire by rotation.

M. Hyma resigned as Director with effect from 30th June 2010. Your Directors place on record their appreciation of the valuable services and guidance provided by her as Director of the Company.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2001 in the Companies Act, 1956, your Directors confirm:

- a. that in the preparation of the accounts for the financial year ended 31st March, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that the Directors 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. that the Directors 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. that the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

**RISK MANAGEMENT**

All assets of the 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 the 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 to 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**

The 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



**(J. LAKSHMANA RAO)**

Chairman & Managing Director

Hyderabad  
12th July 2010



## Annexure to the Directors' Report

### A. Details of Conservation Of Energy

Power & fuel consumption

<b>Electricity</b>	<b>2009-10</b>	<b>2008-09</b>
a. Purchased unit (KWH) (Lakhs)	<b>84.75</b>	70.98
Total amount (Rs. Lakhs)	<b>318.46</b>	250.93
Rate per unit (Rs.)	<b>3.76</b>	3.54
b. Own Generation		
Diesel generation unit (Lakhs)	<b>9.46</b>	5.41
Total amount (Rs. Lakhs)	<b>86.30</b>	47.52
Rate per unit (Rs.)	<b>9.12</b>	8.77

### B. Technology Absorption

#### Research and Development

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

### C. Foreign Exchange Earnings and Outgo

FOB value of Exports	<b>95.39</b>	397.02
Foreign exchange earnings	<b>71.99</b>	397.02
Foreign exchange outgo	<b>93.48</b>	180.37

Information as per 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, 2010.

Name	Age	Qualifications	Date of Employment	Designation	Gross Remuneration Rs. Lakhs	Experience	Last Employment
A. Subrahmanyam	55	B.E.	1st April, 2007	Deputy Managing Director	60.64	26 years	Executive Director, Mold-Tek Technologies Limited
P. Venkateswara Rao	53	PG in Materials Management	1st April, 2007	Deputy Managing Director	38.22	31 years	Commercial Director, Mold-Tek Technologies Limited

# Management Discussion and Analysis

## Industry Structure & Development

As anticipated last year, Indian industry survived the recession and has grown more than expected, thanks to increasing domestic purchasing power and consumption. This year, the industrial outlook seems to be brighter with IMF projecting 9.5% growth in 2010-11 for the Indian economy. As per capita GDP crossed critical benchmarks, domestic purchasing power and consumption patterns are likely to improve further fuelling demand for goods such as paints, lubricants, food and FMCG products, with a percolation to our Company's products.

## Opportunities & Threats

Growing awareness of overall savings due to quality packaging products is driving many new clients to our Company's products. We see growth not only in new areas but also from existing lines of products.

Daman plant expansion will further enhance our ability to meet the growing demand from the industrialized Western India and save costs further.

The investments made last year on **"In-Mould Label Technology"** and Robots has proved to be worthwhile as our Company is receiving strong enquiries from food & FMCG industries apart from our existing clients. Maintaining quality and consistency in timely supplies continues to be a challenge. Moldtek is implementing central planning and ERP systems during the current year to ensure proper MIS and control both within the Company and with its clients.

## Product wise performance

Rs.Lakhs

Name of the Segment	Sales
Lube & oils	81,52.25
Paints	44,69.95
Inks & chemicals	1,60.97
Blow moulding	51.59
Pet	52.48
Food	1,76.83
Others	29.98
<b>TOTAL</b>	<b>1,30,94.05</b>

## Outlook

As expected last year, exports to Iran and UAE continued to grow. However, the IML offers major export opportunities to our Company. We have a few strong enquiries from Europe and UAE.

The Company also received enquiries from the major food companies in India for the proposed IML containers. The demand for pails too is growing at around 20% over the last year. These trends augur well for the Company to achieve better growth in the current financial year and in the near future.

## Risks and Concerns

Apart from normal risks as are applicable to an industrial undertaking, the Company does not foresee any serious area of concern. The Company is obtaining adequate insurance coverage for its assets at the plant

and the field locations etc. The Company has no foreign exchange risk coverage due to its limited exposure. Compliance of safety requirements and norms placed by different government agencies is a top priority of the management.

#### **Internal control systems and their adequacy**

Computerization linking marketing and operations has been established which is enabling better accountability and MIS to monitor operations, costs and take immediate corrective actions.

Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and the adequate systems are in place.

#### **Discussion on financial performance with respect to operational performance**

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit and Loss Account and other financial statements appearing separately. Highlights for the year 2009-10 are as under:

	Rs. Lakhs
Sales and other income	1,31,03.79
Profit before Interest, Depreciation & Tax	16,76.65

The operational performance and prospects of the Company have been explained in the Directors' report.

#### **Human Resources**

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

#### **Cautionary Statement**

Certain statements in the Management Discussion and Analysis describing the company's views about the Industry, expectations/predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Company's operations inter-alia may be affected by the supply and demand situations, input prices and their availability, changes in government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above in mind.

# 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.

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, 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 8 (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 with the stock exchange.

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 8 times during the financial year 2009-10 i.e 26th June 2009, 30th July 2009, 28th August 2009, 31st October 2009, 12th January 2010, 27th January 2010, 10th March 2010 and 25th March 2010. 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	Category	Number of Board Meetings attended during the year	Whether attended last AGM	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	8	Yes	1	–	–	–
A. Subrahmanyam (Deputy Managing Director)	Executive & Promoter Director	8	No	–	1	–	–
P. Venkateswara Rao (Deputy Managing Director)	Executive & Promoter Director	8	Yes	–	1	–	–
J. Mytraeyi	Non-Executive Promoter Director	5	Yes	–	–	–	–
T. Venkateswara Rao	Non-Executive Independent Director	7	Yes	–	–	–	–
M. Hyma <sup>1</sup>	Non-Executive Independent Director	2	No	–	–	–	–
P. Shyamsunder Rao	Non-Executive Independent Director	4	No	–	–	1	–
Dr. N. V. N. Varma <sup>2</sup>	Non-Executive Independent Director	2	Not Applicable	–	–	–	–

<sup>1</sup> M. Hyma resigned on 30th June, 2010.

<sup>2</sup> Dr. N. V. N. Varma was appointed as Additional Director w.e.f. 31st October, 2009.

- The directorships held does 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 ("Board") in reviewing the financial information being provided to the shareholders and others, reviewing the system of internal controls established in the Company, appointing, retaining and reviewing the performance of internal accountants/internal auditors, 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 is chaired by P. Shyam Sunder Rao.

J. Lakshmana Rao, Chairman & Managing Director, A. Subramanyam, 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 2009-2010 on 26th June 2009, 30th July 2009, 28th August 2009, 31st October 2009 and 27th January 2010.

The composition of Audit Committee and particulars of meeting attended by the members of the Audit Committee are given below.

Name	Designation	No of Meetings attended during the year 2009-2010
P. Shyam Sunder Rao, Non-Executive Independent Director	Chairman	4
T. Venkateswara Rao, Non-Executive Independent Director	Member	5
M. Hyma, Non-Executive Independent Director	Member	1

### Terms of Reference

The 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 of the Remuneration Committee include review of remuneration policy and payments to the Managing Director, Executive Director, other whole-time directors and 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 similar size and industry; and
- Remuneration package of comparable managerial talent in other industries.

During the year, one meeting was held on 12th January, 2010.

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

Name	Designation	Category held	No of meetings attended	No of meeting
P. Shyam Sunder Rao	Chairman	Non-Executive Independent Director	1	-
T. Venkateswara Rao	Member	Non-Executive Independent Director	1	1
M. Hyma	Member	Non-Executive Independent Director	1	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 Non-Executive Directors and Executive Directors for the year ended 31st March 2010 are as follows:

Rs.

Name	Salary	Perquisites & Other benefits	Performance Bonus/ Commission	Sitting Fees	Total
J. Lakshmana Rao (Chairman & Managing Director)	–	–	16,60,000	–	16,60,000
A. Subrahmanyam (Deputy Managing Director)	33,60,000	15,97,504	11,06,667	–	60,64,171
P. Venkateswara Rao (Deputy Managing Director)	21,60,000	11,09,162	5,53,333	–	38,22,495
J. Mytraeyi	–	–	–	20,000	20,000
T. Venkateswara Rao	–	–	–	20,000	20,000
M. Hyma	–	–	–	–	–
P. Shyamsunder Rao	–	–	–	25,000	25,000
Dr. N. V. N. Varma	–	–	–	–	–

#### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Composition of the Shareholders'/Investors' Grievance Committee as on 31st March 2010 was as under:

Name	Designation	Category of Directorship
P. Shyam Sunder Rao	Member	Non-Executive Independent Director
T. Venkateswara Rao	Member	Non-Executive Independent Director
M. Hyma	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 complaints is reported to the Board of Directors. During the year, 8 complaints were received and resolved and no complaints were pending as on 31st March, 2010.

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 the past 3 years:

Year	Location	Date	Time
2007-2008 (AGM)	4th floor, White House, 6-3-1192/1/1 Kundanbagh, Begumpet, Hyderabad - 500 016	30th September, 2007	10.00 a.m.
2007-2008 (EGM)	4th floor, White House, 6-3-1192/1/1 Kundanbagh, Begumpet, Hyderabad - 500 016	25th January, 2008	11.30 a.m.
2008-2009 (AGM)	K.K. Function Hall, 7-1-37/A, Dharam Karam Road, Ameerpet, Hyderabad - 500 016	30th October, 2008	10.00 a.m.
2009-2010 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad - 500 081	24th September, 2009	10.30 a.m.
2009-2010 (EGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad - 500 081	9th February, 2010	10.30 a.m.
2010-2011 (EGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad - 500 081	1st July, 2010	10.30 a.m.

The Company passed Special Resolutions as per the agenda given in the notice calling the general meetings. No resolution was passed by postal ballot at the last AGM and 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 the stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years:

No occasion of non-compliance by the Company was observed during the last three years nor any penalties, strictures imposed on the Company by the 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 the executive management control risks through means of a properly defined framework.

**Management Discussion and Analysis**

A separate report on Management Discussion and Analysis is attached as part of the Annual Report.

**Means of Communication:**

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

**General Shareholder Information**

13th Annual General Meeting

Date and Time : 12th August 2010 at 10.30 a.m.

Venue : Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500 081

**Financial Calendar (2010-2011)**

The financial year of the Company is 1st April to 31st March. For the year ending 31st March, 2011 quarterly unaudited/annual audited results shall be announced as follows:

Financial reporting for	Proposed Date
Unaudited results for the quarter ending: 30th June, 2010	On or before 15th August, 2010
30th September, 2010	On or before 15th November, 2010
31st December, 2010	On or before 15th February, 2011
Unaudited results for the year ended 31st March, 2011	On or before 15th May, 2011

Book Closure date : 9th August 2010 to 12th August 2010 (both days inclusive)

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

Listing of Equity Shares : Bombay Stock Exchange Limited, Mumbai (BSE)

Listing Fees : Listing fee has been paid to Bombay Stock Exchange Limited for the year 2010-2011

Stock Code : 533080

ISIN : INE893J01011

CIN Number : L21022AP199PLC026542

**Market Price Data**

The monthly high and low quotations and volume of shares traded on BSE

Month		Bombay Stock Exchange Limited		
		High Rs.	Low Rs.	Volume of shares
2009	April	N.A	N.A	N.A.
	May	N.A	N.A	N.A.
	June	49.70	20.00	4,69,33,400
	July	46.80	28.00	3,53,17,148
	August	40.25	31.70	2,32,31,543
	September	40.00	32.25	3,29,76,966
	October	41.80	32.25	1,78,84,037
	November	33.50	29.05	99,91,578
	December	38.65	32.05	2,92,06,054
2010	January	58.35	35.70	23,46,94,976
	February	60.00	37.00	13,96,83,908
	March	44.20	38.15	2,59,41,600

Equity shares of the Company commenced trading on Bombay Stock Exchange Limited with effect from 10th June, 2009.

**Investors' Correspondence/Registrar & Share Transfer Agents:****M/s. XL Softech Systems Limited**

3, Sagar Soceity, Road No 2, Hyderabad - 500 034

Tel : + 91 40 2354 5913/14/15

Fax : + 91 40 2355 3214

Email: xlsoft@hd1.vsnl.net.in

xlfield@rediffmail.com

**Shareholding pattern as on 31st March, 2010**

Category	No. of Shares Held	Percentage of Shareholding
Promoters	35,55,326	44.47
Banks, FIs & insurance companies	5,760	0.07
NRI/OCBs	89,212	1.12
Private corporate bodies	10,24,547	12.80
Indian public	31,30,981	39.16
Clearing members	1,89,950	2.38
<b>TOTAL</b>	<b>79,95,776</b>	<b>100.00</b>

## Distribution of shareholders as on 31st March, 2010

Shareholding	Shareholders		Share Amount	
	Number	Percentage	Rs.	Percentage
Upto - 5,000	7,729	88.32	92,96,990	11.63
5,001 - 10,000	460	5.26	34,31,060	4.29
10,001 - 20,000	244	2.79	35,81,170	4.48
20,001 - 30,000	82	0.94	19,93,110	2.49
30,001 - 40,000	63	0.72	22,29,160	2.79
40,001 - 50,000	24	0.27	11,35,510	1.42
50,001 - 1,00,000	64	0.73	43,25,860	5.41
1,00,001 and above	85	0.97	5,39,64,900	67.49
<b>TOTAL</b>	<b>8,751</b>	<b>100.00</b>	<b>7,99,57,760</b>	<b>100.00</b>

### 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, 2010, 76,05,696 Equity Shares of Rs.10 each aggregating to 95.12% of the paid up capital are being held with NSDL & CSDL in demat form & the rest 3,90,080 Equity Shares aggregating to 4.88% are in physical form.

The Company has not issued any ADRs/GDRs.

- 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.

- 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.

## Declaration under Code of Conduct

As provided under Clause 49 of the Listing Agreement with the stock exchange, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

Hyderabad  
12th July, 2010

  
**J. LAKSHMANA RAO**  
Managing Director

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

1. We have reviewed the financial statements of MoldTek Packaging Limited for the year ended 31st March, 2010 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 affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. 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;
3. 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;
4. 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;
5. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in the Company's internal control over financial reporting during the year;
  - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - c. 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**  
Managing Director



**A. SESHU KUMARI**  
Chief Financial Officer

Hyderabad  
12th July, 2010


## 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, 2010, 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  
ACS: 19525  
CP No.: 7321

Hyderabad, 12th July, 2010

# 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, 2010 and also the Profit and Loss Account 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, Profit and Loss Account 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 written representations received from the Directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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, 2010;
  - ii. In the case of Profit and Loss Account, of the profit of the Company for the period ended on that date; and
  - iii. In 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)



**K. SRIRAM**  
Partner

Hyderabad  
12th July, 2010

Membership No. 37821

## 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. The record does not include quantitative details and the situation/location of its depreciable assets. Non-depreciable assets are not recorded.
- b. No physical verification of fixed assets has been carried out by the management during the year ended 31st March 2010.
- c. During the year, we are informed that the Company has not disposed off a substantial part of its fixed assets. However, it has written down to nullity residuary balances in respect of assets not put to use and unutilized for commercial purposes either due to obsolescence and/or productive value, especially where the said assets have outlived their productive value.

### 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 considered opinion, have scope for ongoing and 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 recommend 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.
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 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 five lakhs rupees 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.
  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. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
  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 at 31st March, 2010 for a period of more than six months from date they become payable.
  10. In our opinion the accumulated losses (Profit and Loss Account balance) of the Company at the end of the financial year are not less than 50 % of its net worth. 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 Rs.10.28 crore have been used for long term purpose.
  18. According to information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.
  19. According to information and explanations given to us, the Company has not raised monies by means of a public issue during the year. A preferential offer of 12,40,000 convertible share warrants (convertible into equity shares of Rs.10 each at a premium of Rs.30 per share) was made on preferential basis during the year. Refer Note 3(b).
  20. 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)

**K. SRIRAM**  
Partner

Hyderabad  
12th July, 2010

Membership No. 37821

# Balance Sheet

AS AT 31st MARCH, 2010

Rs.'000

	Schedule	As at 31st March 2010	As at 31st March 2009
<b>I. SOURCES OF FUNDS</b>			
Shareholders' Funds			
Capital	1	9,23,58	7,99,58
Reserves & Surplus	2	17,83,44	13,28,46
Loan Funds			
Secured Loans	3	18,02,15	17,90,04
Unsecured Loans	4	12,74,48	11,58,29
<b>TOTAL</b>		<b>57,83,65</b>	<b>50,76,37</b>
<b>II. APPLICATION OF FUNDS</b>			
Fixed Assets - Net Block	5A	29,39,08	24,51,70
Capital Work-in-Progress	5B	2,51,67	91,15
Investments	6	10,97	5,17
Current Assets, Loans and Advances			
Current Assets	7	31,86,32	25,32,63
Loans and Advances	8	10,69,73	9,08,78
Less: Current Liabilities & Provisions	9	(16,86,84)	(9,29,78)
Miscellaneous Expenditure to the extent not written off	10	12,72	16,72
		<b>25,81,93</b>	<b>25,28,35</b>
<b>TOTAL</b>		<b>57,83,65</b>	<b>50,76,37</b>
Significant Accounting Policies and Notes to accounts	19		

Per our Report of even date  
for **PRATURI & SRIRAM**  
Chartered Accountants

for and on behalf of the Board of Directors


**K. SRIRAM**

Partner


Membership No. 37821

Firm Registration No. 002739S

Hyderabad, 12th July, 2010


**J. LAKSHMANA RAO**

Chairman &amp; Managing Director


**A. SUBRAHMANYAM**

Deputy Managing Director



# Profit and Loss Account

FOR THE YEAR ENDED 31st MARCH, 2010

Rs.'000

	Schedule	2009-2010	2008-2009
<b>INCOME</b>			
Sales			
Domestic Sales		1,29,98,66	1,08,82,42
Less: Excise Duty		9,86,95	12,42,85
Export Sales		95,39	3,97,02
Other Income	11	9,74	9,79
<b>TOTAL</b>		<b>1,21,16,84</b>	<b>1,00,46,38</b>
<b>EXPENDITURE</b>			
Cost of goods sold	12	82,78,21	71,73,69
Employees Remuneration & Benefits	13	8,49,24	6,68,99
Selling & Distribution Expenses	14	8,88,01	7,79,44
Other Expenses	15	4,24,75	3,98,62
Interest & Financial Charges	16	1,76,75	2,64,88
Preliminary & Deferred Expenses Written Off		4,64	4,59
Fringe benefit tax		-	8,21
Depreciation	5	3,74,84	3,12,30
<b>TOTAL</b>		<b>1,09,96,44</b>	<b>96,10,72</b>
<b>Profit Before Prior Period Adjustments &amp; Tax</b>		<b>11,20,40</b>	<b>4,35,66</b>
Provision for Tax	17	3,69,20	49,37
<b>Profit After Tax</b>		<b>7,51,20</b>	<b>3,86,29</b>
Prior Period Adjustments	18	15,58	18,69
<b>Net Profit for the year</b>		<b>7,35,62</b>	<b>3,67,60</b>
Transferred to General Reserve		1,10,34	55,14
Proposed dividend for the year		2,39,87	1,59,92
Provision for Corporate Dividend Tax		40,77	27,17
Profit transferred to Balance Sheet		3,44,64	1,25,37
Earning per Share - Basic (Rs.)		9.39	4.83
Earning per Share - Diluted (Rs.)		9.31	4.83
Significant Accounting Policies and Notes on Accounts	19		

Per our Report of even date  
for **PRATURI & SRIRAM**  
Chartered Accountants

for and on behalf of the Board of Directors



**K. SRIRAM**

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Hyderabad, 12th July, 2010



**J. LAKSHMANA RAO**

Chairman & Managing Director



**A. SUBRAHMANYAM**

Deputy Managing Director

# Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2010

Rs.'000

	2009-2010	2008-2009
<b>A. CASH FLOW FROM OPERATIONS</b>		
Net Profit as per Profit and Loss Account	11,20,40	4,35,67
Adjustment for:		
Depreciation	3,74,84	3,12,30
Preliminary Expenses & Deferred Expenses	3,99	4,59
Profit on sale of assets/investments	—	4,95
Interest Paid	1,76,75	2,64,88
Provision for gratuity	—	12,30
Operating Profit before Working Capital Changes	16,75,98	10,34,69
Adjustment for:		
Trade and other receivables	(6,32,45)	(1,48,52)
Inventories	(1,78,02)	4,97,95
Trade Payables & Other Liabilities	7,57,05	(79,04)
Advances/Receivables	(1,60,95)	(3,65,21)
Cash Generated from Operations	14,61,61	9,39,87
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(8,73,39)	(3,49,86)
Sale of Fixed Assets	11,17	1,32,95
Sale/Transfer of investments	(5,80)	5,62
Capital Work in Progress and pending capitalisation	(1,60,50)	(2,01,62)
	4,33,09	7,38,25

Rs.'000

	2009-2010	2008-2009
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Warrents Application Money	(1,24,00)	-
Provision for taxation	(3,69,20)	(49,37)
Provision for Proposed Dividend	(2,39,87)	(1,59,92)
Additions/Repayment of Secured Loans	12,10	(1,24,89)
Unsecured Loans	1,16,20	19,36
Provision for Corporate Dividend Tax	(40,77)	(27,18)
Interest Paid	(1,76,75)	(2,64,88)
Prior period & Extraordinary Items	(15,58)	18,70
	<u>(5,89,87)</u>	<u>(5,88,18)</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,56,78)</b>	<b>1,50,07</b>
<b>D. Opening Balance of Cash &amp; Cash Equivalents</b>	<b>1,69,93</b>	<b>19,86</b>
<b>E. Closing Balance of Cash &amp; Cash Equivalents</b>	<b>13,15</b>	<b>1,69,93</b>

Per our Report of even date  
for **PRATURI & SRIRAM**  
Chartered Accountants


**K. SRIRAM**

Partner

Membership No. 37821

Firm Registration No. 002739S

Hyderabad, 12th July, 2010

for and on behalf of the Board of Directors


**J. LAKSHMANA RAO**

Chairman &amp; Managing Director


**A. SUBRAHMANYAM**

Deputy Managing Director

## Schedules forming part of the Balance Sheet

	As at 31st March 2010	Rs.'000 As at 31st March 2009
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
100,00,000 Equity Shares of Rs.10 each (Previous Year 90,00,000 Equity Shares of Rs.10 each)	<u>10,00,00</u>	<u>9,00,00</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
79,95,776 Equity Shares held fully paid up	<u>7,99,58</u>	<u>7,99,58</u>
Warrents Application Money	<u>1,24,00</u>	
<b>TOTAL</b>	<u><b>9,23,58</b></u>	<u><b>7,99,58</b></u>
<b>2. RESERVES &amp; SURPLUS</b>		
Capital Reserve	<u>13,06</u>	<u>13,06</u>
Share Premium	<u>12,03,30</u>	<u>12,03,30</u>
General Reserve		
Opening Balance	<u>3,01,93</u>	<u>2,46,79</u>
Add: Transfer from Profit and Loss Account	<u>1,10,34</u>	<u>55,14</u>
Profit and Loss Account		
Opening Balance	<u>(1,89,83)</u>	<u>(3,15,20)</u>
Add: Profit/(Loss) for the year	<u>3,44,64</u>	<u>1,25,37</u>
<b>TOTAL</b>	<u><b>17,83,44</b></u>	<u><b>13,28,46</b></u>
<b>3. SECURED LOANS</b>		
<b>Banks and Financial Institutions</b>		
Cash Credit from		
ICICI Bank	<u>16,01,55</u>	<u>15,09,77</u>
Term Loans		
ICICI Bank	<u>2,00,60</u>	<u>2,80,27</u>
<b>TOTAL</b>	<u><b>18,02,15</b></u>	<u><b>17,90,04</b></u>
<b>4. UNSECURED LOANS</b>		
Sales Tax Collections Deferred	<u>11,78,60</u>	<u>11,46,26</u>
Hire Purchase Finance	<u>4,86</u>	<u>7,58</u>
(including future interest liability)		
ICICI Bank - TOD	<u>86,57</u>	<u>-</u>
Unsecured Loans from Promoters & their Relatives	<u>4,45</u>	<u>4,45</u>
<b>TOTAL</b>	<u><b>12,74,48</b></u>	<u><b>11,58,29</b></u>

<b>5A. FIXED ASSETS</b>									
	<b>Gross Block</b>			<b>Depreciation</b>			<b>Net Block</b>		
	As on 1st April, 2009	Additions during the year	Deletions during the year	As on 31st March 2010	As on 1st April 2009	For the year	Deletions during the year	As on 31st March 2010	As on 31st March 2009
Land	94,70	2,85,04	-	<b>3,79,74</b>	-	-	-	<b>3,79,74</b>	94,70
Building	6,95,71	1,23,92	-	<b>8,19,63</b>	1,57,19	22,20	-	<b>1,79,39</b>	5,38,52
a. Plant and Machinery	27,42,65	2,73,53	51,05	<b>29,65,13</b>	13,02,57	2,50,64	40,87	<b>15,12,34</b>	14,40,09
b. Moulds	4,58,29	1,04,20	-	<b>5,62,49</b>	2,15,50	77,87	-	<b>2,93,37</b>	2,42,78
Electrical Installations	1,22,87	39,35	5,81	<b>1,56,41</b>	63,32	11,64	5,81	<b>69,15</b>	59,55
Works Equipments & Instruments	30,65	2,59	3,62	<b>29,62</b>	9,18	3,11	3,62	<b>8,67</b>	21,47
Office Equipments	7,41	1,31	-	<b>8,72</b>	1,23	76	-	<b>1,99</b>	6,18
Computers	7,09	11,50	16	<b>18,43</b>	2,10	2,68	16	<b>4,62</b>	4,99
Furniture & fixtures	16,45	27,62	-	<b>44,07</b>	9,36	1,00	-	<b>10,36</b>	7,09
Vehicles	52,43	4,33	4,06	<b>52,70</b>	16,10	4,94	3,07	<b>17,97</b>	36,33
<b>TOTAL</b>	<b>42,28,25</b>	<b>8,73,39</b>	<b>64,70</b>	<b>50,36,94</b>	<b>17,76,55</b>	<b>3,74,84</b>	<b>53,53</b>	<b>20,97,86</b>	<b>24,51,70</b>
Previous Year	46,24,70	3,49,86	7,46,31	<b>42,28,25</b>	21,82,35	3,12,30	7,18,11	<b>17,76,54</b>	<b>24,51,70</b>

**5B. CAPITAL WORK IN PROGRESS & EXPENSES PENDING ALLOCATION**

Particulars	As on 1st April, 2009	Additions during the year	Adjustments	Capitalised during the year	As on 31st March 2010
CWIP- Unit 1	76,71	2,82,63	-	2,78,65	<b>80,69</b>
CWIP- Hosur	-	24,21	-	-	<b>24,21</b>
Capital Advances	14,44	1,25,77	14,44	-	<b>1,25,77</b>
CWIP- Daman	-	1,67,86	-	1,46,86	<b>21,00</b>
<b>TOTAL</b>	<b>91,15</b>	<b>6,00,47</b>	<b>14,44</b>	<b>4,25,51</b>	<b>2,51,67</b>
Previous Year	1,00,82	93,63	-	1,03,30	<b>91,15</b>

	Rs.'000	
	As at 31st March 2010	As at 31st March 2009
<b>6. LONG TERM INVESTMENTS</b>		
Long Term Investments (quoted) (at cost)		
20,500 Equity Shares of Moldtek Technologies Limited	5,17	– 5,17
20,500 Less: Sold during the year	(9,29)	–
Balance Transfer to Profit and Loss Account	4,12	–
Current Investments (at market value)		
33,433 Purchased during the year	22,29	–
14,500 Less: Sold during the year	(8,37)	–
Balance transfer to Profit and Loss Account	1,29	–
18,933 Balance	1,521	–
Provision for diminution in value	(4,24)	–
<b>TOTAL</b>	<b>10,97</b>	<b>–</b>
<b>7. CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw Materials	2,89,12	2,01,83
Finished Goods	3,32,62	2,88,98
Work in Process	3,96,25	3,50,66
Packing Material & Consumable Stores	1,09,80	1,08,30
	<b>11,27,79</b>	<b>9,49,77</b>
<b>Sundry Debtors</b>		
Outstanding for more than 6 months		
Considered Good	12,84	8,44
Considered Doubtful	14,13	24,28
Other Debts - Considered Good	20,04,79	13,76,74
Less Provision for Doubtful Debts	(14,13)	(24,28)
	<b>20,17,63</b>	<b>13,85,18</b>
<b>Cash and Bank Balances</b>		
Cash in hand	3,43	3,52
With Scheduled Banks		
Current Accounts	5,61	1,59,83
Fixed Deposit Accounts	4,11	6,58
Proposed Trust for investment in earstwhile Teckmen	<b>27,75</b>	<b>27,75</b>
<b>TOTAL</b>	<b>31,86,32</b>	<b>25,32,63</b>

	Rs.'000	
	As at 31st March 2010	As at 31st March 2009
<b>8. LOANS AND ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received, considered good		
Staff Advances	17,40	17,31
Advances to Suppliers & others	96,95	1,72,11
Prepaid Expenses	7,37	9,07
Mold-Tek Technologies Limited	39,18	2,86,36
Deposits/Balances with excise authorities	35,30	57,67
Other Deposits	1,03,38	1,02,37
Advance tax, tax deducted at source and income taxes	4,84,70	2,63,52
Deferred interest on Hire Purchase Finance	45	37
Share Application Money	2,85,00	-
(3,80,000 Equity Shares @ Rs.75 of M/s. Mold-Tek Technologies Limited)		
<b>TOTAL</b>	<b>10,69,73</b>	<b>9,08,78</b>
<b>9. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Creditors for goods & expenses		
Creditors for Goods	4,15,19	1,96,89
Creditors for Expenses	1,30,17	72,50
Creditors for Capital Goods	26,24	37,31
Other Liabilities		
Other Liabilities	44,97	35,26
Outstanding Expenses	1,39,38	1,34,57
Dividend Transfer to Trust	3,86	2,68
Duties & Taxes	42,95	35,32
Advances from customers	20,39	39,88
Provisions		
Provision for Gratuity	34,64	34,64
Proposed Dividend & Tax thereon	2,99,69	1,87,09
Provision for Income Tax	5,29,36	1,53,64
<b>TOTAL</b>	<b>16,86,84</b>	<b>9,29,78</b>
<b>10. MISCELLANEOUS EXPENDITURE</b>		
Preliminary expenses	16,72	5,41
Add: Additions	64	15,89
Less: Written off during the year	4,64	4,58
<b>TOTAL</b>	<b>12,72</b>	<b>16,72</b>

## Schedules forming part of the Profit and Loss Account

Rs.'000

	2009-2010	2008-2009
<b>11. OTHER INCOME</b>		
Sale of Scrap & Others	6,49	3,52
Rent Received	1,32	1,32
Dividend Received	38	-
Profit on sale of Assets/Investments	5,79	4,95
Less: Provision for Diminution in Value of Current Investments	(4,24)	-
<b>TOTAL</b>	<b>9,74</b>	<b>9,79</b>
<b>12. COST OF GOODS SOLD</b>		
Raw Materials & Components		
Raw Material:		
Opening Stocks	2,01,83	4,04,45
Add: Purchases	67,21,57	53,17,12
Less: Closing Stocks	2,89,12	2,01,83
Mould Making/Purchase Cost	7,95	17,79
Power & Fuel	3,96,99	2,95,55
Others	10,57,41	7,74,66
	80,96,63	66,07,74
Consumables & Spares	37,88	77,83
Packing Materials	2,32,93	2,50,99
Increase/Decrease in Stocks		
Opening Stock		
Finished Goods	2,88,98	2,54,92
Work-in-process	3,50,66	6,21,85
	6,39,64	8,76,77
Closing Stock		
Finished Goods	3,32,62	2,88,98
Work-in-process	3,96,25	3,50,66
	7,28,87	6,39,64
<b>TOTAL</b>	<b>(89,23)</b>	<b>2,37,13</b>
<b>13. EMPLOYEE REMUNERATION &amp; BENEFITS</b>		
Salaries, Wages, Allowances & Bonus	6,69,68	5,43,13
Contribution to Provident Fund & ESIC	24,14	20,92
Welfare Expenses	46,26	37,92
Gratuity	65	12,30
Directors' Remuneration & Perquisites	1,08,51	54,72
<b>TOTAL</b>	<b>8,49,24</b>	<b>6,68,99</b>



		Rs.'000
	2009-2010	2008-2009
<b>14. SELLING &amp; DISTRIBUTION EXPENSES</b>		
Carriage Outwards	5,34,98	4,92,16
Sales Promotion & Commission	92,68	68,01
Advertisement Expenses	3,40	21
Sales Tax	2,56,95	2,19,06
<b>TOTAL</b>	<b>8,88,01</b>	<b>7,79,44</b>
<b>15. OTHER EXPENSES</b>		
Rent	69,48	63,78
Rates & Taxes	10,67	7,67
Insurance	12,48	12,35
Communication Expenses	26,73	25,20
Power & Fuel	8,14	5,32
Travelling expenses & Conveyance		
Foreign Travel	8,44	21,18
Travelling and conveyance - others	43,91	38,34
Printing & Stationery	16,82	14,30
Repairs & Maintenance		
Buildings	1,33	9,77
Machinery	78,00	58,03
Others	89,34	58,68
Jobwork Charges	-	12,27
Professional charges (incl Auditors Remuneration)	26,17	21,22
Bank Charges	10,43	6,76
Loss on Sale of Assets	5,68	11,64
Exchange Rate Fluctuation	6,30	(12,18)
General Expenses	10,83	44,29
<b>TOTAL</b>	<b>4,24,75</b>	<b>3,98,62</b>
<b>16. INTEREST &amp; FINANCIAL CHARGES</b>		
Interest on Term Loans	33,25	47,17
Interest on Working Capital	1,96,72	2,14,32
Interest charges on Other Loans	1,01	3,39
	2,30,98	2,64,88
Less: Interest earned/Received	54,23	-
<b>TOTAL</b>	<b>1,76,75</b>	<b>2,64,88</b>
<b>17. PROVISION FOR TAXATION</b>		
Provision for Income Tax	3,69,20	49,37
<b>TOTAL</b>	<b>3,69,20</b>	<b>49,37</b>
<b>18. EXTRAORDINARY ITEMS &amp; PRIOR PERIOD ADJUSTMENTS</b>		
Earlier year's Income Tax	(5,47)	32,00
Previous year Expenses	21,05	(13,31)
<b>TOTAL</b>	<b>15,58</b>	<b>18,69</b>

**19. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES****Method of Accounting**

- a. 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.
- b. The Company generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- c. 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.

**Fixed Assets**

- a. 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).
- b. 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.

**Depreciation**

Straight-line method of depreciation is adopted on all fixed assets on the basis of and at rates prescribed by Schedule XIV to the Companies Act, 1956 as amended from time to time.

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.

**Impairment of Assets**

In the opinion of the management there are no assets of the Company carried in the financial statements whose realizable value stands diminished vis-à-vis their carrying cost, and hence no provision is considered necessary. Assets considered as having outlived their utility and not in use are charged off by way of reduction of the gross block and corresponding depreciation reserve.

**Investments**

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.

## Inventories

The inventories are valued as follows:

(Refer Note 8(b))

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 and packing 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.
Moulds	At cost including conversion costs after providing for appropriate wear & tear.
Consumables, Packing & Bought outs	At cost.

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

## Interest and Financial Charges

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

## 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.

## Revenue Recognition

Turnover includes excise duties, sales tax/VAT collections, and freight recoveries; and is net of sales returns. Excise duties are separately reflected in the Profit and Loss Account.

## Employee Benefits

### a. Gratuity

Gratuity provided in respect of employees on the basis of actuarial valuation as per Accounting Standard 15, is estimated during the year in accordance with the provisions of the Payment of Gratuity Act, 1972.

### b. Provident Fund

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

### c. Liability for Leave Encashment

Liability for leave is treated as a short term liability and is accounted as and when earned by the employee.

### 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 Profit and Loss Account. Out standing monetary transactions denominated in foreign currencies at the year end are restated at year end rates.

### 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.

### Miscellaneous Expenditure

Preliminary expenses are amortized over a period of 5 years.

### Earnings per Share

The basic earning per share ('EPS') 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 earning per share ('EPS') 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.

### NOTES TO THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT

1. The previous year'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.
2. The name of the Company has been changed from M/s. Moldtek Plastics Limited to M/s. Mold-Tek Packaging Limited as per resolution passed in EGM of the Members held on 9th February 2010. Fresh incorporation certificate incorporating the change has been received by the Company.
3. **Share Capital**
  - a. Authorised Capital is increased from Rs.9 crore to Rs.10 crore, vide ordinary resolution passed at Extraordinary General Meeting of the Members held on 9th February, 2010 by the addition of 10,00,000 equity shares of Rs.10 each ranking *pari passu* with existing Equity Shares of the Company.
  - b. During the year, the Company allotted 12,40,000 Fully Convertible Warrants (Convertible into equal number of Equity Shares within a period of 18 months from the date of allotment of Warrants) at a price of Rs.40 per Warrant (comprising nominal value of Rs.10 and premium of Rs.30 each and the issue price being not less than the price as arrived at, in accordance with the terms of Chapter VII of Securities And Exchange Board of India Regulations, 2009), vide Special Resolution passed at Extraordinary General Meeting of the Members held on 9th February, 2010 and the warrants were allotted on 10th March 2010.

The Company has received Rs.124 lakhs being the 25% of the value of the warrants as advance and the balance amount is to be received within 18 months from the date of allotment of warrants.

#### 4. Secured Loans

Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July 2008, term loan availed by the combined Company from M/s. ICICI Bank for Daman Plant expansion (M/s. Mold-Tek Packaging Limited) and corporate office building land (M/s. Mold-Tek Technologies Limited) is bifurcated in these financial statements in the ratio in which the facility was availed. Similarly, the cash credit/working capital facility is also bifurcated.

The ICICI Bank has accorded recognition to bifurcate the combined term loan and cash credit/working capital facility into the two separate accounts of M/s. Mold-Tek Packaging Limited and M/s. Mold-Tek Technologies Limited respectively vide their Credit Arrangement letter dated 8th April, 2009 and this was made effective from 19th August, 2009, vide a suitable credit addendum letter.

**Long term loan and working capital facilities from the ICICI Bank is secured by hypothecation by way of first charge on the following assets of the Company:**

- a. Exclusive first charge 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. Exclusive first charge on the movable fixed assets of the Company.
- c. Exclusive charge by way of equitable mortgage on the following immovable assets of the Company (subject to mutation as a consequence of the Scheme of Arrangement):
  - i. First charge by way of equitable mortgage of land measuring 6.5125 acres building in S.No 54,55/A,70, 71,72 of Annaram Village, near Air Force Academy, Jinnaram Mandal, Medak District, Andhra Pradesh, belonging to the Company.
  - ii. First charge by way of equitable mortgage of land measuring 6413 sq. yds & and building in S. No. 164 part Dammara Pochampally Village, Qutubullapur, Ranga Reddy District, Andhra Pradesh, belonging to the Company.
  - iii. First charge by way of equitable mortgage of land measuring 1066.63 sq. yds. & buildings in Plot No. D-177 phase III, IDA, Jeedimetla, Qutballapur Mandal, R. R. District, Andhra Pradesh belonging to the Company.
- d. Personal guarantees of J. Lakshmana Rao, A. Subrahmanyam, P.Venkateswara Rao and J. Mytreji, Directors of the Company.

#### 5. Unsecured Loans

The Government of Andhra Pradesh has extended to the Company, the 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 a period of 14 years. The deferred sales tax of each year is repayable after the expiry of the period deferred. Sales Tax Deferral amounts Rs.1178.60 lakhs as on 31st March, 2010 to be paid in installments commencing from 1st April 2010 and 1st April 2014.

#### 6. Fixed Assets

During the year, the Company has acquired undivided share of 400 sq. yds. of land and ground floor portion of building at Plot No. 700 Jubilee Hills, along with furniture and electrical installations at a cost of Rs 4.40 crore for its corporate office.

All residual values of assets not in use and/or having outlived their utility have been charged off as per AS 28 concerning impairment of assets.

Mutation of property and ownership records in respect of Jeedimetla unit of the Company, as well as other movable/non-movable assets transferred as part of the demerger process remains pending.

A physical verification of fixed assets is not conducted during the year under review by the Company.

## 7. Investments

The Company originally had 20,500 equity shares of Mold-Tek Technologies Ltd acquired at a cost of Rs.5,16,938 stated as long term investments, which it sold during the year for a value of Rs.9,28,995.

Subsequently, the Company purchased 33,433 equity shares of MTTL at a cumulative value of Rs.22,29,329 and sold 14,500 of these shares at a value of Rs.8,37,229. The balance of 18,933 shares, acquired at a cost of Rs.15,21,423 are held on the balance sheet date, the market value of which is Rs.10,97,167. The diminution in value Rs. 4,24,256 has been provided in the Profit and Loss Account. All these latter shares are classified as 'Current Investments' as distinguished from long term investments.

## 8. Current Assets, Loans & Advances; and Current Liabilities & Provisions

- a. Inventory quantities & values as at the balance sheet date are as certified by the management.
- b. The method of valuation of inventories has undergone a modification during the year with the adoption of a weighted average method over a period of one quarter instead of the hitherto adopted methodology. As a result, the inventories are valued higher by Rs.31,36,552 in respect of raw materials, work-in-process and finished goods.
- c. Sundry debtors, sundry creditors for goods and capital advances, deposits, staff advances and bank balances pertaining to dividend accounts and margin monies maintained with ICICI Bank, are subject to confirmation and reconciliation. Advances include an amount of Rs.21.59 lakhs over due on account for advances for purchases/expenses and travelling expenses and not provided for, as the management express confidence in recovery of the same.
- d. Sundry debtors include an amount of Rs.26.97 lakhs outstanding for more than 6 months against which a provision for Rs.14.13 lakhs exists. However, the management expresses confidence in the recovery of the balance over dues.
- e. The Company opted for actuarial valuation and provided for gratuity as per the notified norms per Accounting Standard 15 (Revised).
- f. Balances with banks include Rs.16.29 lakhs comprising various unpaid dividend accounts, against which corresponding liability is Rs.19.05 lakhs includes FCD & share application refunds due. During the year, unclaimed dividend pertaining to financial year 1997-98 amounting to Rs.21,217, financial year 1998-99 amounting to Rs.61,349 and financial year 1999-00 amounting to Rs.2,85,140 have been transferred to Investor Education and Protection Fund. FCD application money of Rs.41,000 & Share application money of Rs.2,34,158 pending for more than 7 years remains yet to be transferred to the Investor Education and Protection Fund.
- g. Current Assets include 96,480 shares of Moldtek Plastics Limited (being 72% of 1,34,000 equity shares originally held by the erstwhile M/s. Teckmen Tools Private Limited, prior to amalgamation of that Company with Moldtek Technologies Limited, and vested in your Company) in accordance with the Scheme of Arrangement, are pending the vesting into a separate trust/trustee along with dividend for financial year 2007-08 & financial year 2008-09, in accordance with the approval of the Hon'ble High Court of Andhra Pradesh. The corresponding dividend amounts due for the year 2007-08 & 2008-09 is Rs.3,85,920 and for the current year 2009-10 the proposed dividend amounts to Rs.2,89,440.

- h. Sundry debtors show a significant rise over the previous year. While part of increase is attributable to value, the rise is mainly on account of increase in average credit period to its customers over the previous year.

Similarly, creditors also show a significant increase vis-à-vis the previous year. Again, the average credit period availed from its suppliers has increased over the previous years and hence the surge in creditors balance.

## 9. Foreign currency exposures

The amounts receivable in foreign currency as on 31st March, 2010 on account of export of goods:

Particulars	31st March, 2010		31st March, 2009	
	Rs. Lakhs	Foreign currency	Rs. Lakhs	Foreign currency
Debtors	40.82 0.21	AED 3,33,956 USD 465	18.72 3.19	AED 1,46,345 USD 6,585

Amounts payable in foreign currency on account of the following:

Particulars	31st March, 2010		31st March, 2009	
	Rs. Lakhs	Foreign currency	Rs. Lakhs	Foreign currency
Creditors	17.52	AED 1,43,325	11.32	USD 23,300

## 10. Contingent Liabilities

- Bank guarantees, for which the Company has provided counter guarantee, Rs.39.71 lakhs.
- No contingent liability is considered towards rebates availed on power bills and short payments arising as a consequence thereof.

## 11. Earnings per Share

Particulars	2009-2010	2008-2009
Profit available for equity share holders Rs.	7,51,20,168	3,86,29,585
Weighted average no. of equity shares outstanding	79,95,776	79,95,776
Effect of potential equity shares on warrants outstanding (12,40,000 x 22/365)	74,740	–
Weighted average number of equity shares	80,70,516	79,95,776
Earning per share - Face Value of Rs.10		
- Basic	9.39	4.83
- Diluted	9.31	4.83

**12. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act.**

**a. Capacities and Production**

The Unit is allowed to operate without license. The plant and machinery can be used for manufacturing a diverse range of plastic products. The installed capacity of the Company as certified by the management is as follows:

MT

Particulars	2009-2010	2008-2009
Licensed Capacity	NA	NA
Installed Capacity - Unit at Annaram	3,408	3,588
- Unit at Dommarapochampally	2,760	2,760
- Unit at Daman	5,320	4,320
- Unit at Ali Nagar	880	755
Total installed capacity	12,368	11,423

**b. Production, Sales and Stocks (Qty. in Nos.)**

Plastic Components	Opening Stock 01.04.09	Production including reprocessing	Closing Stock 31.03.10	Sales
Pails	5,22,534	219,09,774	6,95,571	217,36,737
Caps	5,22,313	218,99,437	6,77,341	217,44,409
Pet	2,08,213	21,49,310	1,16,582	22,40,941
Others	31,073	21,807	28,068	24,812

**c. Consumption of materials**

Particulars	2009-2010		2008-2009	
	Kgs	Rs. Lakhs	Kgs	Rs. Lakhs
PPCP/PP	86,60,419	57,48.90	67,48,698	48,24.77
LDPE/LLDPE	9,60,344	6,84.53	741,124	5,54.25
HDPE	2,39,940	1,60.58	1,43,855	98.99
PET Chips	12,175	6.18	45,450	33.84
LG Hips & Engage	25,831	34.09	11,338	7.91
Mould Material	–	7.95	–	17.79
Packing Materials	–	2,32.93	–	2,50.99
Others	–	10,95.29	–	8,52.48
TOTAL	98,98,709	79,70.45	76,90,465	66,41.02

Note: Previous year figures are restated net of excise duty, otherwise the value will be Rs.6884.09 lakhs. Hitherto, the said figures were stated inclusive of excise duties.



**d. Percentage of consumption of directly imported indigenously obtained raw materials, stores and spares and components**

Particulars	2009-2010		2008-2009	
	Rs. Lakhs	%	Rs. Lakhs	%
Raw Materials - imported	22.44	0.34	63.15	1.14
indigenous	66,11.84	99.66	54,56.60	98.86
<b>TOTAL</b>	<b>66,34.28</b>	<b>100.00</b>	55,19.75	100.00
Others - imported	–	–	4.39	0.39
indigenous	13,36.17	100.00	11,16.88	99.61
<b>TOTAL</b>	<b>13,36.17</b>	<b>100.00</b>	11,21.27	100.00

Note: Previous year figures are restated net of excise duty, otherwise the value will be Rs.55,51.55 lakhs & Rs.13,32.54 lakhs for Raw Materials & Others respectively.

**e. CIF Value of Imports**

Particulars	Rs. Lakhs	
	2009-2010	2008-2009
Raw Materials	22.44	63.15
Capital Goods	–	117.22
Others	4.57	–
<b>TOTAL</b>	<b>27.01</b>	180.37

**f. Earnings in Foreign Currency (on accrual basis)**

Particulars	2009-2010	2008-2009
FOB Value of Exports	95.39	397.02

**g. Expenditure in Foreign Currency**

Particulars	2009-2010	2008-2009
Travelling	3.43	21.18

13. During the year, the Company has received an amount of Rs.50,66,403 from the Income Tax department towards interest on the refund to be made against an appeal for the AY 1996-97. The same amount was shown in Interest and Financial Charges as interest received.

**14. Professional charges include payable to Statutory Auditors**

Particulars	2009-2010	2008-2009
Statutory/Tax Audit	2.75	2.75
Certification/Others	11.41	–
<b>TOTAL</b>	<b>14.16</b>	2.75

**15. Managerial Remuneration**

Particulars of remuneration paid/payable to Directors

Rs. Lakhs

Particulars	2009-2010	2008-2009
Salary and Allowances <sup>1</sup>	72.12	60.72
Medical Reimbursement	0.14	–
Electricity & Water	1.59	–
Other Perquisites	8.41	–
Gratuity	–	–
Commission	33.20	–
<b>TOTAL</b>	<b>1,15.46</b>	<b>60.72</b>
Provident Fund	0.18	0.18

<sup>1</sup>includes a sum of Rs.6.96 lakhs capitalized during the year on assets.**Managerial Remuneration****Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 for the year ended 31st March 2010.**

Rs.

Profit before Taxation as per Profit and Loss Account		11,20,39,934
Add: Depreciation/Amortisation charged in the Accounts	3,74,83,912	
Bonus/Commission Paid/Payable to any member of the Company	1,50,000	
Provision for Doubtful Debts	5,02,738	
Directors Remuneration including Directors' Fees	1,15,46,666	
Loss on sale of Assets	5,67,718	5,02,51,034
		16,22,90,968
Less: Depreciation under Section 350 of the Companies Act, 1956	4,06,50,757	
Profit on sale of Shares	1,17,124	
Profit on sale of Assets	37,320	4,08,05,201
		12,14,85,767
Managerial remuneration not to exceed @ 11%		1,33,63,434

16. In accordance with the requirements for disclosure of amounts due to the Micro, Small & Medium Enterprises, the Company has not compiled the list of sundry creditors who would satisfy this criterion since no information received by the Company. In view of this, the information relating to payments overdue to Micro, Small & Medium Enterprises cannot be computed.

## 17. 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

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

### iii. Relatives of Key Management Personnel

- a. A. Seshu Kumari, Finance Controller

### iv. Related Party Transactions

Rs. Lakhs

Particulars	Related Party		Relative of Key Management Personnel		Key management personnel	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
<b>Purchases</b>						
Friends Packaging Private Limited	81.78	69.42				
Tarus Industries	39.86	43.16				
Mold-Tek Technologies Limited (Rent)	47.09	18.36				
<b>Remuneration</b>						
A. Subrahmanyam					60.64	35.94
P. Venkateswara Rao					38.22	24.78
J. Lakshmana Rao					16.60	-
<b>Dividend</b>						
J. Lakshmana Rao					7.83	7.80
A. Subrahmanyam					7.49	7.03
P. Venkateswara Rao					1.39	1.43
A. Seshu Kumari			8.47	8.29		
<b>Salaries</b>						
A. Seshu Kumari			6.00	4.20		
<b>Other Transactions</b>						
Mold-Tek Technologies Limited	736.00	378.16				
<b>Out Standing Payable as at 31st March 2010</b>						
Friends Packaging Private Limited	11.19	4.38				
Tarus Industries	0.88	0.17				
<b>Other Receivables</b>						
Mold-Tek Technologies Limited	39.18	286.36				

Per our Report of even date  
for **PRATURI & SRIRAM**  
Chartered Accountants

**K. SRIRAM**

Partner

Membership No. 37821

Firm Registration No. 002739S

Hyderabad, 12th July, 2010

for and on behalf of the Board of Directors



**J. LAKSHMANA RAO**

Chairman & Managing Director



**A. SUBRAHMANYAM**

Deputy Managing Director

## Balance Sheet Abstract and Company Business Profile

### I. Registration Details

Registration No. 

2	6	5	4	2
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 State Code 

0	1
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Corporate Identification No. 

L	2	1	0	2	2	A	P	1	9	9	P	L	C	0	2	6	5	4	2
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Balance Sheet Date 

3	1
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0	3
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2	0	1	0
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### II. Capital raised during the year (Rs. in Thousands)

Public Issue 

	N	I	L		
--	---	---	---	--	--

 Rights Issue 

	N	I	L		
--	---	---	---	--	--

 Bonus Issue 

	N	I	L		
--	---	---	---	--	--

 Private Placement 

	N	I	L		
--	---	---	---	--	--

### III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities 

5	7	8	3	6	5
---	---	---	---	---	---

 Total Assets 

5	7	8	3	6	5
---	---	---	---	---	---

#### Sources of Funds

Paid-up Capital 

	9	2	3	5	8
--	---	---	---	---	---

 Reserves & Surplus 

1	7	8	3	4	4
---	---	---	---	---	---

 Secured Loans 

1	8	0	2	1	5
---	---	---	---	---	---

 Unsecured Loans 

1	2	7	4	4	8
---	---	---	---	---	---

#### Application of Funds

Net Fixed Assets 

3	1	9	0	7	5
---	---	---	---	---	---

 Investments 

		1	0	9	7
--	--	---	---	---	---

 Net Current Assets 

2	5	6	9	2	1
---	---	---	---	---	---

 Miscellaneous Expenditure 

		1	2	7	2
--	--	---	---	---	---

#### Accumulated Losses

			N	I	L
--	--	--	---	---	---

### IV. Performance of Company (Rs. in Thousands)

Turnover & Other Income 

1	2	1	1	6	8	4
---	---	---	---	---	---	---

 Total Expenditure 

1	0	9	9	6	4	4
---	---	---	---	---	---	---

 Profit Before Tax 

1	1	2	0	4	0
---	---	---	---	---	---

 Profit After Tax 

	7	5	1	2	0
--	---	---	---	---	---

Earnings per Share (Rs.) 

		9	.	3	9
--	--	---	---	---	---

 Dividend Rate (%) 

				3	0
--	--	--	--	---	---

#### Generic Names of three principal products of the Company (As per monetary terms)

The Company produces various plastic packing containers

Item code No.	Product Description
39239000.10	Other plastic articles for conveyance and packaging of goods of a kind, classified as consumer goods

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 13th ANNUAL GENERAL MEETING of the Company on 12th day of August, 2010 at 10.30 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 10.30 a.m. on Thursday, 12th August, 2010 or at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of 2010 \_\_\_\_\_.

**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 products

Book-Post

*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