



MOLD-TEK

Packaging Limited

(formerly known as MOLD-TEK PLASTICS LIMITED)

An ISO-9001:2008 Company

15th

Annual Report 2011-12

For innovative packaging **solutions...**



ANNUAL REPORT
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Board of Directors

J. Lakshmana Rao, Chairman & Managing Director

A. Subrahmanyam, Deputy Managing Director

P. Venkateswara Rao, Deputy Managing Director

J. Mytraeyi, Non-Executive Director

Dr. T. Venkateswara Rao, Non-Executive Director

Vasu Prakash Chitturi, Non-Executive Director

P. Shyam Sunder Rao, Non-Executive Director

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

Statutory Auditors

Praturi & Sriram
Chartered Accountants
201, Sapthagiri Residency
1-10-98/A, Chikoti Gardens
Begumpet, Hyderabad - 500 016

Internal Auditors

GMK Associates
Chartered Accountants
607, Raghava Ratna Towers
Chirag Ali Lane
Hyderabad - 500 001

Bankers

Citibank
ICICI Bank Limited

Legal Advisor

M. Radhakrishna Murthy, Advocate
Vidya Nagar, Hyderabad

Registered Office

Plot # 700, Road No. 36,
Jubilee Hills, Hyderabad - 500 033
Phone + 91 40 4030 0300/01/02/03/04
Fax + 91 40 4030 0328
E-mail ir@moldtekindia.com
finance@moldtekindia.com

Works

Unit I

Annaram Village
Near Air Force Academy
Jinnaram Mandal
Medak District,
Andhra Pradesh

Unit III

Survey No. 160-A, 161-1, & 161-5,
Kund Falla, Behind Hotel Hilltop,
Near Coastal Highway,
Bhimpore, Nani Daman,
Daman - 396210.

Unit V

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

Unit II

Survey No.164/Part,
Dommarapochampally Village
Quthbullapur Mandal
Ranga Reddy District,
Andhra Pradesh

Unit IV

Survey No. 79,
Alinagar, Jinnaram Mandal
Medak District,
Andhra Pradesh

Unit VI

Survey No.586 to 589/Part,
Dundigal Village, Near SGS
Ashram, Quthbullapur Mandal,
Ranga Reddy District,
Andhra Pradesh

FIVE YEAR PERFORMANCE REVIEW

₹ Lakhs

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

Notice

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

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



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
2nd August, 2012

NOTES

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

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

10. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take a note of the same.
11. Members are requested to note that as per Section 205A of the Companies Act, 1956

dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. Members who have not yet encashed the Dividend warrant(s) for the year 2005-06 to 2010-11 are requested to forward their claims to the Company's Registrar and Share Transfer Agent. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.

12. The Certificate from the Auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended, and in accordance with the resolutions of the Members passed at the general meetings will be available for inspection by the Members at the AGM.

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

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

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

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

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

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

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

The Board recommends the Resolution for approval of the Members.

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



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
2nd August, 2012

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

Directors' Report

Dear Members,

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

FINANCIAL RESULTS

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

₹ Lakhs

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

RESULTS OF OPERATIONS

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

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

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

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

FUTURE PROSPECTS

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

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

DIVIDEND

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

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

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

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

CREDIT RATING

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

TRANSFER TO RESERVES

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

ALLOTMENT OF EQUITY SHARES

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

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

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

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