



MOLD-TEK

Packaging Limited

An ISO-9001:2008 Company

17th Annual Report 2013 - 2014

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Products



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Solutions...



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Contents

Board of Directors	1
Five Year Performance Review	2
Notice	3
Directors' Report	17
Management Discussion & Analysis	25
Report on Corporate Governance	28
Independent Auditors' Report	38
Balance Sheet	43
Statement of Profit and Loss	44
Cash Flow Statement	45
Notes forming part of the Financial Statements	47
Proxy Form	67
Attendance Slip	71

Board of Directors

- J. Lakshmana Rao**, Chairman & Managing Director
A. Subramanyam, Deputy Managing Director
P. Venkateswara Rao, Deputy Managing Director
J. Mytraeyi, Non-Executive Promoter Director
P. Shyam Sunder Rao, Non-Executive Independent Director
Dr. T. Venkateswara Rao, Non-Executive Independent Director
Vasu Prakash Chitturi, Non-Executive Independent Director
Dr. N.V.N. Varma, Non-Executive Independent Director

<p>Statutory Auditors Praturi & Sriram Chartered Accountants 201, Sapthagiri Residency 1-10-98/A, Chikoti Gardens Begumpet, Hyderabad - 500 016</p> <p>Cost Auditors A.S. Rao & Co Cost Accountants 1-2-19/5, Street No.2, Kakatiya Nagar, Habsiguda, Hyderabad - 500 007</p> <p>Internal Auditors GMK Associates Chartered Accountants 607, Raghava Ratna owers Chirag Ali Lane Hyderabad - 500 001</p> <p>Legal Advisor M. Radhakrishna Murthy, Advocate Vidya Nagar, Hyderabad</p> <p>Bankers Citibank N.A. Yes Bank Limited ICICI Bank Limited</p>	<p>Registered Office Plot # 700, Road No. 36, Jubilee Hills, Hyderabad - 500 033 Phone + 91 40 4030 0300/01/02/03/04 Fax + 91 40 4030 0328 E-mail ir@moldtekindia.com finance@moldtekindia.com</p> <hr/> <p>Works</p> <p>Unit I Annaram Village Near Air Force Academy Jinnaram Mandal Medak District, Telangana</p> <p>Unit II Survey No.164/Part, Dommarapochampally Village Quthbullapur Mandal Ranga Reddy District, Telangana</p> <p>Unit III Survey No. 160-A, 161-1 & 161-5 Kund Falla, Behind Hotel Hilltop, Near Coastal Highway, Bhimpore, Nani Daman, Daman - 396 210</p> <p>Unit IV Survey No. 79, Alinagar, Jinnaram Mandal Medak District, Telangana</p> <p>Unit V Survey No. 110/1A1, 110/1A2 Street No. 1, Onnalvadi, Hosur, Krishnagiri District, Tamilnadu - 635 125</p> <p>Unit VI Survey No.586 to 589/Part, Dundigal Village, Near SGS Ashram, Quthbullapur Mandal, Ranga Reddy District, Telangana</p> <p>Unit VII GAT No.656, Khandala-Lonand Road, Mhavashi (Village), Dhawad Wadi, Khandala (Tq) Satara District - 412 802 Maharashtra</p>
<p>CIN : L21022TG1997PLC026542</p>	<p>Website: www.moldtekindia.com</p>

FIVE YEAR PERFORMANCE REVIEW

₹ Lakhs

	2013-14	2012-13	2011-12	2010-11	2009-10
Gross income from operations	285,33	214,68	191,74	164,33	130,94
<i>Growth rate (%)</i>	<i>32.91</i>	<i>11.97</i>	<i>16.67</i>	<i>25.50</i>	<i>16.09</i>
Less: Excise duty	30,21	22,66	17,43	14,66	9,87
Other income	51	31	26	77	10
NET INCOME	255,63	192,33	174,56	150,44	121,17
<i>Growth rate (%)</i>	<i>32.92</i>	<i>10.18</i>	<i>16.03</i>	<i>24.16</i>	<i>20.61</i>
Material cost	168,27	124,60	116,38	98,59	78,81
<i>% to Net income</i>	<i>65.83</i>	<i>64.79</i>	<i>66.67</i>	<i>65.53</i>	<i>65.04</i>
Overheads	57,33	47,43	36,84	32,54	25,64
<i>% to Net income</i>	<i>22.43</i>	<i>24.66</i>	<i>21.10</i>	<i>21.63</i>	<i>21.16</i>
EBDITA	30,03	20,30	21,34	19,32	16,72
<i>% to Net income</i>	<i>11.75</i>	<i>10.55</i>	<i>12.23</i>	<i>12.84</i>	<i>13.80</i>
Depreciation	6,95	5,46	4,41	4,33	3,75
Interest & finance expenses	8,40	5,80	3,80	2,91	1,77
PBT	14,68	9,04	13,13	12,08	11,20
<i>% to Net income</i>	<i>5.74</i>	<i>4.70</i>	<i>7.52</i>	<i>8.03</i>	<i>9.25</i>
Taxes	4,82	3,03	3,65	3,98	3,69
PAT	9,86	6,01	9,48	8,10	7,51
<i>% to Net income</i>	<i>3.86</i>	<i>3.12</i>	<i>5.43</i>	<i>5.38</i>	<i>6.20</i>
Prior period adjustments/extraordinary item	79	23	15	10	15
NET PROFIT	9,07	5,78	9,33	8,00	7,36
<i>% to Net income</i>	<i>3.55</i>	<i>3.00</i>	<i>5.32</i>	<i>5.32</i>	<i>6.07</i>
<i>Growth rate (%)</i>	<i>56.95</i>	<i>(38.07)</i>	<i>16.59</i>	<i>8.79</i>	<i>100.11</i>
Equity dividend (%)	30	20	50	50	30
Dividend payout (including tax)	3,96	2,62	6,52	5,11	2,81
Share capital	11,28	11,25	11,22	8,00	8,00
Reserves & surplus	41,22	37,84	35,10	20,92	17,83
NETWORTH	52,50	49,10	46,32	28,91	25,83
Net fixed assets	74,53	72,87	57,68	40,20	30,65
Total assets	165,60	144,91	121,62	92,35	73,10
Market capitalization	45,12	40,97	65,06	38,46	31,06
KEY INDICATORS					
Earnings per share (After prior period adjustments) (₹)	8.05	5.14	10.33	10.01	9.20
Turnover per share	2,26.68	1,70.89	1,56.35	1,88.17	1,51.56
Book value per share (₹)	46.54	43.63	41.30	36.16	32.30
Dividend payout ratio	43.66	45.34	69.85	63.88	38.15
Debt:Equity ratio	1.25 : 1	1.35 : 1	1.11 : 1	1.33 : 1	1.13 : 1

Notice

NOTICE is hereby given that the 17th Annual General Meeting of the Members of Mold-Tek Packaging Limited will be held on **Tuesday, 30th day of September, 2014 at 11.00 a.m. at Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No.36, Jubilee Hills, Hyderabad - 500033**, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014, Statement of Profit and Loss for the year ended 31st March, 2014 and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2014.
3. To appoint a Director in place of A. Subramanyam (DIN 00654046), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, and the rules framed there under and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Praturi & Sriram, Chartered Accountants (ICAI Firm Registration No. 002739S) be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 20th Annual General Meeting to be held in the year 2017, subject to ratification by the Members at every Annual General Meeting hereafter, and the Board of Directors be and are hereby authorised to fix their remuneration, in accordance with the recommendation of the Audit Committee, in consultation with the Auditors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Vasu Prakash Chitturi (DIN: 02196411), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. N. V. N. Varma (DIN: 02861521), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a

Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, P. Shyam Sunder Rao (DIN: 01770064), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, T. Venkateswara Rao (DIN: 00572657), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section

160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation"

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

"RESOLVED THAT subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, including statutory modifications or re-enactments thereof, the Board of Directors (hereinafter referred to as the board), including any committee thereof for the time being exercising the powers conferred on them by this resolution be and are hereby authorized to borrow money, as and when required, without limitation from any bank and/or public financial institution and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the board for any aggregate amount not exceeding ₹250 crore (Rupees Two hundred fifty crore only) notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, including any statutory modifications or re-enactments thereof, the Board of Directors including any committee thereof for the time being exercising the powers conferred on them by this resolution hereby accord their consent to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/bonds or other debt instruments) issued/to be issued by the company from time to time, in one or more tranches, upto an aggregate limit of ₹250 crore (Rupees Two hundred fifty crore only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered/to be entered into between the

Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148(2) and all other applicable provision, if any, of the Companies Act, 2013 and the rules made there under and subject to approval of Central Government, re-appointment of M/s. A. S. Rao & Co., Cost Accountants as Cost Auditors of the Company, to audit the cost accounts of Company for the year 2014-15 at a remuneration of ₹1,00,000 plus service tax thereon and reimbursement of out-of-pocket expenses, if any, be and is hereby ratified."

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

"RESOLVED THAT in modification to the resolution passed by the Members of the Company at the 16th Annual General Meeting held on 30th September, 2013 and subject to the approval of Central Government, if required, and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory

modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company, be and is hereby accorded towards the increase/revision of remuneration to P. Venkateswara Rao, Deputy Managing Director of the Company to ₹4,10,000 + ₹2,05,000 = ₹6,15,000 per month for the period from 1st September, 2014 to 31st March, 2015 and ₹4,50,000 + ₹2,25,000 = ₹6,75,000 per month for the period from 1st April, 2015 to 31st March, 2016 in the following manner:

a. Salary:

The Company shall pay to P. Venkateswara Rao in consideration of the performance of his duties, a salary of ₹4,10,000 per month for the period from 1st September, 2014 to 31st March, 2015 and ₹4,50,000 per month for the period from 1st April, 2015 to 31st March, 2016.

b. Perquisites & allowances:

In addition to the above salary, P. Venkateswara Rao shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowances, club fee, stock options and such other perquisites and allowances under the Company's rules. The total cost of the aforesaid perquisites, allowances and other benefits (including rent/HRA) shall be restricted to 50% of the salary per month.

c. Commission:

In addition to the salary and perquisites as above, P. Venkateswara Rao shall be entitled to commission at the rate of 0.50% of the net profits of the Company computed in the manner laid down under Section 198 of the Companies Act, 2013.

d. Other benefits:

In addition to the above salary and perquisites, P. Venkateswara Rao shall be entitled to the following annual benefits which shall not be included in the computation of the ceiling of remuneration specified in paragraphs (a) and (b) above.

- i. **Provident and superannuation fund:** The Company's contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will not be included in the computation of the ceiling on remuneration.
- ii. **Gratuity:** Gratuity payable shall not exceed one half month's salary for each completed year of services and will not be included in the computation of the ceiling on remuneration.
- iii. **Leave encashment:** Encashment of leave at the end of the tenure in accordance with the rules of the Company.
- iv. **Provision of car and telephone:** P. Venkateswara Rao shall be entitled to a motor car for use on Company's business and telephone at residence; however, use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to P. Venkateswara Rao.
- e. P. Venkateswara Rao shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.
- f. He will not be eligible for any sitting fees of the Company's board/committee meetings.

"RESOLVED FURTHER THAT notwithstanding anything contained herein above, where during the term of employment of the Deputy Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any statutory authority, as may be required, the remuneration payable to the Deputy Managing Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle

any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such revised terms and conditions in accordance with the laws from time to time in force and to alter and vary such terms and conditions as may be approved by the Central Government without being required to seek the further approval of Members within the limits as prescribed above and any action taken by the Board in this regard be and is hereby ratified and approved."

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



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
2nd September, 2014

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.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 1956 in respect of Items 5 to 12 is annexed.
3. In terms of Articles of Association of the Company, A. Subramanyam, Director of the Company retires by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Information about such Director as stipulated under Clause 49 of Listing Agreement is contained in the statement annexed hereto. The Board of Directors of the Company recommends the re-appointment of A. Subramanyam as Director.
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 dematerialised 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 26th September, 2014 to 30th September, 2014 (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 25th September, 2014 and in respect of shares held in electronic form to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).
 7. Members are requested to notify change of address, if any, with Pincode to the Company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
 8. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
 9. Individual Members can avail 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 Member 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, Members may contact the Registrar and Share Transfer Agent of the Company M/s. XL Softech Systems Limited, 3 Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034.
 10. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take note of the same.
 11. Members are requested to note that as per Section 205A of the Companies Act, 1956 dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid dividend account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. Members who have not yet encashed the dividend warrant(s) for the year 2005-06 to 2012-13 are requested to forward their claims to the Company's Registrar and Share Transfer Agent. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.
 12. The certificate from the auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended, and in accordance with the resolutions of the Members passed at the general meetings will be available for inspection by the Members at the AGM.

E-Voting

The instructions for Members for voting electronically are as under:

In case of Members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on 'Shareholders' tab.
- iii. Now, select the 'COMPANY NAME' from the drop down menu and click on 'SUBMIT'
- iv. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL: 8 character DP ID followed by 8 digits client ID;
 - c. Members holding shares in physical form should enter folio number registered with the Company.
- v. Next enter the image verification as displayed and click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in demat form and physical form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	<p>Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the dividend bank details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or dividend bank details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the dividend bank details field.

- viii. After entering these details appropriately, click on 'SUBMIT' tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on

which they are eligible to vote, provided that company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- xv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as corporates.
 - They should submit a scanned copy of the registration form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of Members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

The voting period begins at 9:00 a.m. on 22nd September, 2014 and ends at 6.00 p.m. on 24th September, 2014. During this period, Members holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 22nd August 2014, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and E-voting manual available at www.evotingindia.co.in under help section or write an Email to helpdesk.evoting@cdslindia.com.

Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013

Items 5 to 8

The concept of appointment of Independent Directors has been introduced for the first time under the provisions of Companies Act, 2013 and was made effective from 1st April, 2014. However, your Company being a listed Company, by virtue of Clause 49 of the Listing Agreement with the stock exchange, was required to appoint requisite number of Independent Directors on the Board of Directors ('the Board') of the Company. Accordingly, Vasu Prakash Chitturi, Dr. N. V. N. Varma, P. Shyam Sunder Rao and T. Venkateswara Rao, Directors of the Company, whose appointment has already been approved by the Board and Members of the Company, are acting as Independent Directors in compliance with the listing requirement at the commencement of the Companies Act, 2013. However, their terms are subject to liable by retirement by rotation as per erstwhile Companies Act, 1956.

Section 149 of the Companies Act, 2013 inter-alia provides that every listed public company shall have at least one-third of the total number of directors as Independent Directors and that every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard, as may be applicable, comply with the said requirement.

Further Section 149 of the Companies Act, 2013, *inter-alia* provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and their office will not be subject to retirement by rotation. It is further clarified that any tenure of an Independent Director on the date of commencement of this Act shall not be counted as a term of appointment of Independent Directors.

Based on the declaration received from Vasu Prakash Chitturi, Dr. N. V. N. Varma, P. Shyam Sunder Rao and T. Venkateswara Rao, Directors of the Company in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Vasu Prakash Chitturi,

Dr. N. V. N. Varma, P. Shyam Sunder Rao and T. Venkateswara Rao fulfill the criteria of being appointed as Independent Directors as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made there under and are also independent of the management.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of requisite amount proposing the candidature for appointment of aforesaid Directors as Independent Directors.

Information about such Directors as stipulated under Clause 49 of Listing Agreement is contained in the statement annexed hereto. All are eminent personalities in their respective fields. Your Board considers that their continued association with the Company would be of immense benefit to the Company. In view thereof, the Board recommends for approval of the Members for the appointment of Vasu Prakash Chitturi, Dr. N. V. N. Varma, P. Shyam Sunder Rao and T. Venkateswara Rao, Directors of the Company as Independent Directors of the Company pursuant to the provisions of Companies Act, 2013 for a term of five consecutive years up to 29th September, 2019 and to hold office which shall not be liable to determination by retirement of directors by rotation.

Copy of draft appointment letters of the aforesaid Directors setting out terms and conditions are available for inspection without any fee by the Members at the Company's Registered Office during normal working hours on working days.

Concerned Directors are interested in their respective resolutions being related to their own appointments. Other than the aforesaid Directors, none of the Directors and key managerial personnel of the Company and their relatives are concerned or interested, in the Resolutions as set out in Items 5 to 8 of the accompanying Notice.

The Board recommends the Resolutions set forth in Items 5, 6, 7 & 8 for the approval of Members.

Item 9

The Members of the Company at their 11th Annual General Meeting held on 30th October, 2008 approved by way of an ordinary resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹100 crore (Rupees One hundred crore). Looking at the expansion plans of the Company, the board proposed to increase its borrowing powers from ₹100 crore (Rupees One hundred crore only) to ₹250 crore (Rupees Two hundred and fifty crore only)

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. It is, therefore, necessary for the Members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item 9 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of Members is being sought to borrow money upto ₹250 crore (Rupees Two hundred and fifty crore only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

The Board recommends the resolution set forth in Item 9 for the approval of the Members.

None of the Directors and key managerial personnel of the Company and their relatives are concerned or interested, in the Resolutions as set out in Item 9 of the accompanying Notice.

Item 10

The Company would be required to create security for availing the facilities as mentioned under Item 9 above in favour of the lenders/trustees for loans/financial assistance availed by the Company, by way of creation of mortgage and/or charge on the assets of the Company, as stated in the resolution.

In furtherance to the resolution in Item 9 of the notice, the said borrowings/issue of securities may be required to be secured by way of mortgage/charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180(1)(a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the Members of the Company by way of a special resolution.

Accordingly, it is proposed to pass an enabling resolution authorizing the board to create charge on the assets of the Company for a value not exceeding ₹250 crore (Rupees Two hundred fifty crore only).

The Board recommends the resolution set forth in Item 10 for the approval of the Members.

None of the Directors and key managerial personnel of the Company and their relatives are concerned or interested in the Resolution as set out in Item 10 of the accompanying Notice.

Item 11

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

The Audit Committee and the Board has approved the appointment of M/s. A. S. Rao & Co., Cost Accountants as Cost Auditors for audit of the cost accounts for the year 2014-15 at a remuneration of ₹1,00,000 plus service tax thereon and reimbursement of out-of-pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for ratification of the remuneration payable to the cost auditors for the year 2014-15.

The Board recommends the resolution set forth in Item 11 for the approval of the Members.

None of the Directors and key managerial personnel of the Company and their relatives are concerned or interested in the Resolution as set out in Item 11 of the accompanying Notice.

Item 12

The Central Government vide its letter dated 21st November, 2013 has approved the payment of remuneration to P. Venkateswara Rao up to 31st August, 2014. The Board of Directors and Remuneration Committee at its meeting held on 2nd September, 2014, subject to the approval of Members at General meeting approved the revision in remuneration payable to P. Venkateswara Rao from 1st September, 2014 to 31st March, 2016. The proposed revision is in keeping with the objectivity of remuneration package payable to executives while striking a balance between the interest of the Company and the shareholders.

As per the provisions of Section II Part II Schedule V of the Companies Act, 2013, where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are

inadequate, it may, without Central Government approval, pay remuneration to the managerial person not exceeding the limits as specified in the Schedule. The proposed remuneration payable to P. Venkateswara Rao is within the said limits and hence no Central Government approval is required.

As per the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 approval of the members of the Company by way of special resolution is required for revised remuneration payable to the Deputy Managing Director. Hence, the special resolution is placed before Members for approval.

The General Information as required pursuant to Section II of Part II of Schedule V of the Companies Act, 2013 is contained in the statement annexed hereto.

The Board recommends the resolution set forth in Item 12 for the approval of the Members.

Except P. Venkateswara Rao and his relatives, none of the Directors and key managerial personnel of the Company and their relatives are concerned or interested in the Resolutions as set out in Item 12 of the accompanying Notice.

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



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
2nd September, 2014

Annexure

Additional information on Directors seeking appointment/re-appointment in the Annual General Meeting (under clause 49(TV)(G)(i) of the Listing Agreement)

Name of the Director	A. Subramanyam	Dr. N. V. N. Varma	P. Shyam Sunder Rao	Vasu Prakash Chitturi	T. Venkateshwara Rao
Date of birth	8th July, 1954	5th May, 1961	21st January, 1941	31st July, 1971	22nd July, 1956
Date of appointment	27th August, 2008	31st October, 1994	21st April, 1998	12th July, 2010	27th August, 2008
Relationship with other Directors	J. Lakshmana Rao	Not applicable	Not applicable	Not applicable	Not applicable
Expertise in specific functional area	Expertise is in overseeing CNC programming, machine and mould manufacturing activities	Cardiology	Finance & accounts	Educational Institution-Secretary and Correspondent	Former Dy. Commissioner of Commercial Taxes, Government of Andhra Pradesh
Qualification	B.E. (Mechanical) Diploma in mould design & manufacturing	M.S. M.Ch.	B.Com, F.C.A., F.C.S.	M.B.A.	M.Sc., PhD
Names of companies in which holds the directorship	Mold-Tek Technologies Limited	Nil	a. Mold-Tek Technologies Limited; b. C-Ta Software Private Limited; c. Vigilant Compu technologies Private Limited.	Sri Prakash Vidya Niketan Private Limited.	a. Pallavi Homes Private Limited; b. Transmedia Technologies (A-P) Private Limited; c. Bhavyabharati Softsols Limited; d. Manam Infotech Private Limited; e. Pallavi Sudha's Solutions Private Limited; f. Pallavisudha Infra Private Limited.
Names of companies in which holds the membership of committees of the board	Nil	Nil	Mold-Tek Technologies Limited	Nil	Nil
No of shares held in the Company as on 31st March, 2014	10,14,562	Nil	2,520	Nil	97,000

Statement pursuant to the provisions of clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013 with respect to Item 12

The particulars required to be disclosed in the Explanatory Statement in accordance with provisions of clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013, are given below:

GENERAL INFORMATION

1. Nature of industry: Manufacturing of plastic containers, pet bottles and blow molding
2. Year of commencement of commercial production: 1997
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
4. Financial performance:

₹ Lakhs

	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012
Turnover	285,33.76	21,46.86	191,73.50
Net profit before interest, depreciation & tax	30,03.18	20,29.94	21,34.09
Net profit as per Statement of Profit and Loss	9,07.42	5,77.98	9,47.86
Amount of dividend	3,38.32	2,61.87	5,61.77
Rate of dividend declared (%)	30	20	50

5. Exports performance and net foreign exchange earnings for the year ended 31st March, 2014 is ₹147.76 lakhs.
6. Foreign investments or collaborations, if any: Nil

Information about the appointees

1. Background details

P. Venkateswara Rao, Deputy Managing Director, aged 57 years, is a post graduate in materials management. He has 26 years of industrial experience and has been associated with the Company since its inception (before demerger) and is conversant with all aspects of the day to-day management and affairs of the Company.

2. Past remuneration

P. Venkateswara Rao - ₹76.34 lakhs (including commission, ELs & gratuity) for the year ended 31st March, 2014 from Mold-Tek Packaging Limited.

3. Recognition or awards

Mold-Tek Packaging Limited, has been awarded the INDIASTAR - 2012, the highest recognition for excellence in packaging in India, by Indian Institute of Packaging.

Mold-Tek Packaging Limited has been awarded, the Prestigious ICICI - CNBC TV18 & Crisil Emerging India Awards 2013, in the Tech-Savvy SME category & also adjudged as the 'SME of the Year - 2013' the highest recognition among the small and medium enterprises across all India.

4. Job profile and his suitability

P. Venkateswara Rao looks after all commercial and marketing activities of Company. He is

conversant with all aspects of the management and the affairs of the Company.

5. Remuneration proposed

It is proposed to pay a maximum remuneration to him on the terms and conditions detailed in the resolution referred above.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Compared to the remuneration profile of position and person with respect to this industry and size, he is entitled to the proposed remuneration.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Except the remuneration drawn by him from the Company, he does not have any pecuniary relationship, directly or indirectly with the Company.

Other Information

1. Reasons for inadequate profits: Not applicable
2. Steps taken or proposed to be taken for improvement: Not applicable
3. Expected increase in productivity and profits in measurable terms: Not applicable

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report along with the audited accounts of the Company for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

The Company's operating performance during the year ended 31st March, 2014 is summarized below.

₹ Lakhs

	Year ended	
	March 31, 2014	March 31, 2013
Sales	285,33	214,68
Other income	51	30
Total income	285,84	214,98
Profit before interest, depreciation & tax	30,03	20,30
Interest	8,40	5,80
Depreciation	6,95	5,46
Profit before tax & extraordinary items	14,68	9,04
Prior period adjustments & extraordinary items	79	23
Provision for current tax	4,36	1,81
Provision for deferred tax	46	1,22
Net profit	9,07	5,78
Profit brought forward from previous year	6,29	4,65
Previous year excess dividend provision reversal	65	-
Adjustment of deferred tax before demerger	(2,44)	-
Profit available for appropriation	13,57	10,43
Appropriation		
Transferred to general reserve	(1,36)	(87)
Proposed dividend	(3,38)	(2,81)
Corporate dividend tax	(58)	(46)
Balance carried forward	8,25	6,29

RESULTS OF OPERATIONS

Creating new value through innovative IML decoration, your Company has demonstrated the resilience of its business model. Growth in your Company's in-mould label decorative pails and thin-wall products enabled Mold-Tek to deliver robust profits in the financial year 2013-14. The highlights of the Company's performance are as under:

Revenue from operations increased by 33% to ₹285,33 lakhs from ₹214,68 lakhs and the operating profit (EBDITA) increased by 48%, at ₹30,03 lakhs from ₹20,29 lakhs, over the previous year.

The profit before tax increased by 62% at ₹14,68 lakhs from ₹9,04 lakhs and the net profit increased by a robust 57% at ₹9,07 lakhs as against ₹5,78 lakhs in 2012-13. This is inspite of providing a net loss of

₹60 lakhs due to the fire accident last year at Daman plant.

FUTURE OUTLOOK

In the current year, power costs in Hyderabad are under control. The Khandala (at Satara, Maharashtra) plant has produced sales of ₹40 crore in the first year itself. In order to meet increasing demand, your Company has already taken up an expansion plan with an outlay of ₹4 crore to expand the capacity by 50% which is expected to be available from October/November, 2014. Your Company is also modernizing the tool room to provide moulds and robots with an outlay of ₹4 crore.

Your Company plans to set up a manufacturing unit in North India with a capital outlay of ₹10 crore to cater to some of its major clients and the same shall be operational by March/April, 2015. Your Company continues to register a handsome growth of around 25% in the current year also with improved margins due to better price realization of the IML products.

Your Company has taken up development of new range of tamper evident packs for dairy products, ghee, edible oils and vanaspathi, which will be introduced by end of the calendar year to drive growth for the coming years.

Your Company has received ₹6.39 crore (including ₹14 lakhs of residue value) from the insurance agency against ₹699.73 crore loss of assets at Daman during the last year's fire accident. All necessary precautions are being taken at all units to avoid recurrence of such incidents in future.

DIVIDEND

Your Directors have recommended a final dividend of ₹1.50 per equity share @15% of equity share capital in addition to interim dividend of ₹1.50 (15%) hitherto declared making a total of ₹3.00 (30%) per equity share (previous year ₹2 per equity share @20%) for the financial year ended 31st March, 2014. The final dividend if approved, will be paid to those

Members whose names appear in Register of Members as on 25th September, 2014. In respect of shares held in dematerialized form, it will be paid to Members whose names 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 ₹3,96 lakhs (Inclusive of dividend tax).

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

Equity shares that may be allotted on or before the book closure will rank *pari passu* with the existing shares and will be entitled to receive the dividend.

CREDIT RATING

The Company continues to have highest domestic credit rating of BBB(Stable) from ICRA (an associate of Moody's Investors Service) credit rating and the rating details are as under:

	March 2014	September 2013
Long term loans fund based	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
Short term non-fund based	[ICRA]A2	[ICRA]A2
Long term/short term proposed	[ICRA]A2	[ICRA]A2

TRANSFER TO RESERVE

In accordance with the provision of the Companies Act, 1956 read with Companies (Transfer of Reserves) Rules, 1975 the Directors propose to transfer a sum of ₹1,36 lakhs (15% of the net profit) to general reserve out of the profits earned by the Company.

ALLOTMENT OF EQUITY SHARES

The Board of Directors at its meeting held on 28th June, 2013 allotted 22,950 equity shares of ₹10 each

at a price of ₹26 [comprising nominal value of ₹10 and premium of ₹16 each] to its employees who have exercised the option vested on them under the MTPL Employees Stock Option Scheme.

The Board of Directors at its meeting held on 13th June, 2014 (after the Balance Sheet date) allotted 25,100 equity shares of ₹10 each at a price of ₹26 [comprising nominal value of ₹10 and premium of ₹16 each] to its employees who have exercised the option vested on them under the MTPL Employees Stock Option Scheme.

The Board of Directors at its meeting held on 25th July 2014 (after the Balance Sheet date) allotted 39,800 equity shares of ₹10 each at a price of ₹26 [comprising nominal value of ₹10 and premium of ₹16 each] to its employees who have exercised the option vested on them under the MTPL Employees Stock Option Scheme.

EMPLOYEES STOCK OPTION SCHEME

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

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

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 thereunder.

INTERNAL CONTROL SYSTEMS

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The

organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

CORPORATE GOVERNANCE

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

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

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

A declaration 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, Financial Controller 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, A. Subramanyam retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In accordance with the provisions of Companies Act, 2013 and the Listing Agreement, the office of directorship of Vasu Prakash Chitturi, Dr. N. V. N. Varma, P. Shyam Sunder Rao and T. Venkateswara Rao, existing Independent Directors pursuant to Clause

49 of the Listing Agreement, were liable to retirement by rotation. With the enactment of the Companies Act, 2013 ('Act'), it is now incumbent upon every listed Company to appoint 'Independent Directors' as defined in Section 149 of the Act, which has been notified with effect from 1st April, 2014, who are not liable to retire by rotation and shall hold office for a term up to five consecutive years. Accordingly, it is proposed to appoint Vasu Prakash Chitturi, Dr. N. V. N. Varma, P. Shyam Sunder Rao and T. Venkateswara Rao as Independent Directors under Section 149 of the Act and Clause 49 (revised) of the Listing Agreement to hold office for five consecutive years from 30th September, 2014 up to 29th September, 2019, whose office shall not be liable to retire by rotation, at the ensuing Annual General Meeting of the Company.

The resolutions proposing their re-appointment as Independent Directors is being placed before the Members for their approval at the ensuing Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

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 that:

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to Companies Act, 1956 have been followed and there are no material departures from the same;
- b. they have selected such accounting policies and applied them consistently and made judgments

and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;

- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. they have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

RISK MANAGEMENT

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

AUDITORS' REPORT

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

AUDITORS

The Auditors of the Company M/s. Praturi & Sriram, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting (AGM). As per the transition provisions of Sections 139, 141 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company recommends for members approval the re-appointment of the Auditors to hold office from the conclusion of the ensuing AGM until the conclusion of the third consecutive AGM hereafter (subject to ratification by the Members at every AGM). The Company has received a written consent and a certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and that they are not disqualified for such re-appointment.

COST AUDITOR

The Company has appointed M/s. A.S. Rao & Co. for conducting cost audit of plastic products for the financial year 2013-14.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended 31st March, 2013 was 30th September, 2013 and the cost audit reports were filed by the Cost Auditor on 30th September, 2013. The due date for filing the cost audit reports for the financial year ended March 31, 2014 is 30th September, 2014 and will be filed by the Company within the prescribed time limit.

CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC.

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

EMPLOYEE RELATIONS

Your Directors are pleased to record their sincere appreciation of the contribution by the workmen and

staff at all levels in the improved performance of the Company.

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

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and gratitude for all the assistance and support received from Citibank, Yes Bank and ICICI Bank and officials of concerned government departments for their co-operation and continued support extended to the Company. They also thank the customers and 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
2nd September, 2014

Annexure to the Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, forming part of Directors' Report

CONSERVATION OF ENERGY

The Company is engaged in the continuous review of energy costs, reduction in energy generation cost through improved operational and maintenance practices

A. Details of conservation of energy

Power & fuel consumption

Electricity	2013-14	2012-13
a. Purchased unit (KVAH) (Lakhs)	112	92
Total amount (₹ Lakhs)	821	602
Rate per unit (₹)	7.32	6.51
b. Own generation		
Diesel generation unit (Lakhs)	7	20
Total amount (₹ Lakhs)	107	307
Rate per unit (₹)	15.22	15.56

B. Technology absorption

Research and Development

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

C. Foreign exchange earnings and outgo (₹ Lakhs)

Foreign exchange earnings	147	218
Foreign exchange outgo	180	242

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2014.

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

Name	Age years	Qualifications	Date of employment	Designation	Gross remuneration ₹ Lakhs	Experience years	Last employment
A. Subramanyam	60	B.E.	1st April, 2007	Deputy Managing Director	93	30	Executive Director, Mold-Tek Technologies Limited
P. Venkateswara Rao	57	P.G. in Materials Management	1st April, 2007	Deputy Managing Director	76	26	Executive Director, Mold-Tek Technologies Limited

Annexure

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

S.No.	Description	Year ended 31st March, 2014
1.	Options granted during the year	Nil
2.	Pricing formula	Exercise price for the purpose of the grant of options shall be the price as reduced by around 60% of the closing market price of the equity shares of the Company available on the BSE on the date immediately preceding the grant date, subject to minimum of the face value of equity share. The exercise price shall be rounded off to the next rupee.
3.	Options vested	2,02,000
4.	Options exercised	22,950
5.	Options vested but not exercised	Nil
6.	Options forfeited	Nil
7.	Options lapsed	9,150
8.	Variation of terms of options	Nil
9.	Amount realized by exercise of options	5,96,700
10.	Total number of options in force	73,850
11.	Employee wise details of options granted to	
	a. Senior managerial personnel	Nil
	b. Junior management personnel/others	Nil
	c. Any other employee who receive a grant in any one year of option amounting to 5% or more of option granted during the year	Nil
12.	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share' (₹)	8.00
13.	Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the fair value basis.

14.	Difference between the employee compensation cost so computed at (i) above and the employee had it used the fair value of the option	₹74.64 Lakhs (increase) (₹6 lakhs for current year increase)
15.	The impact of this difference on profits and on EPS of the Company	
	Profit after Tax	₹9,07 lakhs
	Less: Additional employee compensation cost based on fair value	₹5 lakhs
	Adjusted PAT	₹9,12 lakhs
	Adjusted EPS (₹)	8.09
16.	Weighted-average exercise price and fair value of stock options granted:	
	● Stock options granted on	4th June, 2010
	● Weighted average exercise (₹)	26
	● Weighted average fair value (₹)	26
	● Closing price on BSE on the date of grant of option (₹)	62.95
17.	A description of the method and significant assumptions used during the year to estimate the fair values of options	As per pricing formula

Management Discussion and Analysis

OVERVIEW

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

ECONOMIC BACKGROUND

The economic slowdown bottomed out last year. A spell of global financial turbulence caused capital outflows and pressure on the exchange rate, but strong policy measures stabilised the currency, rebuilt reserves, and narrowed the excessive current account deficit. Weaknesses remain, however, including persistent inflation, fiscal imbalances & bottlenecks to investment, and inefficiencies that require structural reforms. With a systemic resolution to these, growth is forecast to pick up modestly.

There are downside risks to the economy arising from a poor monsoon, the external environment and the poor investment climate. GDP growth slowed to below 5% for two consecutive years, i.e. 2012-13 and 2013-14. The combination of domestic structural constraints, inflationary pressures, particularly food inflation and uncertainty in the global economy, has affected growth and posed challenges for macroeconomic stability.

Agriculture and allied sector grew at 4.7%, while industry grew only at 0.4% in 2013-14.

The key reasons for poor performance have been contraction in mining activities and deceleration in manufacturing output. Manufacturing and mining sector GDP declined by 0.7% and 1.4% respectively in 2013-14. The underlying cause of the poor performance of these two sectors has been considerable deceleration in investment, particularly by the private corporate sector during 2011-12 and 2012-13.

Consumer price inflation declined modestly from 10.21% during the financial year 2013-14 to about 9.49% in 2013-14. However, food inflation remained stubbornly high during the year. Contribution of the commodity sub-groups, 'fruits and vegetables', as well as 'egg, meat and fish' to the food inflation has been very high.

India's balance-of-payments position improved in 2013-14 with current account deficit (CAD) at \$32.4 billion (1.7% of GDP) as against \$88.2 billion (4.7% of GDP) in 2012-13.

The Economic Survey of the Government of India identifies the need to address long run problems to improve the investment climate. It emphasizes the need for creating a framework for low and stable inflation, setting public finances on a sustainable path by tax and expenditure reform, and creating the legal and institutional framework for a well-functioning market economy.

The Survey calls for putting public finances on the sustainable path through fiscal correction, a new Fiscal Responsibility and Budget Management (FRBM) Act with teeth, better accounting practices, greater transparency and improved budgetary management.

It argues that improvements on both tax and expenditure are needed to obtain high quality fiscal adjustment.

It is felt that the outlays for the different schemes have not often translated fully into outcomes owing to the poor delivery mechanism. Leveraging modern technology for efficient delivery of programs, removing the multiple layers of governance, simplifying procedures, and greater participatory role by the beneficiaries can help in creating a better delivery mechanism. Change in guard at the central government with strong political will and mandate has brought optimism across the business community.

PLASTIC INDUSTRY BACKGROUND & PERSPECTIVE

Introduction

The Indian plastics industry made a promising beginning in 1957 with the production of polystyrene. Thereafter, significant progress has been made and the industry has grown and diversified rapidly. Currently, the Indian plastics industry is spread across the country, employing about 4 million people and over 2,000 exporters. It operates more than 30,000 processing units, of which 85% to 90% are small and medium enterprises (SMEs).

Steady growth in exports

India is one of the most promising exporters of plastics among developing countries. The Indian plastics industry produces and exports a wide range of raw materials, plastic moulded extruded goods, polyester films, laminates, moulded/soft luggage items, writing instruments, plastic woven sacks and bags, PVC leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory/ medical surgical ware and travel ware, among other products.

Key markets and export destinations

- In 2012-13, exports of Indian plastics stood at over US\$ 7.2 billion, and is expected to reach the US\$ 10 billion by 2015-16.

- India's plastic exports are increasing at a high rate, as such, during May 2014 to June 2014, India exported plastic products worth US\$ 971,273, followed by Saudi Arabia and United States with exports valued at US\$ 200,316 and US\$ 174,471 respectively.
- Indian plastics exports have grown at a rate of 19.9% since 2007-08.

COMPANY PERSPECTIVE

Increasing adoption of IML decorated containers in food & FMCG will certainly accelerate IML product sales in the near future. In-house manufacturing of labels and robots considerably reduce the IML costs, hence improving EBIDTA margins. Most of the clients started shifting to IML decorated pails from traditional silk screen printing. As IML offers photographic finish and hands free operation, many paint, lube and food companies are gradually shifting to IML. This enables Mold-Tek to lead from the front, as it is way ahead of the rest of the competition in IML decoration in India.

Khandala plant capacity utilization reaching 100% and to meet further anticipated demand, this plant is being expanded by 40% with an outlay of ₹4 crore.

Low rupee value augurs well for focusing on exports mainly to nearby countries like Middle East. As indicated earlier, the Company kept on adding new robots manufactured in-house to enhance capacity to meet the growing demand for IML products. The Company has ordered and receiving by December 2014 another Rotogravure press & auxiliary equipment to double its IML label capacity. The Company is also expanding its tool room with about ₹4 crore investment in CNC high precision machine to produce complex moulds. The Company is also planning to start a pail manufacturing unit in North India to serve some of its major paint clients in North with an outlay of ₹10 crore.

Performance highlights

Customer groupwise performance ₹ Lakhs

Customer group	2013-14	2012-13	Growth %
Lube & oils	104,70	113,15	(7.47)
Paints	164,40	90,53	81.60
Food	4,41	2,19	101.37
Thin wall	6,00	6,00	-
Others	5,82	2,81	107.12
Total	285,33	214,68	32.91

Outlook

As anticipated sales grew by an impressive 33% last financial year and the first quarter of 2014-15 shows continuation of the same trend by registering 33% top line growth. IML adoption is improving in pails for paint & lube industry, considerable enquiries are being generated from food manufacturers like Cadbury, SKB, Heinz and Amul for new packing development concepts using IML. Though the food & FMCG contribution to sales is just around 5%, these sectors will be pursued and are expected to contribute significantly in the near future.

Risks and concerns

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

The Company continues its initiatives aimed at assessment and avoidance of various risks affecting

its business and towards cost control and efficiency across its businesses and functions, taking appropriate measures and reviewing them from time to time. The company's current and fixed assets as well as products are adequately insured against various risks.

Internal control systems and their adequacy

The Company maintains a system of well-established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness. The internal control system is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements.

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

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

Human resources

During the year under review, the Company had undertaken extensive steps in optimizing the manpower at our all 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.

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

BOARD OF DIRECTORS

Composition

Your Company's Board comprises of eight Directors comprising,

- 3 Executive Promoter Directors
- 1 Non-Executive, Promoter Director
- 4 Independent Directors

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

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

Board Meetings

The Board of Directors met 9 times during the financial year 2013-14:

5th May, 2013; 15th May, 2013; 27th May, 2013; 28th June, 2013; 1st August, 2013; 2nd September, 2013; 8th November, 2013; 8th February, 2014 and 24th March, 2014. The maximum gap between any two meetings was less than 4 months as stipulated under Clause 49 of the Listing Agreement.

Board Meetings/AGM - Attendance & directorships/committee memberships

Name of the Director	Category	Number of Board Meetings attended during the year	Whether attended last AGM on 30th September, 2013	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	9	No	1	-	-	-
A. Subramanyam (Deputy Managing Director)	Executive & Promoter Director	6	Yes	-	1	-	-
P. Venkateswara Rao (Deputy Managing Director)	Executive & Promoter Director	9	Yes	-	1	-	-
J. Mytraeyi	Non-Executive & Promoter Director	3	Yes	-	-	-	-
P. Shyam Sunder Rao	Non-Executive Independent Director	4	No	-	-	-	-
T. Venkateswara Rao	Non-Executive Independent Director	2	No	-	1	1	-
Dr. N.V.N. Varma	Non-Executive Independent Director	4	Yes	-	-	-	-
Vasu Prakash Chitturi	Non-Executive Independent Director	-	No	-	-	-	-

Note:

- The Directorships held by Directors mentioned above, 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 which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal accountants/internal auditors and overseeing the Company's accounting and financial reporting process and the audit of the Company's financial statements.

Composition & meeting

The Audit Committee comprises of 4 Non-Executive Directors and chaired by Mr. 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 meeting. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Five meetings of the Audit Committee were held during the financial year 2013-14. The dates on which the said meetings were held are as follows: 27th May 2013; 1st August, 2013; 2nd September, 2013; 8th November, 2013 and 8th February, 2014.

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

Name & category	Whether Chairman/Member	No of meetings attended during the year
P. Shyam Sunder Rao, Independent Non-Executive Director	Chairman	4
T. Venkateswara Rao, Independent Non-Executive Director	Member	2
Vasu Prakash Chitturi, Independent Non-Executive Director	Member	-
Dr. N.V.N. Varma, Independent Non-Executive Director	Member	4

Powers and terms of reference

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

REMUNERATION COMMITTEE

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

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

The terms of reference to the Remuneration Committee also includes:

- Recommend employees stock option scheme
- Administer the employee stock option schemes.

During the year, one Remuneration Committee meeting was held on 2nd September, 2013.

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

Name	Designation	Category	No. of meeting held	No of meeting attended
P. Shyam Sunder Rao	Chairman	Non-Executive Independent Director	1	1
T. Venkateswara Rao	Member	Non-Executive Independent Director	1	-
Vasu Prakash Chitturi	Member	Non-Executive Independent Director	1	-
Dr. N.V.N. Varma	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. The Company has not issued any stock options to its Directors.

Details of the remuneration of Non-Executive Directors and Executive Directors for the year ended 31st March, 2014 are as follows: ₹ Lakhs

Name	Salary	Perquisites & other benefits	Performance bonus/ commission	E.L. & gratuity	Sitting fees	Total
J. Lakshmana Rao (Chairman & Managing Director)	33.00	-	-	1.38	-	34.38
A. Subramanyam (Deputy Managing Director)	67.80	22.46	-	3.03	-	93.29
P. Venkateswara Rao (Deputy Managing Director)	44.40	22.20	7.89	1.85	-	76.34
J. Mytraeyi	-	-	-	-	0.10	0.10
P. Shyam Sunder Rao	-	-	-	-	0.40	0.40
T. Venkateswara Rao	-	-	-	-	0.20	0.20
Dr. N. V. N. Varma	-	-	-	-	0.15	0.15
Vasu Prakash Chitturi	-	-	-	-	-	-

Shareholding of the Directors of the Company as on 31st March, 2014

Name	No. of shares	% of share capital
J. Lakshmana Rao	12,61,476	11.19
A. Subramanyam	10,14,562	9.00
P. Venkateswara Rao	1,17,948	1.05
J. Mytraeyi	26,520	0.26
P. Shyam Sunder Rao	2,520	0.02
T. Venkateswara Rao	97,000	0.86
Dr. N. V. N. Varma	-	-
Vasu Prakash Chitturi	-	-

Non-Executive Directors did not hold any fully convertible warrants as on 31st March, 2014.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2014 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
Vasu Prakash Chitturi	Member	Non-Executive Independent Director
Dr. N. V. N. Varma	Member	Non-Executive Independent Director

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

The Shareholders'/Investors' Grievance Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, etc. It also approves share transfer and issue of share certificates. The status of complaint is also reported to the Board of Directors. During the year, 10 complaints were received and all 10 were resolved and none were pending as on 31st March, 2014.

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

Details of Annual/Extraordinary General Meetings

Location and time of general meetings held in past 3 years:

Year	Location	Date	Time
2010-11 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad - 500 081	19th September, 2011	11.00 a.m.
2011-12 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad - 500 081	22nd September, 2012	11.00 a.m.
2012-13 (AGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No.36, Jubilee Hills, Hyderabad - 500 033	30th September, 2013	11.00 a.m.

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

Disclosures

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

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

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

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

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

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

d . *Disclosure on Accounting Standard:*

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

e. *Disclosure of risk management:*

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

Management Discussion and Analysis

A Separate report on Management Discussion and analysis forms part of the Annual Report.

Means of communication

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

GENERAL SHAREHOLDER INFORMATION

17th Annual General Meeting

Date and time : 30th September, 2014 at 11:00 a.m.

Venue : Best Western Jubilee Ridge, Plot.No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033

Financial Calendar (2014-15)

The financial year of the company is 1st April to 31st March. For the year ending 31st March, 2015 quarterly un-audited/annual audited results shall be announced as follows:

Financial reporting for	Proposed date (Tentative)
Unaudited results for the quarter ending: 30th June, 2014	On or before 14th August, 2014
30th September, 2014	On or before 14th November, 2014
31st December, 2014	On or before 14th February, 2015
Audited results for the year ended 31st March, 2015	On or before 30th May, 2015

Book closure date : 26th September, 2014 to 30th September, 2014 (both days inclusive)

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

Listing of equity shares : BSE Limited, Mumbai (BSE)

Listing fees : Listing fee has been paid to BSE Limited for the year 2014-15

Stock code : 533080

ISIN : INE893J01011

CIN : L21022TG1997PLC026542

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

Month		BSE		
		High ₹	Low ₹	Volume of shares
2013	April	40.65	35.00	27,505
	May	51.00	35.05	20,093
	June	42.00	32.35	16,938
	July	42.20	34.50	11,679
	August	39.90	31.00	23,794
	September	38.00	31.10	48,411
	October	37.25	31.30	71,099
	November	39.90	29.10	69,279
	December	39.00	31.00	1,08,369
	2014	January	44.95	33.35
February		46.65	33.00	4,43,465
March		43.40	34.50	4,29,979

Investors' Correspondence/Registrar & Share Transfer Agent**XL Softech Systems Limited**

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

Tel : + 91 40 2354 5913/14/15

Fax : + 91 40 2355 3214

Email: xlfield@gmail.com

Shareholding pattern as on 31st March, 2014

Category	No. of shares held	Percentage of shareholding
Promoters	48,30,114	42.83
Banks, financial institutions, insurance companies, foreign institutional investors	5,26,363	4.67
Private bodies corporate	6,42,876	5.70
Indian public	51,32,898	45.52
NRI/OCBs	92,599	0.82
Clearing members	52,426	0.46
TOTAL	1,12,77,276	100.00

Distribution of shareholders as on 31st March, 2014

Shareholding ₹	Shareholders		Share value	
	Number	Percentage	₹	Percentage
Upto - 5,000	5,559	84.20	69,47,810	6.16
5,001 - 10,000	432	6.54	33,77,050	3.00
10,001 - 20,000	223	3.38	33,82,090	3.00
20,001 - 30,000	88	1.33	22,15,290	1.96
30,001 - 40,000	67	1.02	23,67,230	2.10
40,001 - 50,000	44	0.67	20,84,900	1.85
50,001 - 1,00,000	84	1.27	61,12,230	5.42
1,00,001 and above	105	1.59	8,62,86,160	76.51
TOTAL	6,602	100.00	11,27,72,760	100.00

Share transfer system

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

Dematerialization of shares

As on 31st March, 2014, NSDL & CSDL hold in demat form 1,05,10,403 equity shares of ₹10 each aggregating to 93.20% of the paid up capital & the rest 7,66,873 equity shares aggregating to 6.80% are in physical form.

ADR/GDR holding is Nil.

Equity shares in the suspense account

In terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in demat form and physical form, respectively:

Particulars	Demat		Physical	
	Number of shareholders	Number of equity shares	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2013	394	1,19,329	-	-
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	2	927	-	-
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year	-	-	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2014	392	1,18,402	-	-


Code of Conduct for the Board & senior management personnel

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

Declaration under Code of Conduct

As provided under Clause 49 of the Listing Agreement with the stock exchange, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Hyderabad
2nd September, 2014


J. LAKSHMANA RAO
Chairman & Managing Director

CEO/CFO Certification

The Managing Director and Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement as given below:

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

The Board of Directors
Mold-Tek Packaging Limited

We certify that:

1. We have reviewed the financial statements, read with the cash flow statement of Mold-Tek Packaging Limited (the Company) for the year ended 31st March, 2014 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements and other financial information included in this report present a true and fair view of Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
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.



A. SESHU KUMARI
Chief Financial Officer
Hyderabad
2nd September, 2014



J. LAKSHMANA RAO
Chairman & Managing Director

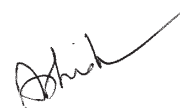
Certificate on Corporate Governance

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, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally

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

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



Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6687
CP No.: 7321

Hyderabad
2nd September, 2014

Independent Auditors' Report

The Members
M/s. Mold-Tek Packaging Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Mold-Tek Packaging Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

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

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

Opinion

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

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

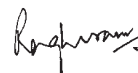
2. As required by Section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in

subsection(3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 and Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and

- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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



Sri Raghuram Praturi

Hyderabad
29th May, 2014

Partner
Membership No. 221770

The Annexure referred to in paragraph 1 of the our Report of even date to the members of Mold-Tek Packaging Limited on the accounts of the Company for the year ended 31st March, 2014

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:
 - a. The Company maintains a soft copy record of its depreciable assets, reflecting a year wise classification of assets of such category.
 - b. No physical verification of fixed assets but for the assets in one of its unit where fire accident took place, has been carried out by the management during the year ended 31st March, 2014.
 - c. During the year, we are informed, that the company has not disposed off a substantial part of its fixed assets.

2. In respect of its inventory
 - a. As per the explanations given to us, physical verification of raw materials, stocks in process, finished goods and other items of consumables inventory has been conducted by the management during the period at regular intervals . In our opinion, the frequency of such physical verification is reasonable.
 - b. The procedures for physical verification of inventory followed by the management, in our opinion, have scope for further improvement. Most of the procedures followed, are *prima facie* reasonable in relation to the size of the Company and the nature of the business at present.

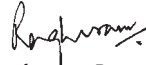
- c. The Company maintains excise related records for its raw materials and finished goods, which are reasonably properly maintained. For its semi finished (in-process) stocks, the records can be improved/bettered with respect to receipts, issues, balances being maintained in a chronological sequence, recording of movement & custody of such stocks as well as consumables inventory. We recommended the maintenance of a priced stores ledger, and a formal procedure for reconciliation of factory & accounts related inventory records.
- d. We are informed by the management that no material differences or discrepancies were noticed on physical verification of stocks with accounts related inventory records.
3. a. The Company has not granted/taken any loans, secured or unsecured to/from the companies, firms of other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except in respect of current account transactions with its associate/group company, M/s. Mold-Tek Technologies Limited.
- b. In respect of the debit balances and advances in the nature of loans, including amounts due on current accounts, no stipulations have been made as to repayments, and management expresses confidence in recovering the amounts due.
4. a. In our opinion, and according to the information and explanations given to us, there exist adequate internal control procedures commensurate with the size of the Company, and the nature of its business for the purchase of inventory & fixed assets and for the sale of goods and services.
- b. Certain areas/procedures and control weaknesses identified during the course of internal/statutory audit and other reviews need to be considered immediately for improvement and up-gradation to better levels.
- c. While we have not observed any continuing failure of intent to correct identified weaknesses in internal controls during the course of our audit, observations made need to be comprehensively addressed and rectified.
5. a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five Lakhs in respect of any party during the year, at prices which are *prima facie* reasonable having regard to prevailing market prices.
6. In our opinion and explanations given to us, the company has not invited or accepted any deposits from the public attracting the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board regarding compliance of above said provisions. However, security deposits received from employees ₹5.40 lakhs are not maintained in a separate bank account as stipulated in Section 417 of the Companies Act, 1956.
7. The Company presently has an internal audit conducted by an external agency, which needs to be reviewed for its depth & scope so as to make it commensurate with the size of the Company & the nature of its business.

8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company as per Cost Accounting Records Rules 2011. A suitable compliance/report in this regard is pending.
9. a. According to the records of the company furnished to us, the Company is regular in depositing undisputed statutory dues including, provident fund, employees state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues with delays of nominal nature.
- b. According to the information and explanations given by the management, there are no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty and cess which were in arrears as 31st March, 2014 for a period of more than six months from date they become payable.
- c. According to the information and explanations given to us, there are no material dues of wealth tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and sales tax are under dispute (issues under regular assessment not reported) as on date of Balance Sheet:

Name of the statute	Nature of dispute	Amount ₹	Period to which the payment relates (AY)	Forum where dispute is pending
Income Tax	Payment of advance tax	43,81,426	2008-09	The Commissioner of Income Tax (Appeals) - V
Income Tax	Payment of advance tax & MAT credit utilization	1,08,78,115	2009-10	Assistant Commissioner of Income Tax - Circle 16(2)
Income Tax	Long-term capital gain	2,23,550	2010-11	Assistant Commissioner of Income Tax - Circle 16(2)
Sales Tax - Andhra Pradesh	Sales Tax Incentive Scheme (Turnover)	Nil	1996-97	Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad
Sales Tax - Andhra Pradesh	Input VAT credit	16,30,409	2005-06	The High Court of Andhra Pradesh
Sales Tax - Andhra Pradesh	Input VAT credit	7,56,184	2006-07	Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad
Sales Tax - Andhra Pradesh	Excess input tax credit claimed	5,58,366	2005-06	Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad
Sales Tax - Andhra Pradesh	Excess input tax credit claimed	11,29,228	2006-07	Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad

10. The Company has no accumulated losses at the end of the financial year under review. The Company has not incurred cash losses during the financial year covered by our audit, and also in the previous financial year.
11. In our opinion and according to the information and explanations given to us, there are no defaults on dues payable to institutions/bank/others on the date of the Balance Sheet.
12. We are informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. We are informed that the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans availed have generally been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that during the report under review, long term funds, of ₹2,31.61 lakhs have been used for short term purpose and no interest on such long term funds utilised for short term purpose has been capitalised.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. According to information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.
20. According to information and explanations given to us, the Company has not raised monies by means of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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



Sri Raghuram Praturi

Partner

Hyderabad
29th May, 2014

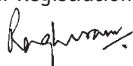
Membership No. 221770

Balance Sheet as at 31st March, 2014

₹ Lakhs

	Notes	As at 31st March	
		2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	11,28	11,25
Reserves & surplus	4	41,22	37,84
Non-current liabilities			
Long-term borrowings	5	19,49	21,82
Other long-term liabilities	6	22	23
Long-term provisions	7	1,17	1,02
Deferred tax liabilities (Net)	8	4,37	1,22
Current liabilities			
Short-term borrowings	9	46,02	44,66
Trade payables	10	17,41	11,28
Other current liabilities	11	15,86	10,34
Short-term provisions	12	8,56	5,25
TOTAL		165,60	144,91
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		71,84	70,05
Capital work-in-progress		2,49	2,59
Leasehold building		20	23
Non-current investments	14	3,16	3,16
Long-term loans & advances	15	2,46	2,01
Other non-current assets	16	41	48
Current assets			
Inventories	17	28,29	23,61
Trade receivables	18	42,20	35,03
Cash and cash equivalents	19	61	43
Short-term loans & advances	20	7,36	7,00
Other current assets	21	6,58	32
TOTAL		165,60	144,91

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




Sri Raghuram Praturi

Partner

Membership No. 221770

Hyderabad, 29th May, 2014

for and on behalf of the Board of Directors



A. SUBRAMANYAM

Deputy Managing Director



J. LAKSHMANA RAO

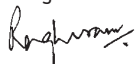
Chairman & Managing Director

Statement of Profit and Loss for the year ended 31st March, 2014

₹ Lakhs

	Notes	For the year ended 31st March	
		2014	2013
INCOME			
Sales			
Domestic sales		283,86	212,50
Less: Excise duty		30,21	22,66
Export sales		<u>1,47</u>	<u>2,18</u>
Other income	22	51	31
Changes in inventories	23	3,85	3,85
TOTAL		<u>259,48</u>	<u>196,18</u>
EXPENDITURE			
Material consumed	24	172,12	128,45
Employees remuneration & benefits	25	19,67	15,32
Selling & distribution expenses	26	18,78	14,77
Interest & financial charges	27	8,40	5,80
Other expenses	28	18,87	17,30
Preliminary & deferred expenses written off	29	1	4
Depreciation	13	6,95	5,46
TOTAL		<u>244,80</u>	<u>187,14</u>
Profit before prior period adjustments & tax		14,68	9,04
Prior period adjustments	30	19	23
Extraordinary item	30	60	-
Profit before tax		<u>13,89</u>	<u>8,81</u>
Provision for current tax		4,36	1,81
Provision for deferred tax		46	1,22
Profit transferred to Balance Sheet		<u>9,07</u>	<u>5,78</u>
Earning per share (Annualised) (₹) Basic		8.05	5.14
(₹) Diluted		8.00	5.09

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



Sri Raghuram Praturi

Partner

Membership No. 221770

Hyderabad, 29th May, 2014

for and on behalf of the Board of Directors



A. SUBRAMANYAM

Deputy Managing Director



J. LAKSHMANA RAO

Chairman & Managing Director

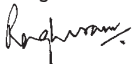
Cash Flow Statement for the year ended 31st March, 2014 ₹ Lakhs

	For the year ended 31st March			
	2014		2013	
A. CASH FLOW FROM OPERATIONS				
Net profit as per Statement of Profit and Loss		14,68		9,04
Adjustment for				
Depreciation		7,18		5,69
Preliminary expenses & deferred expenses		1		4
Interest paid		8,40	15,59	5,80
Operating profit before working capital changes		30,27		11,53
Adjustment for				
Trade and other receivables		(7,17)		(6,40)
Inventories		(4,68)		(3,35)
Trade payables		6,13		80
Other liabilities & short-term provisions		7,71		89
Loans & advances & other assets		(6,62)		45
Non-current assets		(39)	(5,02)	1,33
Cash generated from operations		25,25		(6,28)
				14,29
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of fixed assets		(11,14)		(31,35)
Sale of/destroyed fixed assets		2,20		2,22
Capital work-in-progress and pending capitalisation		10	(8,84)	8,23
		16,41		(20,90)
				(6,61)

₹ Lakhs

	For the year ended 31st March	
	2014	2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Earlier years excess dividend provided adjusted against reserves	65	-
Share capital	3	4
Securities premium & capital reserve	12	20
Employee stock expenses outstanding	(6)	3
Provision for taxation	(4,36)	(3,03)
Provision for proposed dividend	(3,38)	(2,81)
Additions/repayment of loans	29	18,82
Provision for corporate dividend tax	(58)	(46)
Interest paid	(8,40)	(5,80)
Prior period & extraordinary items	(54)	(23)
	(16,23)	6,76
Net Increase in cash & cash equivalents	18	15
Opening balance of cash & cash equivalents	43	28
Closing balance of cash & cash equivalents	61	43

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




Sri Raghuram Praturi

Partner

Membership No. 221770

Hyderabad, 29th May, 2014

for and on behalf of the Board of Directors



A. SUBRAMANYAM

Deputy Managing Director



J. LAKSHMANA RAO

Chairman & Managing Director

Notes to the Balance Sheet & Statement of Profit and Loss

1. SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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 in accordance with Accounting Standards 10 and 26 issued by ICAI. 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.

C. Depreciation

Straight-line method of depreciation is adopted on the basis of and at rates prescribed by Schedule XIV to the Companies Act, 1956 except for

leasehold buildings, wherein depreciation is provided on the basis of estimated useful life.

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

D. Impairment of assets

The Company periodically tests its assets for impairment and if the carrying values are found in excess of value in use the same is charged to the Statement of Profit and Loss as per AS 28. The impaired loss charged to Statement of Profit and Loss will be reversed to that extent in the year in of change in estimate of value in use.

E. Investments

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

F. Inventories

Inventories are valued as follows:

Raw material	At lower of applicable weighted average of landed cost net of CENVAT benefits or market value.
Finished goods	At lower of applicable weighted average cost (including conversion costs) or market value.
Work-in-process	At applicable weighted average cost including conversion costs to the stage of manufacture.
Returned goods	At applicable raw material cost net of estimated reprocessing cost.
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 and excludes interest on borrowings.

G. Interest and financial charges

- a. Documentation, commitment and service charges other than for term loans are spread over the tenure of the finance facility.
- b. Interest on hire purchase finance is charged to the Statement of Profit and Loss as per Accounting Standard Accounting for leases issued by ICAI.

H. Loans under deferred credit/hire purchase

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

I. Revenue recognition

Turnover includes excise duties, sales tax/VAT collections, and freight recoveries; reduced by sale returns and quantity discounts. Excise duty is excluded as a separate line item. Dividend income is recognised when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

J. Employee benefits

a. Gratuity

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

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

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

Liabilities with regard to the gratuity plan are determined by actuarial valuation at each balance sheet date using the projected unit credit method as per the Accounting Standard 15. The Company contributes the ascertained liabilities to the 'Mold-Tek Packaging Limited Employees Gratuity Trust' (The Trust). Trustees administer contributions made to the Trust and contributions are deposited in a scheme with Life Insurance Corporation as permitted by the law.

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

Leave encashment in accordance with the policy of the Company and are provided based on the actuarial valuation as pronounced in Accounting Standard 15 of ICAI.

d. Employee share based payments

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the guidance note on Accounting for Employee Share Based Payments', issued by the Institute of Chartered Accountants of India (ICAI). The excess of market value of the stock on the date of grant over the exercise price of the option is recognized as deferred employee stock compensation and is charged to the Statement of Profit and Loss

on straight-line method over the vesting period of the options or on exercising of the options. The unamortised portion of cost is shown under stock options outstanding. In case of lapsed options, the compensation expenses charged earlier are reversed along with balance of deferred employee compensation pertaining to such lapsed options.

K. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange gains or losses on recognition of transaction within the accounting year relating to fixed assets are capitalized while in respect of others the impact is recognized in the Statement of Profit and Loss. Outstanding monetary transactions denominated in foreign currencies at the year end are restated at year end rates.

L. Taxes on income

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax provisioning on account of timing difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

M. Miscellaneous expenditure

Preliminary expenses are amortized over a period of 5 years.

N. Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The rental obligations, net of interest charges, are reflected in loans and advances. Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made over the lease term.

O. Earnings per share

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

P. Contingent liabilities & assets

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

Notes to the Balance Sheet & Statement of Profit and Loss

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

3. SHARE CAPITAL

₹ Lakhs

	As at 31st March	
	2014	2013
a. Authorised		
1,35,00,000 equity shares of ₹10 each (March 31, 2013: 1,35,00,000 equity shares of ₹10 each)	13,50	13,50
	13,50	13,50
b. Issued, subscribed and paid up		
1,12,77,276 equity shares of ₹10 each (March 31, 2013: 1,12,54,326 equity shares of ₹10 each)	11,28	11,25
	11,28	11,25

- 3.1 79,95,776 equity shares out of the issued, subscribed and paid up share capital were allotted in the financial year 2008-09 pursuant to the Scheme of Arrangement without payments being received in cash.
- 3.2 12,40,000 equity shares of ₹10 each issued at a premium of ₹30 per share on 7th September, 2011 by way of preferential offer.
- 3.3 19,25,000 equity shares of ₹10 each issued at a premium of ₹35.80 per share on 4th February, 2012 by way of preferential offer.
- 3.4 46,625 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 6th July, 2011 by way of Employee Stock Option Scheme.
- 3.5 9,125 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 19th December, 2011 by way of Employee Stock Option Scheme.
- 3.6 37,800 equity shares of ₹10 each issued at a premium of ₹52.95 per share 10th July, 2012 by way of Employee Stock Option Scheme
- 3.7 22,950 equity shares of ₹10 each issued at a premium of ₹52.95 per share 29th June, 2013 by way of Employee Stock Option Scheme

Disclosure pursuant to Note no. 6(A) of Part I of Schedule VI to the Companies Act, 1956

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

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,12,54,326	11,25,43,260	1,12,16,526	11,21,65,260
Add: Shares issued on exercise of Employee Stock Option Scheme	22,950	2,29,500	37,800	3,78,000
Shares outstanding at the end of the year	1,12,77,276	11,27,72,760	1,12,54,326	11,25,43,260

The details of shareholders holding more than 5% shares

Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% Held	No. of shares	% Held
J. Lakshmana Rao	12,61,476	11.19	12,61,476	11.20
A. Subramanyam	10,14,562	9.00	10,14,562	9.01
J. Sudharani	6,60,019	5.85	5,70,019	5.06

MTPL Employee Stock Option Scheme

In respect of 2,02,000 Options granted to employees on 4th June, 2010 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹26 per option, the discount value (₹36.95) of Option is accounted as deferred employee compensation, amortised on a straight line basis over the vesting period.

	As at 31st March	
	2014	2013
Options outstanding, beginning of the year	1,05,950	1,46,250
Add: Granted	-	-
Less: Exercised	22,950	37,800
Less: Lapsed	9,150	2,500
Options outstanding, end of the year	73,850	1,05,950

During the year, 22,950 shares have been allotted to the employees against options exercised by them. 9,150 options pertaining to employees who left during the year have been lapsed as they have not exercised the option as on the date of their resignation and the employee compensation expenses pertaining these lapsed options, charged earlier against profits of the Company have been reversed along with the balance of deferred employee compensation pertaining to those options.

4. RESERVES & SURPLUS

₹ Lakhs

	As at 31st March, 2014		As at 31st March, 2013	
Capital reserve		49		49
Securities premium				
Opening balance	23,14		22,94	
Add: During the year	12	23,26	20	23,14
General reserve				
Opening balance	7,59		6,72	
Add: Transfer from profit for the year	1,36	8,95	87	7,59
Share Options outstanding account				
Opening balance	33		30	
Add: Current year transfer	5		17	
Less: Written back in current year	11	27	14	33
Surplus				
Opening balance	6,29		4,65	
Less: Defered tax of before demerger	2,44		-	
Add: Previous year dividend excess provision	65		-	
Add: Profit for the year	9,07		5,78	
	13,57		10,43	
Less: Appropriations				
Interim dividend on equity shares	1,69		1,12	
Proposed final dividend on equity shares	1,69		1,69	
Tax on dividend	58		46	
General reserve	1,36		87	
	5,32	8,25	4,14	6,29
TOTAL		41,22		37,84

The Board of Directors at their meeting held on 14th May, 2014 and 29th May, 2014 has recommended an interim dividend of ₹1.5 and a final dividend of ₹1.5 per equity share.

During the year, the Company has adjusted an amount of ₹2,44 lakhs towards deferred tax liability pertaining to the period prior to demerger, from the opening balance of surplus account.

5. LONG-TERM BORROWINGS

	As at 31st March, 2014		As at 31st March, 2013	
	Non-current	Current	Non-current	Current
Secured loans				
Term loan from banks	11,83	6,01	13,04	4,34
Hire purchases loans	18	14	16	45
	12,01	6,15	13,20	4,79
Unsecured loans				
Sales tax deferment	7,48	1,14	8,62	1,24
TOTAL	19,49	7,29	21,82	6,03

The amounts shown under the column 'current', above, ₹7,29 lakhs pertain to the repayment commitments of the Company during the next 12 months.

5.1 Secured loans

Term loans from bank

As at the year end the company has a total secured term borrowings of ₹17,84 lakhs [ICICI Bank ₹6,12 lakhs (includes ₹6,00 lakhs borrowed during the reported year for modernisation of existing facilities) and Citibank ₹11,72 lakhs]. The same have been classified under non-current (₹11,83 lakhs) and current liabilities (₹6,01 lakhs).

The following assets of the Company are impacted by the said securitization:

- a. Citibank has first exclusive charge by way of equitable mortgage on the factory land & buildings situated at Survey No.82/2A, Mhavashi Village, Khandala (Taluk), Satara District, Maharashtra State, belonging to the Company.
- b. Citibank has first exclusive charge on plant & machinery and other fixed assets of Satara plant.
- c. Both ICICI Bank and Citibank have equal *pari passu* charge by way of equitable mortgage on the factory land & building situated at Survey No.160/A, 161/1, 161/5, Bhimpore Village, Nani Daman, Diu & Daman, belonging to the Company (for only term loan of ₹13,04 lakhs from both the banks).
- d. Both ICICI Bank and Citibank have first *pari passu* charge on plant & machinery and other movable fixed assets of Daman plant.
- e. Second *pari passu* charge on present and future stocks and book debts of the Company.
- f. Movable fixed assets of the Company except at Daman.

Hire purchase loans

The Company has been availing hire purchase loans for vehicles from various financial institutions with a tenor of 36 to 60 installments. As at the year end, the Company has total hire purchase loans of ₹32 lakhs which have been classified under non-current liabilities (₹18 lakhs) and current liabilities (₹14 lakhs).

5.2 Unsecured loans

The Government of Andhra Pradesh has extended the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax payment attributable to the sales effected out of production is deferred (interest-free) for a period of 14 years. The Company has availed this scheme for production facility of its 2nd expansion at Annaram unit for ₹7,51 lakhs and production facility at Dommarapochampally unit for ₹4,22 lakhs.

The sales tax payment deferred in each year is repayable after the expiry of the deferment period. The Company has completed its 14 years period for both these units. The Company has been repaying installments of the deferred sales tax in accordance with the scheme. The total sales tax deferral amounts as on 31st March, 2014 stand at ₹8,62 lakhs classified under non-current ₹7,48 lakhs and current liabilities ₹1,14 lakhs (₹1,14 lakhs paid on 20th April, 2014).

6. OTHER LONG-TERM LIABILITIES

₹ Lakhs

	As at 31st March	
	2014	2013
Deposits transfer from Strongpet amalgamation	3	3
Deposits collected from jobworkers & employees	19	20
TOTAL	22	23

The above figures include security deposits collected from job workers & employees which will be repaid on successful completion of contracted terms.

7. LONG-TERM PROVISIONS

	As at 31st March	
	2014	2013
Gratuity (funded ₹27 Lakhs)	85	83
Leave encashment (unfunded)	32	19
TOTAL	1,17	1,02

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined plan. The present value of obligation is determined based on actuarial valuation as per Accounting Standard 15.

With respect to leave encashment, the Company has an existing provision of ₹25 lakhs at the beginning of the year. In the absence of actuarial valuation, the Company during the year has provided the differential amount of ₹14 lakhs (₹16 lakhs less paid during the year ₹2 lakhs - current value of accumulated leaves to date ₹39 lakhs towards the end of the year) of which the value pertaining to earlier years ₹9 lakhs has been considered in prior period adjustment.

Reconciliation of employee benefits

	As at 31st March, 2014		As at 31st March, 2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Balance at beginning of year	93	25	83	21
Benefits paid	(8)	(2)	(1)	(2)
	85	23	82	19
Current service cost	17	7	11	6
Prior period adjustment	-	9	-	-
Balance as on 31st March	102	39	93	25

Reconciliation of gratuity funded at Life Insurance Corporation of India

	As at 31st March	
	2014	2013
Opening balance as on 1st April	25	13
Amount credited towards fund	9	11
Amount paid as claim	(9)	(1)
Interest credited for the year	2	2
Closing balance as on 31st March	27	25

8. DEFERRED TAX LIABILITY (NET)

The cumulative deferred tax liability as on 31st March, 2014 stands at of ₹4,37 lakhs which includes an amount of ₹2,44 lakhs pertaining to liability prior to demerger. The same has been now adjusted to reserves and surplus account. In addition to the existing opening provision of ₹1,22 lakhs towards deferred tax liability, the company during the year has provided ₹46 lakhs. An amount of ₹25 lakhs pertaining to earlier years (post demerger) which was underprovided in earlier years, has been considered as prior period adjustments.

9. SHORT-TERM BORROWINGS

₹ Lakhs

	As at 31st March, 2014		As at 31st March, 2013	
Secured loans				
ICICI Bank - Cash credit	15,58		14,09	
Yes Bank - Cash credit	5,45		-	
Citibank - Cash credit	24,99	46,02	24,57	38,66
Overdraft				
ICICI Bank	-		1,00	
Citibank	-	-	5,00	6,00
TOTAL		46,02		44,66

The Company under multiple banking facilities is availing working capital requirements from Citibank & ICICI Bank and Yes Bank. During the year, the Company has availed a working capital of ₹6 crore from Yes Bank Limited.

As at the year end, the Company has a total secured short term borrowings of ₹46.5 crore comprising of ₹15.5 crore from ICICI Bank (₹15 crore fund based & ₹0.5 crore non-fund based), ₹25 crore of fund based limits from Citibank and ₹6 crore of fund based limits from Yes Bank (31st March, 2013: ₹40.50 crore - ₹40 crore fund based and ₹0.5 crore non-fund based).

Working capital facilities from the banks are secured by hypothecation on the following assets of the Company:

- First *pari passu* charge to three banks by way of hypothecation of the borrower's entire current assets which *inter alia* include stocks of raw material, work in process, finished goods, consumable stores & spares and such other movables including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- First *pari passu* charge to ICICI & Citibank and second *pari passu* charge to Yes Bank by way of hypothecation of the borrower's movable fixed assets of the Company (Except those specifically charged for the term loans).
- First *pari passu* charge to ICICI & Citibank by way of equitable mortgage on the following immovable assets of the Company:
 - First charge by way of equitable mortgage of land measuring 6.5125 acres & building in Sy.No. 54,55/A,70, 71&72 of Annaram Village Near Air Force Academy, Jinnaram Mandal, Medak District, Telangana, belonging to the Company.
 - First charge by way of equitable mortgage of land measuring 6,413 sq. yards & and building in Sy.No. 164 part, Dammarapochampally Village, Qutubullapur, Ranga Reddy District, Telangana, belonging to the Company.
 - First charge by way of equitable mortgage of land measuring 1,066.63 sq. yards & buildings in Plot No. D-177 phase III, IDA, Jeedimetla, Qutballapur Mandal, Ranga Reddy District, Telangana belonging to the Company.

4. First charge by way of equitable mortgage of ground floor, cellar area of building bearing Municipal No. 8-2-293/82/A/700&700/1 on Plot No. 700 forming part of Sy. No. 120 (New) of Shaikpet Village and Sy. No. 102/1 of Hakimpet Village admeasuring 3,653 sft of the office space presently occupied by the vendee 50% or 930 sft of reception area of 1,860 sft all in relevance to the Ground Floor 400 sq. yards out of 1,955 sq. yds situated within the approved layout of the Jubilee Hills Co-operative House Building Limited at Road No. 36, Jubilee Hills, Hyderabad belonging to the Company.
- d. Personal guarantees of J. Lakshmana Rao, A. Subramanyam, P. Venkateswara Rao and J. Mytreyi, Directors of the Company.

10. TRADE PAYABLES

₹ Lakhs

	As at 31st March	
	2014	2013
Creditors for goods	14,31	8,43
Creditors for expenses	3,10	2,85
TOTAL	17,41	11,28

Creditor balances are subject to confirmation and realisation.

11. OTHER CURRENT LIABILITIES

	As at 31st March	
	2014	2013
Current maturities of long-term debt (Refer Note 5)	7,29	6,03
Duties & taxes (Including excise & service tax)	98	17
Advances received from customers	66	31
Interest accrued but not due	5	5
Unpaid dividend	60	57
Outstanding expenses payable	2,21	2,04
Provision for Daman unit repairs	2,54	-
TDS payable	14	8
Employee salaries, benefits & contributions payable	1,39	1,09
TOTAL	15,86	10,34

Unpaid dividend balance of ₹60 lakhs, pertains to dividend relating to earlier years which includes ₹18 lakhs pending transfer to trust in terms of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.

Provision for Daman unit buildings is pertaining to repairs for damages caused due to fire accident which is based on the estimated cost mentioned in insurance surveyors report.

12. SHORT-TERM PROVISIONS

	As at 31st March	
	2014	2013
Provision for gratuity (unfunded)	17	11
Provision for leave encashment (unfunded)	7	6
Provision for proposed dividend & tax thereon	3,96	3,27
Provision for current year income tax	4,36	1,81
TOTAL	8,56	5,25

₹ Lakhs

13. FIXED ASSETS

	Gross block			Depreciation			Net block	
	As on 1st April, 2013	Additions	Deletions	As on 31st March, 2014	For the period	Deletions	As on 31st March, 2014	As on 31st March, 2013
TANGIBLE ASSETS								
Land	6,59	52	-	7,11	-	-	7,11	6,59
Building	20,06	1,52	-	21,58	66	-	18,65	17,79
Leasehold improvements	30	-	-	30	3	-	20	23
Plant and machinery	53,51	4,72	3,90	54,33	4,15	2,22	31,63	32,74
Moulds	11,77	3,08	32	14,53	1,46	14	7,45	6,01
Electrical installations	3,46	17	21	3,42	28	3	2,19	2,48
Works equipments & instruments	85	22	1	1,06	9	1	77	64
Office equipments	39	15	-	54	5	-	42	32
Computers & software	1,01	24	1	1,24	17	-	82	76
Furniture & fixtures	99	32	14	1,17	6	1	93	80
Vehicles	2,55	20	4	2,71	23	2	1,87	1,92
TOTAL	101,48	11,14	4,63	107,99	7,18	2,43	72,04	70,28
Previous year	73,03	31,35	2,90	101,48	5,69	68	31,20	70,28

Depreciation of ₹23 lakhs has been capitalised, since the concerned assets used for the purpose of generating in-house assets during the year.

CAPITAL WORK-IN-PROGRESS & EXPENDITURE PENDING ALLOCATION

	As on 1st April, 2013	Additions during the year	Capitalised during the year	As on 31st March, 2014
Capital work-in-progress Unit 1, 2, 4 & 6	2,03	7,90	7,57	2,36
Capital work-in-progress Daman (New)	56	3,14	3,57	13
TOTAL	2,59	11,04	11,14	2,49
Previous year	10,82	23,12	31,35	2,59

In the opinion of the management, there are no assets of the Company carried in the financial statements whose value in use stands diminished vis-à-vis their carrying cost, and hence no provision or charge off is considered necessary.

14. NON-CURRENT INVESTMENTS

₹ Lakhs

	As at 31st March	
	2014	2013
In equity shares (quoted) (at cost)		
4,23,433 Equity shares of Mold-Tek Technologies Limited (31st March, 2013: 4,23,433)	3,16	3,16
TOTAL	3,16	3,16

15. LONG-TERM LOANS AND ADVANCES (Unsecured & considered good)

	As at 31st March	
	2014	2013
Deposits with government bodies	79	77
Capital advances	85	51
Other deposits	82	73
TOTAL	2,46	2,01

Deposits with government bodies include amounts parked as security deposit with electricity departments (₹78 lakhs) of state governments where in the manufacturing facilities are situated. Other deposits include EMD and security deposits of ₹54 lakhs with customers and rental deposits of ₹25 lakhs. Capital advances includes payment of ₹70 lakhs for acquisition machinery and ₹15 lakhs for acquiring licenses and implementing ERP.

16. OTHER NON-CURRENT ASSETS

	As at 31st March	
	2014	2013
Preliminary expenses	–	1
Employee gratuity trust (Funded)	27	25
Deferred interest	5	5
Margin money & fixed deposits	9	17
TOTAL	41	48

17. INVENTORIES

	As at 31st March	
	2014	2013
Raw materials	5,33	5,70
Finished goods	6,40	4,58
Work-in-process	9,83	7,87
Packing material & consumable stores	5,77	4,71
Residue damaged by fire	14	–
Sale-in-transit (value of goods at cost)	82	75
TOTAL	28,29	23,61

Inventory quantities & values as at the balance sheet date are as certified by the management. Material damaged in fire includes damaged raw material, work in progress, finished goods and metal scrap which are stated at net realizable value. The Company has settled excise duty claims on these damaged stocks including metal remains as per the prevailing excise law.

18. TRADE RECEIVABLES

₹ Lakhs

	As at 31st March	
	2014	2013
(Unsecured)		
Over six months		
Considered good	42	43
Considered doubtful	33	14
Provision for Doubtful Debts	(33)	(14)
Others		
Considered good	41,78	34,60
TOTAL	42,20	35,03

Sundry debtors are subject to confirmation and reconciliation. Sundry debtors include an amount of ₹75 lakhs outstanding for more than 6 months against which a provision for ₹33 lakhs has been made, and doubtful debts amounting ₹21 lakhs written off during the year. However, the management expresses confidence in the recovery of the balance overdues.

19. CASH AND CASH EQUIVALENTS

	As at 31st March	
	2014	2013
Cash in hand	4	3
Current & dividend accounts	57	40
TOTAL	61	43

20. SHORT-TERM LOANS AND ADVANCES

	As at 31st March	
	2014	2013
(Unsecured and considered good)		
Deposits with excise authorities	2,20	2,12
Advance tax & TDS receivable	3,47	2,78
Prepaid expenses	39	26
Staff advances	20	20
Advance to suppliers & others	1,10	1,68
Mold-Tek Technologies Limited (Related party)	-	(4)
TOTAL	7,36	7,00

21. OTHER CURRENT ASSETS

₹ Lakhs

	As at 31st March	
	2014	2013
Fire insurance claim receivable	6,25	–
Interest receivable on electricity deposits	5	4
Others (Employee welfare trust)	28	28
TOTAL	6,58	32

The Company during the financial year suffered fire accident in its Daman unit, due to which a few fixed and current assets were damaged either partially or completely. The Company lodged a final claim for ₹6,99 lakhs against which an amount of ₹6,25 lakhs has been settled for by the insurance company, leaving damaged stock to the Company which is valued at ₹14 lakhs (included under inventories), resulting in a net loss of ₹60 lakhs (reported under extraordinary items).

96,480 shares of Mold-Tek Plastics Limited, vested in the Company in accordance with the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh, are pending for transfer into a separate trust along with dividend for financial years 2007-08, 2008-09, 2009-10, 2010-11, 2012-13 and 2013-14.

22. OTHER INCOME

	Year ended	
	2014	2013
Sale of scrap & others	2	1
Product development charges	24	–
Rent received	2	2
Dividend received	9	4
Exchange rate fluctuation	5	10
Interest received	9	14
TOTAL	51	31

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

	Year ended	
	2014	2013
Finished goods/sales-in-transit		
Opening stock		
Finished goods	5,33	3,59
Work-in-process	7,87	5,76
	13,20	9,35
Closing stock		
Finished goods	7,22	5,33
Work-in-process	9,83	7,87
	17,05	13,20
TOTAL	3,85	3,85

24. MATERIAL CONSUMED

₹ Lakhs

	Year ended	
	2014	2013
Raw material		
Opening stock	5,70	7,27
Add: Purchases	144,96	105,63
Less: Closing stock	5,33	5,70
Master batch	4,63	4,66
Handles	7,12	6,48
Printing material	9,01	5,58
Others	54	38
	166,63	124,30
Consumables & spares	1,17	52
Packing materials	4,32	3,63
TOTAL	172,12	128,45

25. EMPLOYEE REMUNERATION & BENEFITS

	Year ended	
	2014	2013
Salaries, wages, allowances & bonus	16,23	12,48
Contribution to provident fund & ESIC	54	47
Welfare expenses	1,10	84
Gratuity	24	17
Employees stock options	5	17
Directors' remuneration & perquisites	1,51	1,19
TOTAL	19,67	15,32

Directors' remuneration & perquisites include an amount of ₹6 Lakhs pertaining to leave encashment of the reported year.

Managerial remuneration

Particulars of remuneration paid/payable to Directors

	2013-14	2012-13
Salary and allowances	177	165
Medical reimbursement	3	1
Electricity & water	4	2
Other perquisites	5	1
Commission	8	-
Leave encashment	6	-
Gratuity	1	15
Sitting fees	1	1
TOTAL	205	185

Remuneration includes a sum of ₹54 lakhs capitalised during the year.

26. SELLING & DISTRIBUTION EXPENSES

₹ Lakhs

	Year ended	
	2014	2013
Carriage outwards	9,70	9,35
Sales promotion & commission	19	32
Advertisement expenses	2	1
Sales tax	8,87	5,09
TOTAL	18,78	14,77

27. INTEREST & FINANCIAL CHARGES

	Year ended	
	2014	2013
Interest on term loans	2,62	1,33
Interest on working capital	5,33	4,34
Interest on HP loans and other financial charges	45	13
TOTAL	8,40	5,80

28. OTHER EXPENSES

	Year ended	
	2014	2013
Manufacturing expenses		
Power & fuel	9,27	8,83
Jobwork charges	2,19	2,48
Repairs & maintenance - machinery	1,29	1,10
- moulds	39	35
Administrative expenses		
Rent	60	53
Rates & taxes	22	17
Insurance	31	27
Communication expenses	40	30
Electricity charges	19	15
Travelling expenses & conveyance		
- Foreign travel	14	29
- Travelling and conveyance - others	87	71
Printing & stationery	22	20
Repairs & maintenance		
- Buildings	8	6
- Others	1,04	73
Professional charges	25	20
Payment to auditors	9	8
Bank charges	28	21
Loss on sale of assets	28	12
Provision/written off for bad debts	41	14
Exchange rate fluctuation	2	3
General expenses	33	35
TOTAL	18,87	17,30

Payments to auditor

	₹ Lakhs	
	2013-14	2012-13
Statutory audit & tax audit fee including quarterly reviews	7	6
Retainer fee for tax and other matters	2	2
TOTAL	9	8

29. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF

	Year ended	
	2014	2013
Opening balance at beginning of the year	1	5
Less: Written off during the year	1	4
TOTAL	-	1

30. PRIOR PERIOD ADJUSTMENTS AND EXTRAORDINARY ITEM

Prior period adjustments include deferred tax liability of ₹25 lakhs pertaining to earlier years (post demerger), ₹9 lakhs against leave encashment for employees pertaining to earlier years and income of ₹23 lakhs refunds received from electricity department against payments of previous year.

The net loss suffered by the Company of ₹60 lakhs after considering the net realizable value of partially damaged material at ₹14 lakhs. The amount has been reported as extraordinary item as per Para 4.2 of Accounting Standard 5.

31. EVENTS OCCURRING AFTER THE BALANCE SHEET (2013-14)

All the numbers have been considered in the financial statements as per Para 3.2 of Accounting Standard 4.

32. CONTINGENT LIABILITIES
a. Bank guarantees

The Company has provided bank guarantees to the tune of ₹45 lakhs comprising of bid securities and performance guarantees given to its customers/prospective customers.

b. Export obligations

The Company has a cumulative export obligation to the tune of \$18 lakhs (₹9,34 lakhs) as on 31st March, 2014 the particulars of which are as below:

- i. Of the total obligation \$9 lakhs (₹4,07 lakhs) was against the licenses utilised against import of machinery by erstwhile Mold-Tek Technologies Limited. The Company has fulfilled the export obligations against these licenses by March 31, 2011. The details have been submitted to customs department for redemption of licenses. Including the licenses amounting to \$3 lakhs redeemed in the previous year, further licenses amounting to \$2 lakhs (₹98 lakhs) have been redeemed during the year and redemption licenses for the balance \$4 lakhs (₹1,63 lakhs) is awaited.
- ii. Further, licenses granted under EPCG Scheme for import of machinery for which guarantee bonds valuing ₹96 lakhs were issued to customs department. The Company has an export obligation of \$9 lakhs (₹5,27 lakhs) against these licenses utilized for imports. The Company till the end of the year under review has fulfilled an obligation amounting to \$6 lakhs (₹3,08 lakhs) including that of \$3 lakhs (₹1,61 lakhs) fulfilled during this year. The balance export obligation of \$3 lakhs (₹2,19 lakhs) has to be fulfilled by March 31, 2020.
- c. No contingent liability is considered towards rebates availed on power bills in earlier years and short payments arising as a consequence thereof.

33. EARNINGS PER SHARE

	2013-14	2012-13
Profit available for equity share holders (₹)	9,07,41,787	5,77,98,281
Weighted average number of equity shares outstanding for BEPS	1,12,71,743	1,12,44,591
Weighted average number of potential equity shares, warrants and ESOPs outstanding	73,850	1,05,950
Weighted average number of equity shares for DEPS	1,13,45,593	1,13,50,541
Earning per share - Face value of ₹10		
- Basic ₹	8.05	5.14
- Diluted ₹	8.00	5.09

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

Plastic components	Opening stock 01.04.2013	Production including reprocessing	Closing stock 31.03.2014	Sales
Pails	11,01,378	3,89,49,804	15,69,689	3,84,81,493
Thin wall	25,373	76,34,186	4,08,470	72,51,089
Others	16,261	-	-	16,261

b. Consumption of materials

	2013-14		2012-13	
	Kgs	₹ Lakhs	Kgs	₹ Lakhs
PPCP/PP	1,29,97,001	130,56	1,05,59,750	93,45
LDPE/LLDPE	12,97,566	13,16	12,94,216	11,23
HDPE	1,15,354	1,12	2,20,307	1,83
LG Hips & Engage	45,161	49	71,692	69
Consumables		1,18		52
Packing materials		4,31		3,63
Others		21,30		17,10
TOTAL	1,44,55,082	172,12	1,21,45,965	1,28,45

c. CIF value of imports

	2013-14	2012-13
Raw materials & Bopp film	53	72
Capital goods & maintenance spares	1,13	1,35
Others	-	6
TOTAL	1,66	2,13

d. Earnings in foreign currency (on accrual basis)		₹ Lakhs	
	2013-14	2012-13	
FOB value of exports	1,47	2,18	

e. Expenditure in foreign currency		₹ Lakhs	
	2013-14	2012-13	
Travelling	14	29	

35. RELATED PARTY DISCLOSURES

1. Related parties and nature of relationship

Mold-Tek Technologies Limited	Associate
Friends Packaging Industries	Relative of director
Tarus Industries	Relative of director
Capricorn Industries	Relative of director
J.S. Sundaram & Co.	Relative of director

2. Key Management Personnel

J. Lakshmana Rao	Chairman & Managing Director
A. Subramanyam	Deputy Managing Director
P. Venkateswara Rao	Deputy Managing Director

3. Relatives of Key Management Personnel

A. Seshu Kumari	Finance Controller
J. Navya Mythri	Assistant Finance Controller

Related party transactions

₹ Lakhs

	Related party		Relative of key management personnel		Key management personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Purchases						
Friends Packaging Industries	1,82	1,65				
Tarus Industries	-	19				
Capricorn Industries	1,31	82				
Services received						
J.S. Sundaram & Co.	8	-				
Remuneration						
J. Lakshmana Rao					34	33
A. Subramanyam					93	84
P. Venkateswara Rao					76	52
Gratuity & Leave encashment						
J. Lakshmana Rao					1	-
A. Subramanyam					3	8
P. Venkateswara Rao					2	6

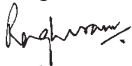
(Contd.)

Related party transactions (Contd.)

₹ Lakhs

	Related party		Relative of key management personnel		Key management personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Dividend						
J. Lakshmana Rao					25	32
A. Subramanyam					20	25
P. Venkateswara Rao					2	3
A. Seshu Kumari			8	10		
Salaries						
A. Seshu Kumari			11	11		
J. Navya Mythri			7	4		
Rent paid						
A. Seshu Kumari			10	8		
Rent Received						
Friends Packaging Industries	2	2				
Personal guarantee given to bank						
J. Lakshmana Rao					9,56	840
A. Subramanyam					7,13	7,20
P. Venkateswara Rao					77	51
J. Mytraeyi					40	93
Other transactions						
Mold-Tek Technologies Limited	4	(2)				
Outstanding payable as at 31st March, 2014						
Friends Packaging Industries	25	11				
Capricon Industries	-	4				
J.S. Sundaram & Co.	3	-				
Mold Tek Technologies Limited	-	4				
Interest						
Mold-Tek Technologies Limited	4	(6)				

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



Sri Raghuram Praturi

Partner

Membership No. 221770


Hyderabad, 29th May, 2014

for and on behalf of the Board of Directors



A. SUBRAMANYAM

Deputy Managing Director



J. LAKSHMANA RAO

Chairman & Managing Director



MOLD-TEK

Packaging Limited

CIN: L21022TG1997PLC026542

Regd office: 8-2-293/82/A/700, Ground Floor, Road No 36, Jubilee Hills, Hyderabad- 500 033

Tel: + 91 4030 0300 | Fax: + 91 40 4030 0328

Website: www.moldtekindia.com | Email: ir@moldtekindia.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name and address of the Member(s) _____

E-mail ID: _____ Folio No./ DP ID & Client ID: _____

No. of shares held: _____

I/We, being the member(s) of Mold-Tek Packaging Limited, hereby appoint

1. Name _____ E-mail ID: _____

Address: _____

Signature: _____

Or failing him/her:

2. Name _____ E-mail ID: _____

Address: _____

Signature: _____

Or failing him/her:

3. Name _____ E-mail ID: _____

Address: _____

Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company at Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033 on Tuesday, 30th day of September, 2014 at 11:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014, Statement of Profit and Loss for the year ended 31st March, 2014 and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2014.
3. To appoint a Director in place of A. Subramanyam (DIN 00654046), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Praturi & Sriram & Co., Chartered Accountants (ICAI Firm Registration No. 002739S).

(Contd.)

Special Business

5. To appoint Vasu Prakash Chitturi (DIN: 02196411), who was appointed as a Director liable to retire by rotation, as an Independent Director.
6. To appoint Dr. N. V. N. Varma (DIN: 02861521), who was appointed as a Director liable to retire by rotation, as an Independent Director.
7. To appoint P. Shyam Sunder Rao (DIN: 01770064), who was appointed as a Director liable to retire by rotation, as an Independent Director.
8. To appoint T. Venkateswara Rao (DIN: 00572657), who was appointed as a Director liable to retire by rotation, as an Independent Director.
9. To borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.
10. To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
11. To re-appointment of M/s. A. S. Rao & Co., Cost Accountants as Cost Auditors of the Company.
12. To approve revision of remuneration of P. Venkateswara Rao, Deputy Managing Director of the Company.

Signed this _____ day of _____ 2014

Affix 15 P. Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office: 8-2-293/82/A/700, Ground Floor, Road No 36, Jubilee Hills, Hyderabad - 500 033, not less than 48 hours before the commencement of the meeting.
2. Members who have multiple folios with different joint holders may use copies of this proxy.



MOLD-TEK

Packaging Limited



CIN: L21022TG1997PLC026542

Regd office: 8-2-293/82/A/700, Ground Floor, Road No 36, Jubilee Hills, Hyderabad- 500 033

Tel: + 91 4030 0300 | Fax: + 91 40 4030 0328

Website: www.moldtekindia.com | Email: ir@moldtekindia.com

ATTENDANCE SLIP

(To be presented at the entrance)

17th ANNUAL GENERAL MEETING

Folio No/ DPID & Client ID :

No. of shares held:

Name and address
of the Member(s) :

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company at Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033 at 11:00 a.m. on Tuesday, 30th day of September, 2014.

Name of the attended Member/Proxy

Signature of the attended Member/Proxy

- Note:**
- a. Only Member/proxy can attend the meeting.
 - b. Member/Proxy should bring his/her copy of the annual report for reference at the Meeting.
 - c. Members who have multiple folios with different joint holders may use copies of this Attendance Slip.





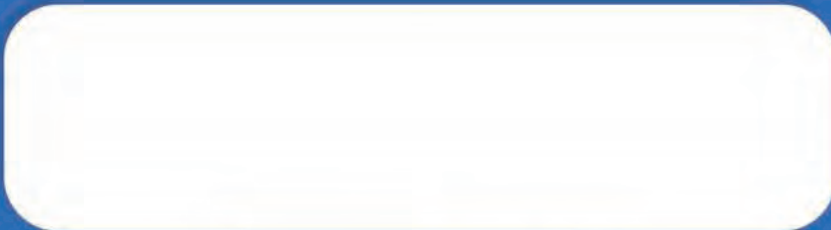
A few of our IML pails





"Earth provides enough to satisfy every man's need, but not every man's greed."

- Mahatma Gandhi



If undelivered, Please return to



Plot # 700, Road No. 36, Jubilee Hills, Hyderabad - 500 033.
Phone : +91 40 4030 0300/01/02/03/04, Fax: +91 40 4030 0328