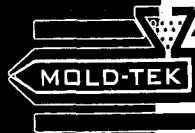


*Secure solutions for your packaging needs...*

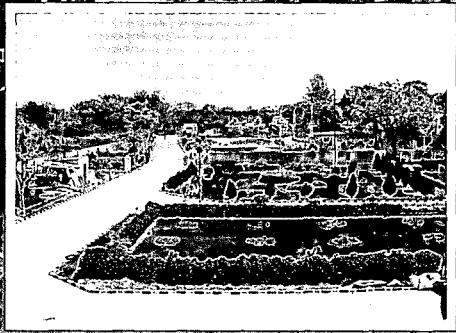
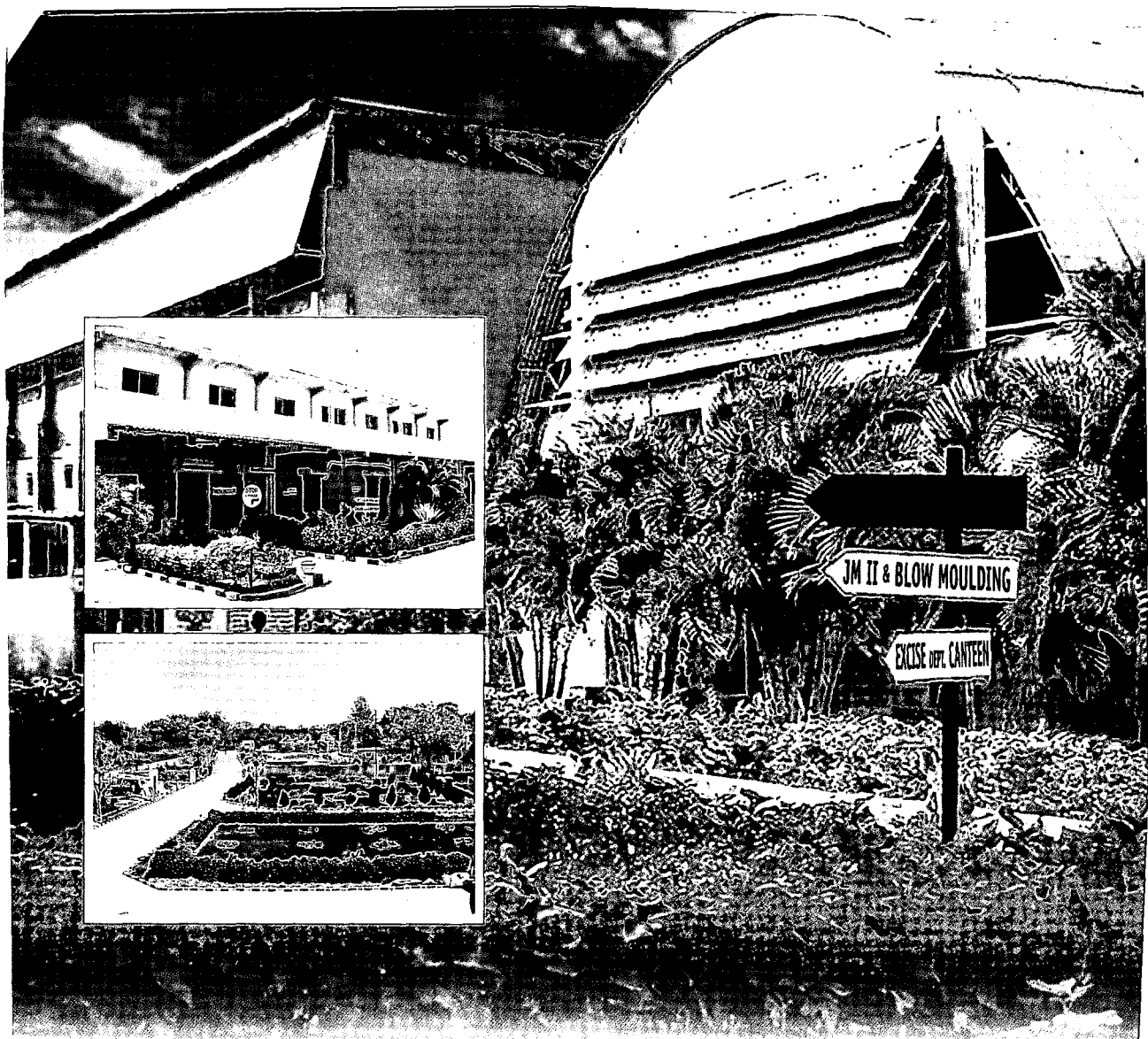


**MOLDTEK**  
*Plastic Solutions*

An ISO-9001:2000 Company



12th Annual Report  
2008-2009



Our facilities

ANNUAL REPORT  
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## Board of Directors

(As at 28th August, 2009)

**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

**M. Hyma**, Non-Executive Director

**P. Shyam Sundar Rao**, Non-Executive Director

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### Statutory Auditors

Praturi & Sriram

Chartered Accountants

201, Saphthagiri 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

ICICI Bank Limited

### Legal Advisor

M. Radhakrishna Murthy, Advocate

Vidya Nagar, Hyderabad

---

### Registered Office

Plot # 700, Road No. 36,

Jubilee Hills, Hyderabad - 500 033

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

Fax + 91 40 4030 0328

E-mail [ir@moldtekindia.com](mailto:ir@moldtekindia.com)

[finance@moldtekindia.com](mailto:finance@moldtekindia.com)

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### Works

#### Unit I

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

#### Unit II

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

#### Unit III

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

#### Unit IV

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

## Notice

NOTICE is hereby given that the 12th Annual General Meeting of the Members of **MOLDTEK PLASTICS LIMITED** will be held on Thursday, the **24th day of September, 2009 at 10.30 a.m. at Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2009 and Profit and Loss Account for the period ended 31st March, 2009 along with the schedules and other statements and Auditors' Report and Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2009.
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 M/s. 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. APPOINTMENT OF P. SHYAM SUNDER RAO AS DIRECTOR

**To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 36 of the Articles of Association of the Company, P. Shyam Sunder Rao who was appointed as an Additional Director of the Company by the Board on 31st January, 2009 and who holds office upto the date of this

Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT in modification to the resolution passed by the Members of the Company at the 11th Annual General Meeting held on 30th October, 2008 and subject to the approval of Central Government, if required, and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII 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 of remuneration to A. Subrahmanyam, Deputy Managing Director of the Company from Rs.2,80,000 per month to Rs.3,30,000 per month plus perquisites for the period from 1st April, 2009 to 31st March, 2013 in the following manner and that he shall be holding office of the Deputy Managing Director for the remaining period of his tenure:

##### a. Salary:

The Company shall pay to A. Subrahmanyam in consideration of the performance of his duties a salary of Rs.3,30,000 per month, in the scale of Rs.3,30,000-65,000-5,25,000.

##### b. Perquisites & Allowances:

In addition to the above salary, A. Subrahmanyam 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.

f. Commission:

In addition to the salary and perquisites as above, A. Subrahmanyam shall be entitled to commission at the rate of 1% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956.

d. Other Benefits:

In addition to the above salary and perquisites, A. Subrahmanyam shall be entitled to the following annual benefits which shall not be included in the computation of the ceiling of remuneration specified in paragraph (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: A. Subrahmanyam 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 A. Subrahmanyam.

e. A. Subrahmanyam 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.

g. Minimum Remuneration:

Where in any financial year during the currency of the tenure of A. Subrahmanyam, the Company has no profits or its profits are inadequate, the Company shall pay to A. Subrahmanyam remuneration by way of salary and perquisites not exceeding the limits specified herein above.

"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 authorized 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.

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

"RESOLVED THAT in modification to the resolution passed by the members of the Company at the 11th Annual General Meeting held on 30th October, 2008 and subject to the approval of Central Government, if required, and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII 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 of remuneration to P. Venkateswara Rao, Deputy Managing Director of the Company from Rs.1,80,000 per month to Rs.2,10,000 per month plus perquisites for the period from 1st April, 2009 to 31st March, 2013 in the following manner and that he shall be holding office of the Deputy Managing Director for the remaining period of his tenure:

**a. Salary:**

The Company shall pay to P. Venkateswara Rao in consideration of the performance of his duties a salary of Rs.2,10,000 per month, in the scale of Rs.2,10,000-40,000-3,30,000.

**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 salary per month.

**c. Commission:**

In addition to the salary and perquisites as above, Shri 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 309(5) of the Companies Act, 1956.

**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 paragraph (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.

g. Minimum Remuneration:

Where in any financial year during the currency of the tenure of P. Venkateswara Rao, the Company has no profits or its profits are inadequate, the Company shall pay to P. Venkateswara Rao remuneration by way of salary and perquisites not exceeding the limits specified herein above.

"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 authorized 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.

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 approval of the

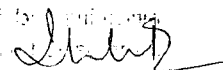
Central Government and pursuant to sub-section 1(B) of Section 314 and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to appoint A. Seshu Kumari as Finance Controller, holding office of profit under the Company, she being a relative of the A. Subrahmanyam, Deputy Managing Director of the Company, for a period of five years with effect from 1st April, 2009, on a monthly remuneration of Rs.60,000 per month including all perquisites, in the scale of Rs.60,000-10,000-90,000.

"RESOLVED FURTHER that A. Seshu Kumari, 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.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized 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 **MOLDTEK PLASTICS LIMITED**



Hyderabad **J. LAKSHMANA RAO**  
28th August, 2009 Chairman & Managing Director

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL, TO VOTE INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Explanatory Statement relating to Item Nos.6 to 9 of the Special Business of the Meeting referred to above, is annexed to this Notice as required by Section 173(2) of the Companies Act, 1956.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2009 to 24th September, 2009 (both days inclusive).
4. The dividend, after declaration, will be paid to those shareholders whose name stand on the Register Members as on 21st September, 2009. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares, whose names appear in the list furnished by the depositories for this purpose as on 21st September, 2009.
5. The Securities and Exchange Board of India had made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through electronic clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details if available on the payment instrument for distribution of dividend.
6. You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed/unpaid at the expiry of seven years from the date that becomes due for payment are required to be transferred by the Company to the Investor Education and Protection Fund under Section 205C in terms of Section 205A of the Companies Act, 1956.
7. Members who hold shares in dematerialized form are requested to write their client ID and DP ID. Those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
8. Members holding shares in physical form are requested to notify/send any change in their address to the Company's Share Transfer Agents, or to the Company at its Registered Office. Members holding shares in dematerialization form, are requested to notify/send any changes in their address to the concerned depository participant(s).
9. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s. XL Softech Systems Limited, 3, Sagar Society, Road No. 2, Hyderabad - 500 034, Andhra Pradesh, the Registrar and Share Transfer Agent of the Company.



10. Members/Proxies are requested to bring duly filled attendance slip for attending the Meeting.
11. Members are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the meeting.
12. 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).
13. Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, the information about the Directors proposed to be appointed/reappointed are provided in the Report on Corporate Governance forming part of the Annual Report.

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## EXPLANATORY STATEMENT

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

### Items 6

P. Shyam Sunder Rao was co-opted by the Board as an Additional Director during the year. In terms of the Articles 36 of the Articles of Association of the Company, his term of office expires at the conclusion of the Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 along with the requisite deposit have been received from the members proposing the his appointment as Director of the Company, whose period of office shall be liable to determination of retirement of Director by rotation. The particulars of P. Shyam Sunder Rao are detailed in the Report on Corporate Governance, which is herewith annexed.

Your Directors recommend the Resolution for your approval.

None of the Directors of the Company except P. Shyam Sunder Rao is concerned or interested in the resolution.

### Item Nos.7 and 8

A. Subrahmanyam and P. Venkateswara Rao were appointed as Executive Director and Wholetime Director of the Company for a period of 5 years with effect from 27th August, 2008 and the Members of the Company approved their appointments at the 11th Annual General Meeting held on 30th October, 2008.

The above appointees are redesignated as Deputy Managing Directors.

Members may be aware that there has been substantial increase in the overall growth and volume of business of the Company. In view of the increased volume of business, the duties and responsibilities of Executive Director and Wholetime Director have also increased manifold and therefore the Board at its Meeting held on 30th March, 2009 decided to compensate them adequately and increased their remuneration with effect from 1st April, 2009 on the terms and conditions set out in the resolutions. The Remuneration Committee at its meeting held on 30th July, 2009 reviewed the remuneration payable to A. Subrahmanyam and P. Venkateswara Rao keeping in view 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 Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956 approval of the Members of the Company is required for revised remuneration payable to A. Subrahmanyam and P. Venkateswara Rao. Further as the remuneration proposed exceeds the limits prescribed under Schedule XIII, approval of Central Government i.e., Ministry of Corporate Affairs is required. Hence the Resolutions are placed before you for approval.

The general information as required pursuant to Clause 1(B)(iv) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is contained in the statement annexed hereto.

The Explanatory Statement together with the accompanying Notice should be treated as abstracts of the terms of agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

None of the Directors except J. Lakshmana Rao, A. Subrahmanyam, P. Venkateswara Rao and J. Mytraeyi shall be deemed to be interested in the said Resolutions.

**Item No.9**

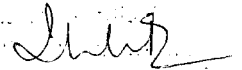
The Board of Directors at their meeting held on 30th March, 2009 have approved the appointment of A. Seshu Kumari, wife of A. Subrahmanyam, Deputy Managing Director of the Company, as Financial Controller with effect from 1st April, 2009. The terms as to remuneration and perquisites payable to her on appointment are set out in the Resolution.

As the total monthly remuneration to A. Seshu Kumari exceeds Rs.50,000 per month, approval of the Central Government and approval of the shareholders by way of Special Resolution is required under provisions of Section 314 of the Companies Act, 1956. The remuneration presently proposed compares fairly with the remuneration being paid to professional holding similar positions in the Company and in the corporate sector.

The Board recommends the Resolution for approval of the Members.

None of the Directors except J. Lakshmana Rao, A. Subrahmanyam and J. Mytraeyi being related to A. Seshu Kumari may be deemed to be interested in the proposed Resolution.

By Order of the Board  
for **MOLDTEK PLASTICS LIMITED**



Hyderabad  
28th August, 2009 **J. LAKSHMANA RAO**  
Chairman & Managing Director

## Annexure referred to in the Explanatory Statement

Statement containing the information as required per Notification No.G.S.R.36(E) dated January 16, 2002 amending Schedule XIII to the Companies, Act, 1956 in respect of increase in remuneration to A. Subrahmanyam and P. Venkateswara Rao.

### I. 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:

Particulars	Rs. Lakhs	
	2008-09	2007-08
Turnover	11279.44	9728.64
Net Profit before interest, Depreciation & Tax	1017.43	803.74
Net Profit as per Profit and Loss Account	435.66	381.54
Amount of dividend	159.92	158.92
Rate of dividend declared	20%	20%

The Company, after rescheduling of its debts, has not made any default in the repayment of its dues (including public deposits) or interest payments thereon.

5. Exports performance and net foreign exchange earnings for the year ended 31st March, 2009 is Rs.397.02 lakhs.
6. Foreign investments or collaborations, if any: Nil.

### II. INFORMATION ABOUT THE APPOINTEES

1. Background, Details:

**P. Shyamsundar Rao**, vide Item 6 of the Notice of this Annual General Meeting of the Company, the approval of Members is being sought for appointment as Non-executive Independent director. He is aged 67 years, is a Chartered Accountant, and has 36 years of professional experience.

**A. Subrahmanyam**, vide Item 7 of the Notice of this Annual General Meeting of the Company, the approval of Members is being sought for re-appointment and payment of remuneration to A. Subrahmanyam; Deputy Managing Director. He is aged 55 years and has obtained his Bachelors Degree from Regional Engineering College, Suratkal in 1978. He worked in Nizam Sugar Ltd and ACC Ltd for a period of three years in the maintenance and workshop functions. He then joined a commercial tool room as its Works Manager and was responsible for manufacturing many precision tools including moulds. After three years in the tool room, he completed diploma course in mould design and manufacturing from Central Institute of Plastic Engineering & Technology (CIPET) Chennai.

He joined J. Lakshmana Rao in promoting Moldtek. As Deputy Managing Director, he looks after production, planning and control of manufacturing activities. He also oversees CNC programming and machine and mould manufacturing activities.

**P. Venkateswara Rao**, vide Item 8 of the Notice of this Annual General Meeting of the Company, the approval of Members is being sought for re-appointment and payment of remuneration to P. Venkateswara Rao as Deputy Managing Director aged 52 years obtained post graduate in materials management. He has 21 years of industrial experience and has been associated with the Company since its inception (before demerger) and is conversant with all aspects of the management and the affairs of the Company.

2. Past Remuneration:

Presently A. Subramanyam and P. Venkateswara Rao are entitled for a remuneration of Rs.36.00 lakhs p.a. and Rs.24.78 lakhs p.a., respectively.

3. Recognition or awards: Nil

4. Job Profile and his suitability:

A. Subramanyam looks after production, planning and control of manufacturing activities. His expertise is in overseeing CNC programming and machine and mould manufacturing activities.

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 them 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, they are 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 them from the Company, they do not have any pecuniary relationship, directly or indirectly with the Company.

### III. OTHER INFORMATION

1. Reasons for inadequate profits:

In view of wide fluctuation in raw material prices (variance in the year was from Rs.44,800 per ton to Rs.96,000 per ton), the profitability could not be predicted as per estimates.

2. Steps taken or proposed to be taken for improvement:

We are fixing monthly raw material based pricing with all major clients to make our profitability estimates more accurate.

We are studying the various methods to improvising the processing efficiency in moulds, proficiency to control manufacturing costs etc.

3. Expected increase in productivity and profits in measurable terms:

In the current year, increased capacity utilization may result in higher profitability of about 8 to 10% on sales.

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2009.

### Financial Results

The performance during the period ended 31st March 2009 has been as under:

Rs. Lakhs

Particulars	Year ended	
	March 31, 2009	March 31, 2008
Sales	11279.44	9728.63
Other Income	9.79	13.18
Total Income	11289.23	9741.81
Profit before Interest, Depreciation & Tax	1017.43	803.74
Interest	264.88	148.09
Depreciation & Preliminary Expenses written off	316.88	274.12
Profit before Tax	435.66	381.53
Provision for Deferred Tax	49.37	49.60
Profit after Tax	386.29	331.93
Profit/(Loss) brought forward from previous year	(315.20)	(402.61)
Profit/(Loss) available for appropriation	71.09	(70.68)
<b>Appropriation</b>		
Extraordinary Items	(18.70)	(0.81)
Transferred to General Reserve	(55.14)	(57.78)
Proposed dividend	(159.91)	(158.92)
Corporate dividend tax	(27.17)	(27.01)
Balance Carried forward	(189.83)	(315.20)

### Review of Operations

Your Company recorded 15.94% growth in turnover for the year at Rs.11279.44 lakhs and 16.37% growth in profit after tax for the year at Rs.386.49 lakhs.

### FUTURE OUTLOOK

Last year, your Company has entered high value pharma packing products by setting up a 'Class 10,000' manufacturing facility and started supplying 2 types of packaging products to its German client M/s. M.G.Sterile Products AG. Your Company hopes to

substantially increase sales and export of these products in the year 2009-10.

Further, your Company also got an order to supply about 10 million Aloe Vera Packing jars per annum. Apart from these, M/s. Kansai Nerolac Paints Limited, largest paint manufacturer in India has given a go-ahead to your Company, to set up a dedicated unit at Hosur where their new world class paint plant is being setup. The plant is expected to be set up by the end of 2009 and supplies are planned to be started soon thereafter. This order is worth around Rs.15 crore

per annum initially and may grow to Rs.25 crore per annum from 2011.

Your Company is also planning to add 8 more new injection molding machines at its Hyderabad and Daman plants for modernizing and increasing capacity by about 25%. This will enable your Company to meet the increasing demand for its products and also reduce costs.

Apart from these projects introduction of new 6 & 8.5 ltr. pails for lubes and new 20 ltr "Olympia" pails for oleo resins and chemicals are expected to fuel further growth in the coming years.

### **DIVIDEND**

Considering the performance during the year under review, your Directors recommended a Dividend of Rs.2 per share (20%) for the year ended 31st March, 2009 which will entail an outflow of Rs.187.09 lakhs, inclusive of tax thereon.

### **SCHEME OF ARRANGEMENT**

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

- process of creation of Trust and transfer the shares to the same;
- process of splitting of limits of both companies with ICICI Bank;
- process of transfer of deferment loan/facilities to your Company;
- process of transfer/mutation of corporate property to your Company.

### **FIXED DEPOSITS**

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

### **INTERNAL CONTROL SYSTEMS**

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

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

### **CORPORATE GOVERNANCE**

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

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

### **DIRECTORS**

A. Subrahmanyam, Executive Director and P. Venkateswara Rao, Director - Commercial were redesignated as Deputy Managing Directors.

In terms of Section 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, J. Mytraeyi and Dr. T. Venkateswara Rao, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

P. Appa Rao and C. Prabhakar Rao, resigned from the post of Directorship of the Company with effect from 31st January, 2009 and 30th July, 2009 respectively. Your Director's place on record their appreciation of the valuable services and guidance provided by them as Directors of the Company.

## RISK MANAGEMENT

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

## AUDITORS' REPORT

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

Your Company is in the process of transfer of unpaid dividend to Investor Education and Protection Fund.

## AUDITORS

M/s.Praturi & Sriram, Chartered Accountants, Auditors of the Company retire at the Annual General Meeting and the Company has received certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Members are requested to re-appoint them and to authorize the Board to fix their remuneration.

## DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your Directors confirm that:

- a. in the preparation of the accounts for the financial year ended 31st March, 2009 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;and,

- d. the Directors have prepared the accounts for the financial year ended 31st March 2009 on a going concern basis.

## 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

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

For and on behalf of the Board of Directors



(J. LAKSHMANA RAO)

Chairman, & Managing Director

Hyderabad  
28th August, 2009

## Annexure to the Directors' Report

### A. Details of Conservation Of Energy

Power & fuel consumption

Electricity	2008-09	2007-08
a. Purchased unit (KWH)-(Lakhs)	70.98	74.81
Total amount (Rs. Lakhs)	250.93	255.48
Rate per unit (Rs.)	3.54	3.41
b. Own Generation		
Diesel Generation unit- (Lakhs)	5.41	8.86
Total amount (Rs. Lakhs)	47.52	37.09
Rate per unit (Rs.)	8.77	4.19

### 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

		Rs. Lakhs
FOB Value of Exports	397.02	146.61
Foreign Exchange earnings	397.02	146.61
Foreign Exchange outgo	180.37	223.54

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 2009.

Name	Age	Qualifications	Date of Employment	Designation	Gross Remuneration Rs. Lakhs	Experience	Last Employment
A. Subrahmanyam	54	B.E.	1st April, 2007	Deputy Managing Director	35.94	25 years	Executive Director, Mold-Tek Technologies Limited
P. Venkateswara Rao	52	PG in Materials Management	1st April, 2007	Deputy Managing Director	24.78	30 years	Commercial Director, Mold-Tek Technologies Limited



# Management Discussion and Analysis

## Industry Structure & Development

In spite of recessionary trends all over the globe, the Indian economy is reasonably expanding. Several paint, lube FMCG product MNCs are expanding their manufacturing facilities in India. Paint majors are setting up new manufacturing facilities at various new centers. They are also looking at dedicated packaging suppliers in and around their plants. This means good growth for plastic packaging industry as it is directly dependent on the growth of these industrial segments. During the current year, though economic growth and boom in the construction activity slowed down, there is still reasonable growth in lube and paint industry which will in turn lead to increase in demand for plastic products.

## Opportunities & Threats

During the previous year to meet increasing demand from Western region, Mold-Tek was able to use the Daman Plant. This plant is now running at better capacity utilization and significantly contributing to the Company's performance. In view of increasing business, additional machines are planned to be added in Daman.

Due to various quality problems related to local unorganized pail manufacturers, reputed MNCs and PSUs appreciate the need and importance of quality and consistency. Mold-Tek being a pioneer in pail manufacturing with in-house product/tool design and development facilities continues to be a preferred choice. Our COSMOS range of pails is rated as the best for lubes and even for other applications.

Transport cost disadvantages to the Company and sales tax exemption enjoyed by a few competitors are threats Mold-Tek has to face to increase market demand for its products. However having set up expanded manufacturing capacity at Daman, Mold-Tek is well positioned to service clients in Western India. To increase the sales and to reduce the costs,

the company has set up stock godowns in Kanpur and Mumbai. Hosur plant once implemented will be able to generate more business from South.

## Product wise performance

Rs.Lakhs	
Name of the Segment	Sales
Lube & Oils	6711.32
Paints	1015.61
Inks & Chemicals	97.21
Blow Moulding	48.11
Pet	104.79
Food	113.66
Others	128.41
Total-	11279.44

## Outlook

Exports of the Company's pails to Iran, Dubai and other gulf countries are slowly catching up. Export of pharma packaging products has got a major break through with an European company and the orders have now reached reasonable size. In 2009-10, the Company may cross \$1 million worth of exports (including pails). Efforts are underway to reduce costs and provide competitive pricing to achieve sales growth and enhance profits.

The Company is also planning to add 8 more new machines at its Hyderabad and Daman plants for modernizing and increasing capacity by about 25%.

There is a proposal for setting up dedicated plant for a leading paint manufacture that may lead to substantial growth in revenues in the next 1-2 years.

## Risks and Concerns

Apart from normal risks as are applicable to an industrial undertaking, the Company does not foresee any serious area of concern. The Company is obtaining adequate insurance coverage for its assets at the plant and the field locations etc. The Company has no

foreign exchange risk coverage due to its limited exposure. Compliance of safety requirements and norms placed by different government agencies is a top priority of your management.

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

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

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

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

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit and Loss Account and other financial statements appearing separately. Highlights for the year 2008-2009 are as under:

	Rs. Lakhs
Sales and other income	11289.23
Profit before Interest, Depreciation & Tax	1017.43

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

#### **Human Resources**

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

#### **Cautionary Statement**

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

# Report on Corporate Governance

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a management's ability to take sound decision vis-à-vis its entire 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.

Moldtek Plastics 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 Moldtek Plastics 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 comprised of 8 (Eight) Directors as at 31st March, 2009

3 Executive Directors

1 Non-Executive Promoter Director

4 Independent Directors

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

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

### Board Meetings

The Board of Directors met 5 times during the financial year 2008-2009 i.e. 28th April, 2008, 30th June, 2008; 30th October, 2008, 31st January, 2009, and 30th March, 2009. The maximum gap between any two meetings was less than 4 months.

### Pecuniary relationship or transactions of Non-Executive Directors

Apart from receiving Directors' remuneration, Non-Executive Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management which in the judgment of the board may affect the independence of judgment of the director.

**Board Meetings/AGM - Attendance & Directorships/Committee Memberships**

Name of the Director	Category	Number of Board Meetings attended during the year 2008-2009	Whether attended last AGM held on 30th October, 2008	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	5	Yes	1	-	-	-
A. Subrahmanyam (Deputy Managing Director)	Executive & Promoter Director	5	Yes	-	1	-	-
P. Venkateswara Rao (Deputy Managing Director)	Executive & Promoter Director	5	Yes	-	1	-	-
J. Mytraeyi	Non-Executive Promoter Director	5	Yes	-	-	-	-
Dr. T. Venkateswara Rao	Non-Executive Independent Director	5	Yes	-	3	-	1
C. Prabhakar Rao	Non-Executive Independent Director	2	No	-	-	-	-
P. Shyam Sunder Rao	Non-Executive Independent Director	1	Yes	-	1	1	1
M. Hyma	Non-Executive Independent Director	-	No	-	-	-	-

P. Shyam Sunder Rao appointed as an Additional Director with effect from 31st January, 2009.

P. Appa Rao resigned with effect from 31st January, 2009.

C. Prabhakar Rao resigned with effect from 30th July, 2009.

**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 is chaired by P. Shyam Sunder Rao. J. Lakshmana Rao, A. Subrahmanyam and P. Venkateswara Rao and representatives of Statutory Auditors are permanent invitees to the meetings. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956, and Clause 49 of the Listing Agreement.

5 meetings of the Audit Committee were held during the financial year 2008-2009. The dates on which the said meetings were held are as follows: 28th April, 2008, 30th July, 2008, 30th October, 2008, 31st January, 2009 and 30th March, 2009.

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

Name	Designation	No of Meetings attended during the year 2008-2009
P. Shyam Sunder Rao	Chairman	1
Dr. T. Venkateswara Rao	Member	4
C. Prabhakar Rao	Member	2
M. Hyma		-

P. Shyam Sunder Rao appointed as a member of Audit Committee with effect from 31st January, 2009.

M. Hyma resigned as a member of Audit Committee with effect from 31st January, 2009.

### Terms of Reference

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - a. Any changes in accounting policies and practices;
  - b. Major accounting entries based on exercise of judgment by management;
  - c. Qualifications in draft audit report;
  - d. Significant adjustments arising out of audit;
  - e. The going concern assumption;
  - f. Compliance with accounting standards;
  - g. Compliance with stock exchange and legal requirements concerning financial statements;
  - h. Any related party transactions.
5. Reviewing with management the quarterly financial statements before submission to the Board.
6. Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and recommending improvements to the management.
7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditors regarding any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Reviewing the Company's financial and risk management policies.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

**Remuneration Committee**

In terms of Section 292A of Companies Act, 1956, the Company constituted an Remuneration Committee on 27th August, 2008. The Board of Directors in their meeting held on 31st January, 2009 reconstituted the Remuneration Committee to be in line with Corporate Governance norms. The composition of Remuneration Committee is as follows:

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

During the year, two meetings of the Remuneration Committee was held on 27th August, 2008 and 30th March, 2009

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

Name	Designation	No of meetings held	No of meeting attended
P. Shyam Sunder Rao	Chairman	2	1
Dr. T. Venkateswara Rao	Member	2	2
C. Prabhakar Rao	Member	2	-
M. Hyma	Member	2	1

M. Hyma resigned as a member of Remuneration Committee with effect from 31st January, 2009.

P. Shyam Sunder Rao appointed as a member of Remuneration Committee with effect from 31st January, 2009.

**Remuneration Policy**

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

Details of the remuneration of Non-Executive Directors and Executive Directors for the year ended 31st March 2009 are as follows:

Rs. Lakhs

Name	Salary	Perquisites & Other benefits	Performance Bonus/ Commission	Sitting Fees	Total
J. Lakshmana Rao (Chairman & Managing Director)	-	-	-	-	-
A. Subrahmanyam (Deputy Managing Director)	27.66	8.34	-	-	36.00
P. Venkateswara Rao (Deputy Managing Director)	19.38	5.40	-	-	24.78
J. Mytraeyi	-	-	-	0.13	0.13
P. Shyam Sunder Rao	-	-	-	0.03	0.03
Dr. T. Venkateswara Rao	-	-	-	0.13	0.13
C. Prabhakar Rao	-	-	-	0.05	0.05
M. Hyma	-	-	-	-	-

### Shareholders'/Investors Grievance Committee

The Company constituted an Shareholders'/Investors Grievance Committee on 27th August, 2008. The Board of Directors in their meeting held on 31st January, 2009 reconstituted the Shareholders'/Investors Grievance Committee to be in line with Corporate Governance norms. The composition of Shareholders'/Investors Grievance Committee is as follows:

Name of the Director	Designation
P. Shyam Sunder Rao	Member
T. Venkateswara Rao	Member
C. Prabhakar Rao	Member

M. Hyma resigned from the Shareholders'/Investors' Grievance Committee on 31st January, 2009.

P. Shyam Sunder Rao was appointed to the Shareholders'/Investors' Grievance Committee on 31st January, 2009.

Two complaints were received and resolved to the satisfaction of shareholders during the year under review. There were no outstanding complaints as on 31st March, 2009.

The Committee had received and approved 7 requests for transfer and 4 request for dematerialisation of physical shares during the year under review. There were no transfers or demat request pending as on 31st March, 2009.

The Board has designated P. Venkateswara Rao, Director as the Compliance Officer.

### Details of Annual/Extraordinary General Meetings:

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

Year	Location	Date	Time
2005-2006	D.No.99/2RT, Sanjeeva, Reddy Nagar, Hyderabad - 500038.	29th September 2006	10.00 a.m.
2006-2007	4th floor, White House, 6-3-1192/1/1 Kundanbagh Begumpet Hyderabad - 500016	30th September 2007	10.00 a.m.
2007-2008 (EGM)	4th Floor, White House, 6-3-1192/1/1, Kundan Bagh, Begumpet, Hyderabad-500016.	25th January 2008	11.30 a.m.
2007-2008	K.K.Function Hall, 7-1-37/A, Dharam Karam Road, Ameerpet, Hyderabad-500016	30th October 2008	10.00 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 Annual General Meeting. No resolution is proposed to be passed by way of postal ballot in this Annual General Meeting.

### Disclosures

- 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 conflicts 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 is attached as part of the Annual Report.

### Means of Communication:

Half yearly results sent to each household of shareholder	No, as the quarterly results of the Company are generally published in a leading English Newspaper & in a local language Newspaper.
Quarterly Results	-Do-
Newspapers in which Published	Business Standard - English Andhra Bhoomi - Telugu
Website where the results and other official news releases are displayed	www.moldtekplastics.com

### General Shareholder Information

12th Annual General Meeting

Date and Time : 24th September 2009

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

### Financial Calendar (2009-2010)

The Financial year of the company is 1st April to 31st March. For the year ending 31st March, 2010 Quarterly Un-audited / Annual Audited results shall be announced as follows:

Financial reporting for	Proposed Date
Unaudited Results for the Quarter ending: 30th June, 2009	On or before 31st July, 2009
30th September, 2009	On or before 31st October, 2009
31st December, 2009	On or before 31st January, 2010
Audited Results for the year ended 31st March, 2010	On or before 30th June, 2010



Book Closure date : 21st September, 2009 to 24th September, 2009 (Both days inclusive)  
 Registered Office : Plot # 700, Road No. 36,  
 Jubilee Hills, Hyderabad - 500 033  
 Listing of Equity Shares : Bombay Stock Exchange Ltd, Mumbai (BSE)  
 Listing Fees : Listing fee has been paid to Mumbai Stock Exchange  
 for the year 2009-2010.  
 Stock Code : 533080  
 ISIN : INE893J01011  
 CIN Number : U21022AP1997PLC026542  
 Market Price Data : Information under this clause is not applicable as the trading in company's  
 shares on Bombay Stock Exchange (BSE) has started with effect from 10th  
 June 2009.

**Investors' Correspondence/Registrar & Share Transfer Agents:**

**M/s XL Softech Systems Limited**

3, Sagar Society, Road No. 2, Hyderabad - 500 034,  
 Tel : 91 40 2354 5913/14/15 | Fax : 91 40 2355 3214  
 Email : xlsoft@hd1.vsnl.net.in

• **Code of Conduct for the Board & senior management personnel**

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

• **CEO/CFO Certification**

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

**Share Holding pattern as on 31st March, 2009**

Category	No. of Shares Held	Percentage of Share holding
Promoters	36,78,024	46.00
Banks, Financial Institutions, Insurance Companies	5,760	0.07
Private Corporate Boding	10,71,990	13.40
Indian Public	30,24,467	37.83
NRI's/OCBs	2,09,379	2.62
Others	6,156	0.08
<b>TOTAL</b>	<b>79,95,776</b>	<b>100.00</b>

## Distribution of shareholders as on 31st March 2009

Shareholding	Shareholders		Share Amount	
	Number	Percentage	Rs.	Percentage
Upto - 5000	7,644	88.52	84,20,090	10.53
5001 - 10000	453	5.25	31,44,090	3.93
10001 - 20000	207	2.40	27,95,870	3.50
20001 - 30000	82	0.95	20,27,550	2.54
30001 - 40000	61	0.71	21,40,850	2.68
40001 - 50000	20	0.23	8,79,740	1.10
50001 - 100000	76	0.88	51,87,820	6.49
100001 and above	92	1.07	5,53,61,750	69.23
<b>TOTAL</b>	<b>8,635</b>	<b>100.00</b>	<b>7,99,57,760</b>	<b>100.00</b>

## Information pursuant to Clause 49 of Listing Agreement regarding appointment/re-appointment of Directors

Name of the Director	: <b>J. Mytraeyi</b>
Age	: 73 years
Qualification	: B.Sc
Expertise/Occupation	: General Management
Other Directorships	: Nil
Committee Member/Chairmanship	: Nil
Shareholding in Equity Shares of the Company and percentage of holding in Share Capital	: 63,555 Shares (0.80%)
Name of the Director	: <b>Dr. T. Venkateswara Rao</b>
Age	: 52 years
Qualification	: M.Sc., PhD.
Expertise/Occupation	: Former Dy. Commissioner of Commerical Taxes, Government of Andhra Pradesh
Other Directorships	: 3
Committee Member/Chairmanship	: 1
Shareholding in Equity Shares of the Company and percentage of holding in Share Capital	: 35,703 Shares (0.45%)

Information pursuant to Clause 49 of Listing Agreement regarding appointment/re-appointment of Directors

Name of the Director	: <b>P. Shyam Sunder Rao</b>
Age	: 67 years
Qualification	: B.Com, FCA, FCS.
Expertise/Occupation	: Experience in accounts
Other Directorships	: 1
Committee Member/Chairmanship	: 2
Shareholding in Equity Shares of the Company and percentage of holding in Share Capital	: 2,520 Shares (0.03%)
Name of the Director	: <b>A. Subrahmanyam</b>
Age	: 54 years
Qualification	: B.E. Mechanical Diploma in Mould Design & Manufacturing.
Expertise/Occupation	: Experience in production, planning & Control of manufacturing activities. His expertise is in overseeing CNC programming, machine and mould manufacturing activities.
Other Directorships	: 1
Committee Member/Chairmanship	: Nil
Shareholding in Equity Shares of the Company and percentage of holding in Share Capital	: 3,51,562 Shares (4.40%)
Name of the Director	: <b>P. Venkateswara Rao</b>
Age	: 52 years
Qualification	: Post graduate in Materials Management
Expertise/Occupation	: Looks after all commercial and marketing activities of the Company. He is conversant with all aspects of the management and the affairs of the Company.
Other Directorships	: 1
Committee Member/Chairmanship	: Nil
Shareholding in Equity Shares of the Company and percentage of holding in Share Capital	: 65,286 Shares (0.82%)

## Declaration under Code of Conduct

As provided under Clause 49 of the listing Agreement with the stock exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2009.

Hyderabad  
26th June, 2009

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

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

We, J. Lakshmana Rao, Chairman & Managing Director and A. Seshu Kumari, Financial Controller of Moldtek Plastics Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements of Moldtek Plastics Limited (The Company) for the year ended 31st March, 2009 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



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

Hyderabad  
26th June, 2009



**A. SESHU KUMARI**  
Chief Financial Officer

## Auditors' Report

The Members

Moldtek Plastics Limited

We have audited the attached Balance Sheet of Moldtek Plastics Limited as at 31st March, 2009 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
2. Further to our comments in the annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-clause (3C) of Section 211 of the Companies Act, 1956;

e. On the basis of written representations received from the Directors as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956; and

f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- ii. In the case of Profit and Loss Account, of the profit of the Company for the period ended on that date; and
- iii. In case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **PRATURI & SRIRAM**  
Chartered Accountants

  
**K. SRIRAM**

Hyderabad  
26th June, 2009  
Membership No. 37821

## Annexure to Auditors' Report

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

### 1. In respect of its fixed assets

- a. The Company maintains a soft copy record of its depreciable assets, reflecting a year-wise classification of assets of such category. The record does not include quantitative details and the situation/location of its depreciable assets. Non-depreciable assets are not recorded.
- b. No physical verification of fixed assets has been carried out by the management during the year ended 31st March 2009.
- c. During the year we are informed that the Company has not disposed off a substantial part of its fixed assets. However, it has written down to nullity residuary balances in respect of assets not put to use and unutilized for commercial purposes either due to obsolescence and/or productive value, especially where the said assets have outlived their productive value.

### 2. In respect of its inventory

- a. As per the explanations given to us, physical verification of raw materials, stocks in process, finished goods and other items of consumables inventory has been conducted by the management during the period at regular intervals. In our opinion, the frequency of such physical verification is reasonable.
- b. The procedures for physical verification of inventory followed by the management, in our considered opinion, have scope for ongoing and further improvement. Most of the procedures followed, are prima facie reasonable in relation to the size of the Company and the nature of the business at present.
- c. The Company maintains excise related records for its raw materials and finished goods, which are reasonably properly maintained. For its semi finished (in-process) stocks, the records can be improved/bettered with respect to receipts, issues, & balances being maintained in a chronological sequence, recording of movement & custody of such stocks as well as consumables inventory. We recommend the maintenance of a

priced stores ledger, and a formal procedure for reconciliation of factory & accounts related inventory records and;

- d. We are informed by the management that no material differences or discrepancies were noticed on physical verification of stocks.
3. a. The Company has not granted/taken any loans, secured or unsecured to/from the companies, firms of other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - b. In respect of the debit balances and advances in the nature of loans, including amounts due on current accounts, no stipulations have been made as to repayments, and management expresses confidence in recovering the amounts due.
4. a. In our opinion, and according to the information and explanations given to us, there exists adequate internal control procedures commensurate with the size of the Company, and the nature of its business for the purchase of inventory & fixed assets and for the sale of goods and services.
  - b. Certain areas/procedures and control weaknesses identified during the course of internal/statutory audit and other reviews need to be considered for improvement and up-gradation to better levels.
  - c. While we have not observed any continuing failure of intent to correct identified weaknesses in internal controls during the course of our audit, observations made need to be comprehensively addressed and rectified.
5. a. According to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the explanations given to us; there are transactions made in pursuance of contracts or arrangements entered in the

- register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of 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 thereunder. No order has been passed by the Company Law Board regarding compliance of above said provisions.
  7. The Company presently has an internal audit conducted by an external agency, which needs to be reviewed for its depth & scope so as to make it commensurate with the size of the Company & the nature of its business.
  8. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
  9. a. According to the records of the Company furnished to us the Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues with delays of nominal nature.  
b. According to the information and explanations given by the management, there are no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty and cess which were in arrears as at 31st March 2009 for a period of more than six months from date they become payable
  10. In our opinion the accumulated losses (Profit and Loss Account balance) of the Company at the end of the financial year are not less than 50% of its net worth. The Company has not incurred cash losses during the financial year covered by our audit, and also in the previous financial year.
  11. In our opinion and according to the information and explanations given to us, there are no defaults on dues payable to institutions/bank/ others on the date of the Balance Sheet.
  12. We are informed that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion the Company is not a chit or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  14. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  15. We are informed that the Company has not given any guarantees for loans taken by others from banks or financial institutions, except to the extent of continuing obligations in respect of Cash credit and term loan accounts pertaining to ICICI Bank Limited that have not been split into the demerging and demerged companies consequent to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.
  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 explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that during the year under review, short term funds, (inclusive of cash generated from operations) of Rs 2.02 crore have been used for long term purposes.
  18. According to information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.
  19. According to information and explanations given to us, the Company has not raised money by public issue during the year.
  20. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **PRATURI & SRIRAM**  
Chartered Accountants

  
**K. SRIRAM**

Partner

Membership No. 37821

Hyderabad  
26th June, 2009

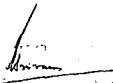
**Balance Sheet**

AS AT 31st MARCH, 2009

Rs.'000

Schedule	As at 31st March 2009	As at 31st March 2008	
<b>I. SOURCES OF FUNDS</b>			
Shareholders' Funds			
Capital	1	7,99,58	7,99,58
Reserves & Surplus	2	13,28,46	11,47,95
Loan Funds			
Secured Loans	3	17,90,04	19,14,94
Unsecured Loans	4	11,58,29	11,38,92
<b>TOTAL</b>		<b>50,76,37</b>	<b>50,01,39</b>
<b>II. APPLICATION OF FUNDS</b>			
Fixed Assets - Net Block	5A	24,51,70	24,42,35
Capital Work-in-Progress	5B	91,15	1,00,82
Investment	6	5,17	-
Current Assets, Loans and Advances			
Current Assets	7	25,32,63	27,42,78
Loans and Advances	8	9,08,78	4,51,78
		<b>34,41,41</b>	<b>31,94,56</b>
Less: Current Liabilities and Provisions	9	(9,29,78)	(7,41,75)
Net Current Assets		<b>25,11,63</b>	<b>24,52,81</b>
Miscellaneous Expenditure to the extent not written off	10	16,72	5,41
<b>TOTAL</b>		<b>50,76,37</b>	<b>50,01,39</b>
Significant Accounting Policies and Notes to Accounts	16		

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

  
**K. SRIRAM**  
Partner  
Membership No. 37821

Hyderabad  
26th June, 2009

for and on behalf of the Board of Directors

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

  
**A. SUBRAHMANYAM**  
Deputy Managing Director



## Profit and Loss Account

FOR THE YEAR ENDED 31st MARCH, 2009

Rs.'000

	Schedule	2008-2009	2007-2008
<b>INCOME</b>			
Sales			
Domestic Sales		1,08,82,42	95,82,03
Less: Excise Duty		8,20,10	8,80,76
Export Sales		<u>3,97,02</u>	<u>1,46,61</u>
Miscellaneous Income		9,79	13,18
<b>TOTAL</b>		<u><b>1,04,69,13</b></u>	<u><b>88,61,06</b></u>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	11	68,78,14	57,65,19
Excise Duty (Net of Centvat)		4,22,75	4,73,31
Employees Remuneration & Benefits	12	6,68,99	5,73,05
Selling & Distribution Expenses	13	7,79,44	6,77,96
Other Expenses	14	6,94,17	5,67,81
Interest & Financial Charges	15	2,64,88	1,48,09
Preliminary & Deferred Expenses Written Off		4,59	1,41
Fringe Benefit Tax		8,21	5,40
Depreciation	5	3,12,30	2,72,71
<b>TOTAL</b>		<u><b>1,00,33,47</b></u>	<u><b>84,84,93</b></u>
<b>Profit before prior period adjustments &amp; tax</b>		<u><b>4,35,66</b></u>	<u><b>3,76,13</b></u>
Provision for Income Tax		49,37	44,20
(Net of MAT credit adjustment)			
<b>Profit After Tax</b>		<u><b>3,86,29</b></u>	<u><b>3,31,93</b></u>
Extraordinary items & prior period adjustments		(18,69)	(81)
<b>Net Profit for the Year</b>		<u><b>3,67,60</b></u>	<u><b>3,31,12</b></u>
Transferred to General Reserve		55,14	57,78
Proposed Dividend for the year		1,59,92	1,58,92
Provision for Corporate Dividend Tax		27,17	27,01
Profit Transferred to Balance sheet		<u>1,25,37</u>	<u>88,41</u>
Earning per Share - Diluted (Rs.)		4.83	4.15
Significant Accounting Policies and Notes on Accounts	16		

Per our Report of even date

for **PRATURI & SRIRAM**

Chartered Accountants

for and on behalf of the Board of Directors



**K. SRIRAM**

Partner

Membership No. 37821

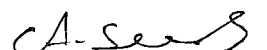
Hyderabad

26th June, 2009



**J. LAKSHMANA RAO**

Chairman & Managing Director



**A. SUBRAHMANYAM**

Deputy Managing Director

## Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2009

Rs.'000


	2008-2009	2007-2008
<b>A. CASH FLOW FROM OPERATIONS</b>		
Net Profit as per Profit and Loss Account	4,35,67	3,81,54
Adjustment for:		
Depreciation	3,12,30	2,72,71
Preliminary Expenses & Deferred Expenses	4,59	1,40
Profit on sale of assets	4,95	17,88
Interest Paid	2,64,88	1,48,09
Total Provision for Gratuity	12,30	83
Operating Profit before Working Capital Changes	<u>10,34,69</u>	<u>8,22,45</u>
Adjustment for:		
Trade and other receivables	(1,48,52)	(6,66,61)
Inventories	4,97,95	(54,91)
Trade Payables & Other Liabilities	(79,04)	(3,78,96)
Advances/Receivables	(3,65,21)	(20,20)
Cash Generated from Operations	<u>9,39,87</u>	<u>(2,98,23)</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(3,49,86)	(3,15,27)
Sale of Fixed Assets	1,32,95	50,82
Sale/Transfer of Investments	5,62	
Capital Work in Progress and pending capitalisation	9,67	(1,00,82)
	<u>7,38,25</u>	<u>(3,65,27)</u>
		<u>(6,63,50)</u>

Rs.'000

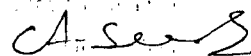
	2008-2009	2007-2008
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Provision for taxation	(49,37)	(49,60)
Provision for Proposed Dividend	(1,59,92)	(1,58,92)
Additions/Repayment of Secured Loans	(1,24,89)	8,64,95
Unsecured Loans	19,36	45,94
Provision for corporate Dividend Tax	(27,18)	(27,01)
Interest Paid	(2,64,88)	(1,48,09)
Prior period & Extraordinary Items	18,70	(81)
	<u>(5,88,18)</u>	<u>5,26,46</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>1,50,07</b>	<b>(1,37,04)</b>
<b>D. Opening Balance of Cash &amp; Cash Equivalents</b>	<b>19,86</b>	<b>1,56,90</b>
<b>E. Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,69,93</b>	<b>19,86</b>

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

for and on behalf of the Board of Directors

  
**K. SRIRAM**  
Partner  
Membership No. 37821

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

  
**A. SUBRAHMANYAM**  
Deputy Managing Director

Hyderabad  
26th June, 2009

## Schedules forming part of the Balance Sheet

	Rs.'000	
	As at 31st March 2009	As at 31st March 2008
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
90,00,000 Equity Shares of Rs.10 each	<u>9,00,00</u>	<u>9,00,00</u>
<b>Issued, Subscribed &amp; Paid-up</b>	<b>7,99,58</b>	7,99,58
(includes 50,000 equity shares of Rs.10 each of erstwhile Treasure Paks Private Limited)		
79,45,776 equity shares of Rs.10 each allotted during the year as a result of the demerger of the plastics division of Mold-Tek Technologies Limited as per the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July 2008.		
<b>TOTAL</b>	<u><b>7,99,58</b></u>	<u>7,99,58</u>
<b>2. RESERVES &amp; SURPLUS</b>		
Capital Reserve	<b>6,74</b>	6,74
Share Premium	<b>12,03,30</b>	12,03,30
General Reserve		
Opening Balance	<b>2,46,79</b>	1,89,01
Add: Transfer from Profit and Loss Account	<b>55,14</b> <b>3,01,93</b>	57,78    2,46,79
Profit and Loss Account		
Opening Balance	<b>(3,15,19)</b>	(4,02,61)
Add: Profit/(Loss) for the year	<b>1,25,37</b> <b>(1,89,82)</b>	87,41    (3,15,19)
State Subsidy	<b>6,31</b>	6,31
<b>TOTAL</b>	<u><b>13,28,46</b></u>	<u>11,47,95</u>

Rs.'000

	As at 31st March 2009	As at 31st March 2008
<b>3. SECURED LOANS</b>		
<b>Banks and Financial Institutions</b>		
Cash Credit from		
ICICI Bank	15,09,77	18,62,57
Canara Bank	-     15,09,77	23,79   18,86,36
Term Loans		
ICICI Bank	2,80,27	
APSFC	-     2,80,27	28,58   28,58
<b>TOTAL</b>	<b><u>17,90,04</u></b>	<b><u>19,14,94</u></b>
<b>4. UNSECURED LOANS</b>		
Sales Tax Collections Deferred	11,46,27	11,07,18
Hire Purchase Finance (including future interest liability)	7,57	18,16
Unsecured Loans from promoters & their relatives	4,45	13,58
<b>TOTAL</b>	<b><u>11,58,29</u></b>	<b><u>11,38,92</u></b>

<b>5A. FIXED ASSETS</b>										
	<b>Gross Block</b>				<b>Depreciation</b>				<b>Net Block</b>	
	As on 1st April, 2008	Additions during the year	Deletions during the year	As on 31st March 2009	As on 1st April 2008	For the year	Deletions during the year	As on 31st March 2009	As on 31st March 2009	As on 31st March 2008
Land	1,13,85	9,05	28,20	<b>94,70</b>	-	-	-	-	<b>94,70</b>	1,13,85
Building	6,95,71	-	-	<b>6,95,71</b>	1,35,05	22,14	-	<b>1,57,19</b>	<b>5,38,52</b>	5,60,66
a. Plant and Machinery	25,63,60	2,93,37	1,14,32	<b>27,42,65</b>	12,32,12	1,84,77	1,14,32	<b>13,02,57</b>	<b>14,40,08</b>	13,31,48
b. Moulds	9,77,36	29,93	5,49,01	<b>4,58,28</b>	6,85,05	79,46	5,49,01	<b>2,15,50</b>	<b>2,42,78</b>	2,92,31
Electrical Installations	1,23,75	2,93	3,80	<b>1,22,88</b>	59,62	7,50	3,80	<b>63,32</b>	<b>59,56</b>	64,13
Works Equipments & Instruments	28,69	10,37	8,41	<b>30,65</b>	15,04	2,55	8,41	<b>9,18</b>	<b>21,47</b>	13,65
Office Equipments	20,23	83	13,65	<b>7,41</b>	13,57	1,31	13,65	<b>1,23</b>	<b>6,18</b>	6,66
Computers	16,76	10	9,77	<b>7,09</b>	10,29	1,58	9,77	<b>2,10</b>	<b>4,99</b>	6,47
Furniture & fixtures	33,28	33	17,16	<b>16,45</b>	18,51	8,01	17,16	<b>9,36</b>	<b>7,09</b>	14,77
Vehicles	51,49	2,95	2,00	<b>52,44</b>	13,12	4,99	2,00	<b>16,11</b>	<b>36,33</b>	38,37
<b>TOTAL</b>	<b>46,24,72</b>	<b>3,49,86</b>	<b>7,46,32</b>	<b>42,28,26</b>	<b>21,82,37</b>	<b>3,12,31</b>	<b>7,18,12</b>	<b>17,76,56</b>	<b>24,51,70</b>	<b>24,42,35</b>
Previous Year	56,19,48	5,19,97	15,14,75	<b>46,24,70</b>	22,36,52	2,72,71	3,26,88	<b>21,82,35</b>	<b>24,42,35</b>	

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

Particulars	As on 1st April, 2008	Additions during the year	Capitalised during the year	As on 31st March 2009
CWIP-Unit 1	84,92	79,19	87,40	<b>76,71</b>
Capital Advances	12,15	14,44	12,15	<b>14,44</b>
CWIP- Daman	3,75	-	3,75	-
<b>TOTAL</b>	<b>1,00,82</b>	<b>93,63</b>	<b>1,03,30</b>	<b>91,15</b>
Previous Year	2,15,82	1,27,54	24,254	<b>1,00,82</b>

	Rs.'000	
	As at 31st March 2009	As at 31st March 2008
<b>6. LONG TERM INVESTMENTS</b>		
<b>(Quoted) (at cost)</b>		
20,500 Equity Shares of Rs.10 each in Mold-Tek Technologies Limited	5,17	-
(Market value as at 31st March, 2009 - Rs.6.15 Lakhs)		
<b>TOTAL</b>	<b>5,17</b>	<b>-</b>
<b>7. CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw Materials	2,01,83	4,04,46
Finished Goods	2,88,98	2,54,92
Work in Process	3,50,66	6,21,85
Packing Material & Consumable Stores	1,08,30	1,66,49
	<b>9,49,77</b>	<b>14,47,72</b>
<b>Sundry Debtors</b>		
Outstanding for more than 6 months		
Considered Good	8,48	88,91
Considered Doubtful	24,28	34,28
Other Debts - Considered Good	13,76,70	11,47,74
Less Provision for Doubtful Debts	(24,28)	(34,28)
	<b>13,85,18</b>	<b>12,36,65</b>
<b>Cash and Bank Balances</b>		
Cash in hand	3,52	1,88
With Scheduled Banks		
Current Accounts	1,59,83	13,43
Fixed Deposit Accounts	6,58	4,55
	<b>1,69,93</b>	<b>19,86</b>
<b>Other Current Assets</b>		
96,480 Equity Shares of Rs.10 each held in Moldtek Plastics Limited pending transfer to a proposed trust as per Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July 2008	27,75	38,55
<b>TOTAL</b>	<b>25,32,63</b>	<b>27,42,78</b>

	Rs.'000	
	As at 31st March 2009	As at 31st March 2008
<b>8. LOANS AND ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received, considered good		
Staff Advances	17,31	13,76
Advances to Suppliers & Others	1,72,11	1,83,76
Mold-Tek Technologies Limited - due	2,86,36	(91,80)
Prepaid Expenses	9,07	12,85
Claims receivable	-	16,37
Deposits/Balances with Excise authorities	57,67	62,11
Other Deposits	1,02,37	1,10,84
Advance tax, tax deducted at source and income taxes	2,63,52	1,42,37
Deferred Interest on Hire Purchase Finance	37	1,52
<b>TOTAL</b>	<b>9,08,78</b>	<b>4,51,78</b>
<b>9. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Creditors for goods & expenses		
Creditors for Goods	2,69,39	3,23,11
Outstanding Expenses	1,54,56	4,23,95
Other Liabilities	14,11	4,60
Investor Education & Protection Fund	3,84	-
Duties & Taxes	35,32	-
Creditors for capital goods	37,31	30,18
Advances from customers	39,88	25,56
Provisions		
Provision for Gratuity	34,64	23,36
Proposed Dividend & Tax thereon	1,87,09	1,85,93
Provision for Income Tax	1,53,64	(9,20)
<b>TOTAL</b>	<b>9,29,78</b>	<b>7,41,75</b>
<b>10. MISCELLANEOUS EXPENDITURE</b>		
Preliminary expenses	5,41	15
Add: Additions	15,89	6,67
Less: Written off during the year	4,58	1,41
<b>TOTAL</b>	<b>16,72</b>	<b>5,41</b>



## Schedules forming part of the Profit and Loss Account

Rs.'000

	2008-2009	2007-2008	
<b>11. COST OF MATERIAL CONSUMED</b>			
Raw Materials & Components			
Plastics:			
Opening Stocks	4,04,46	3,53,77	
Add: Purchases	60,23,65	55,66,91	
Less: Closing Stocks	<u>2,01,83</u>	<u>4,04,46</u>	55,16,22
Mould Making/Purchase Cost	17,79		61,11
Excise Duty Availed on Inputs	(8,20,10)		(8,80,76)
Others	8,57,88		7,42,45
	<u>62,81,85</u>		<u>54,39,02</u>
Consumables & Spares	79,10		66,61
Packing Materials	2,80,06		2,55,73
Increase/Decrease in Stocks			
Opening Stock			
Finished Goods	2,54,92	1,17,89	
Work-in-process	6,21,85	6,93,00	
Spares - Moulds	-	69,71	
	<u>8,76,77</u>	<u>8,80,60</u>	
Closing Stock			
Finished Goods	2,88,98	2,54,92	
Work-in-process	3,50,66	6,21,85	
	<u>6,39,64</u>	<u>8,76,77</u>	3,83
<b>TOTAL</b>	<u><b>68,78,14</b></u>		<u><b>57,65,19</b></u>
<b>12. EMPLOYEE REMUNERATION &amp; BENEFITS</b>			
Salaries, Wages, Allowances & Bonus	5,43,13		4,45,22
Contribution to Provident Fund & ESIC	20,92		21,31
Welfare Expenses	37,92		41,66
Gratuity	12,30		83
Directors' Remuneration & Perquisites	54,72		64,03
<b>TOTAL</b>	<u><b>6,68,99</b></u>		<u><b>5,73,05</b></u>

	Rs.'000	
	2008-2009	2007-2008
<b>13. SELLING &amp; DISTRIBUTION EXPENSES</b>		
Carriage Outwards	4,92,16	4,01,14
Sales Promotion & Commission	68,01	66,38
Advertisement Expenses	21	6,65
Sales Tax	2,19,06	2,03,79
<b>TOTAL</b>	<b><u>7,79,44</u></b>	<b><u>6,77,96</u></b>
<b>14. OTHER EXPENSES</b>		
Rent	63,78	29,78
Rates & Taxes	7,67	14,93
Insurance	12,35	16,23
Communication Expenses	25,20	15,17
Power & Fuel	2,95,55	2,86,03
Travelling expenses & Conveyance		
Foreign Travelling expenses	21,18	6,14
Travelling and conveyance in India	<u>38,34</u>	<u>23,92</u>
Printing & Stationery	14,30	12,78
Repairs & Maintenance		
Buildings	9,77	19
Machinery	58,03	41,66
Others	<u>58,68</u>	<u>43,85</u>
Job Work Charges	12,27	8,28
Professional charges	21,22	14,14
Bank Charges	6,76	6,91
Written off/Written back	11,64	
General Expenses	<u>37,43</u>	<u>47,80</u>
<b>TOTAL</b>	<b><u>6,94,17</u></b>	<b><u>5,67,81</u></b>
<b>15. INTEREST &amp; FINANCIAL CHARGES</b>		
Interest on Term Loans	47,17	3,70
Interest on Working Capital	2,14,32	1,47,33
Interest charges on Other Loans	3,39	4,15
	<u>2,64,88</u>	<u>1,55,18</u>
Less: Interest earned	-	7,09
<b>TOTAL</b>	<b><u>2,64,88</u></b>	<b><u>1,48,09</u></b>

## 16. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### SIGNIFICANT ACCOUNTING POLICIES

#### Method of Accounting

- a. The financial statements are prepared on a going concern basis with historical costs, in accordance with 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 to make estimates and assumptions considered in the reported amounts of assets & liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

#### Fixed Assets

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

#### Depreciation

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

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

#### Investments

Investments are carried in the books of accounts at cost of acquisition. Decline in market value if any, is considered in accordance with Accounting Standard 13.

#### Inventories

The inventories are valued as follows:

Raw Material	At lower of weighted average of landed cost net of CENVAT benefits, or market value.
Finished Goods	At lower of weighted average cost (including conversion and packing costs) or market value.
Work-in-Process	At weighted average cost including conversion costs to the stage of manufacture.
Returned Goods	At 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.

**Interest and Financial Charges**

- a. Documentation, commitment and service charges are spread over the tenure of the finance facility.
- b. Interest on Hire Purchase finance is charged to Profit and Loss Account on diminishing balance method as per the guidance note of the Institute of Chartered Accountants of India (ICAI).

**Loans under Deferred Credit/Hire Purchase**

The ownership rights of assets financed by hire purchase vest with the financing companies and on expiry of agreements will be transferred to the Company. The cash price of assets thus financed is capitalized and the principal amount along with future interest is reflected as Unsecured Loans. The corresponding amount of future interest is reflected as deferred interest under Loans & Advances.

**Revenue Recognition**

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

Benefits on account of entitlement to import of duty free raw materials under the advance license and/or credit under the pass book scheme, estimated and accounted in the year of export, are written off during the year as there is no proximity of realizing the benefits in near future.

**Employee Benefits****a. Gratuity**

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

**b. Provident Fund**

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

**c. Liability for Leave Encashment**

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

**Foreign Currency Transactions**

The Foreign currency transactions are translated at the exchange rates prevailing on the date of transactions. Exchange gains or losses on conclusion of transaction within the accounting year relating to fixed assets are capitalized while in respect of others the impact is recognized in the Profit and Loss Account. Similar treatment is given to outstanding monetary transactions as at the Balance Sheet date.

**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.

**Miscellaneous Expenditure**

Preliminary expenses are amortized over a period of 5 years.

**Impairment of Assets**

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

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

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

### 2. Scheme of Arrangement

Pursuant to the previous approval of the shareholders of the company at the EGM held on 25th January, 2008, and the subsequent approval of the Hon'ble High Court of Andhra Pradesh on 25th July 2008, the process of demerger of the assets and liabilities of the plastics division of Mold-Tek Technologies Limited has been vested in the Company. The effect of the Scheme of Arrangement was given in the financial statements for the year ended 31st March, 2008 itself, and the process has been completed with a few operational exceptions during the year. The exceptions prevailing are considered for disclosure under the relevant heads and groupings in these Notes.

### 3. Secured Loans

Pursuant to the demerger scheme as approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July 2008, term loan availed from M/s. ICICI Bank Limited for the purpose of expansion of Daman Unit (Plastics) and for acquisition of land & corporate office construction (IT) is considered in these financial statements on a split basis in accordance with the ratio in which the said facility was availed.

Similarly, the cash credit/working capital facility from ICICI Bank Limited has been split on an equitable basis based on actual utilization.

As of date, no formal communication has been received from M/s. ICICI Bank Limited with regard to the split of the term loan and cash credit/working capital facility into the two separate companies respectively, and the bank continues to treat the said accounts as a single account. It is expected that with the completion of formalities in this regard with the bankers, the process will be finalized in due course.

The said status also impacts the securities offered to the bankers against the mentioned facilities, and the securities continue to remain in combined status until such time as the bankers take a formal decision to split the said facility between the two companies, i.e. Mold-Tek Technologies Limited and the Company.

Therefore, as per the terms of sanction the said advances from M/s ICICI Bank Limited to the Company, M/s. Mold-Tek Technologies Limited, prior to demerger, continue to be secured by the following assets and commitments of M/s. Mold-Tek Technologies Limited, prior to the demerger process.

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

- a. Exclusive first charge by way of hypothecation of the borrower's entire current assets which inter-alia include stocks of raw material, work in process, finished goods, consumable stores & spares and such other movables including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- b. Exclusive first charge on fixed assets of the Company.
- c. First charge by way of equitable mortgage of land measuring 6.5125 acres & building in S.No 54,55/A,70, 71,72 of Annaram Village, Near Air Force Academy, Jinnaram Mandal, Medak District, Andhra Pradesh, belonging to the Company.

- d. First charge by way of equitable mortgage of land measuring 2512 Sq Mts and Building in Bhimpore Village & Panchayat, Nani Daman, Daman Taluk & District belonging to the Company.
- e. First Charge by way of Equitable Mortgage of Land Measuring 6413 Sq. Yards & and building in S. No. 164 part Dammaru Pochampally Village, Qutubullapur, Ranga Reddy District, Andhra Pradesh, belonging to the Company.
- f. First charge by way of equitable mortgage of land measuring 1066.63 Sq. Yards & Buildings in Plot No. D-177 phase III, IDA, Jeedimetla, Qutballapur Mandal, Ranga Reddy District, Andhra Pradesh belonging to the Company.
- g. First charge by way of equitable mortgage of land measuring 1955 Sq. Yards & buildings there on in Plot No.8-2-293/86/A/700, Road No.36, Jubilee hills, Hyderabad belonging to Moldtek Technologies Limited.
- h. Personal guarantees of J. Lakshmana Rao, A. Subrahmanyam, and P. Venkateswara Rao, Directors of the Company.

**4. Unsecured Loans**

Unsecured loans include Sales Tax Deferral amounts Rs.1146.26 lakhs as on 31st March, 2009 to be paid in installments commencing from 1st April, 2010 and 1st April, 2014.

Unsecured loans from promoters and their relatives has been reduced during the year by Rs.9.13 lakhs by way of inter-company transfer to Mold-Tek Technologies Ltd.

**5. Foreign currency exposures**

The amounts receivable in foreign currency on account of export of goods:

Particulars	31st March, 2009		31st March, 2008	
	Rs. Lakhs	Foreign currency	Rs. Lakhs	Foreign currency
Debtors	18.72	AED 1,46,345	15.49	AED 2,82,692
	3.19	USD 6,585	6.82	USD 14,720

Amounts payable in foreign currency on account of the following:

Particulars	31st March, 2009		31st March, 2008	
	Rs. Lakhs	Foreign currency	Rs. Lakhs	Foreign currency
Creditors	11.32	USD 23,300	-	-

**6. Fixed Assets**

Fixed assets included 42.23 acres of land costing Rs.28.20 lakhs pertaining to the aqua culture division of the Company, the business of which is discontinued, & remaining unsold after disposal of a substantial portion of the assets worth Rs.126.21 lakhs for a sum of Rs.23.92 lakhs of the said division in the year 2000-01. The said land was sold during the year for Rs.33.16 lakhs at a profit of Rs.4.95 lakhs on the basis of a sale agreement which mentions the total acreage sold as 41.44 acres. It is explained that the remaining acreage of 0.79 acre was lost due to erosion of soil, being proximate to the creeks/sea coast.

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

Mutation of property records in respect of Jeedimetla unit of the Company, as well as the other assets transferred as part of the demerger process remains pending in the revenue records.

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

## 7. Investments

Investments are stated at cost of acquisition. During the year, the Company has purchased 20,500 shares for Rs.5.17 lakhs of M/s. Mold-Tek Technologies Limited. The market value of the said shares as on 31st March, 2009 was Rs.6.15 lakhs at Rs.30 per share.

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

- Inventory quantities & values as at the balance sheet date are as certified by the management.
- Sundry debtors, creditors, deposits, staff advance and some bank balances are subject to confirmation and reconciliation. Advances include an amount of Rs.7.28 lakhs over due and not provided for, as the management express confidence in recovery of the same.
- Sundry Debtors include an amount of Rs.32.71 lakhs outstanding for more than 6 months against which a provision for Rs.24.28 lakhs exists. However, the management expresses confidence in the recovery of the over dues.
- The company opted for actuarial valuation and provided for gratuity as per the notified norms per Accounting Standard 15 (Revised).
- Balances with banks include Rs.21.53 lakhs comprising various unpaid dividend accounts, FCD & share application refunds due, etc, and other related unclaimed amounts, against which corresponding liability is Rs.17.95 lakhs. Unpaid dividend totaling to Rs.3,84,592, pertaining to financial year 1987-88 of Rs.21,217, financial year 1988-89 of Rs.61,349 and financial year 1999-00 of Rs.3,02,026, pending for more than 7 years remains yet to be transferred to the Investor Education and Protection Fund, though overdue.
- Current Assets include 96,480 shares of Moldtek Plastics Limited (being 72% of 1,34,000 equity shares originally held by M/s. Teckmen Tools Private Limited, prior to amalgamation of that company with Mold-Tek Technologies Limited, and vested in the Company) in accordance the scheme of arrangement, are pending the vesting into a separate trust/trustee along with dividend for financial year 2007-08 & financial year 2008-09, in accordance with the approval of the Hon'ble High-Court of Andhra Pradesh. The corresponding dividend amounts due for the year 2007-08 is Rs.1,92,960 and a similar amount is proposed for the current financial year 2008-09.

## 9. Contingent Liabilities

- Bank guarantees, for which Mold-Tek Technologies Limited has provided counter guarantee, Rs.29.50 lakhs.
- Claims not acknowledged as debt: Sales tax demand Rs.4.38 lakhs.
- No contingent liability is considered towards rebates availed on power bills and short payments arising as a consequence thereof.

## 10. Earnings per Share

	Rs. '000	
Particulars	2008-2009	2007-2008
Profit available for equity shareholders Rs.	<b>3,86,29</b>	3,31,92
Weighted average number of equity shares outstanding	<b>79,95,776</b>	79,95,776
Earning per Share - Face Value of Rs.10 - Diluted	<b>4.83</b>	4.15

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

**a. Capacities and Production**

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

Particulars	MT	
	2008-2009	2007-2008
Licensed Capacity	NA	NA
Installed Capacity - Unit at Annaram	3,588	3,300
- Unit at Dommarapo Champally	2,760	2,760
- Unit at Daman	4,320	4,320
- Unit at Ali Nagar	755	755
Total installed capacity	11,423	11,135

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

Plastic Components	After the Scheme 01.04.08	Production including reprocessing	Closing Stocks 31.03.09	Sales
Pails	5,31,773	1,38,32,584	4,48,404	1,39,15,953
Caps	5,45,193	1,36,46,524	44,81,87	1,37,43,530
Pet bottles/jars caps	1,70,397	24,92,877	2,35,727	24,27,547
Consumable items (others)	11,267	17,02,84	32,311	1,49,240

**c. Consumption of Raw Materials**

Particulars	2008-2009		2007-2008	
	Kgs	Rs. Lakhs	Kgs	Rs. Lakhs
PPCP/PP	67,48,698	4,837.06	64,56,435	4,100.00
LDPE/LLDPE	7,41,124	555.60	6,83,400	439.23
HDPE	1,43,855	99.25	1,45,590	92.93
PET Chips	45,450	33.92	75,301	52.54
LG Hips	11,338	7.93	-	-
Mould Material	-	17.79	-	61.11
Packing Materials	-	280.06	-	255.72
Others	-	1,052.48	-	804.49
TOTAL	76,90,465	6,884.09	73,60,726	5,806.02



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

Particulars	2008-2009		2007-2008	
	Rs. Lakhs	%	Rs. Lakhs	%
Raw Materials imported	63.15	1.13	111.12	2.34
Indigenous	5488.40	98.87	4634.69	97.66
TOTAL	5551.55	100.00	4745.81	100.00
Others imported	4.39	0.33	-	-
Indigenous	1328.15	99.67	1060.21	100.00
TOTAL	1332.54	100.00	1060.21	-

e. CIF Value of Imports

Particulars	Rs. Lakhs	
	2008-2009	2007-2008
Raw Materials	63.15	111.12
Capital Goods	117.22	102.83
TOTAL	180.37	213.95

f. Earnings in Foreign Currency

Particulars	Rs. Lakhs	
	2008-2009	2007-2008
FOB Value of Exports	397.02	146.61

g. Expenditure in Foreign Currency

Particulars	Rs. Lakhs	
	2008-2009	2007-2008
Travelling	21.18	9.60

12. Professional charges include payable to Statutory Auditors

Particulars	Rs. Lakhs	
	2008-2009	2007-2008
Statutory/Tax Audit	2.25	2.75
Certification/Others	-	0.50
TOTAL	2.25	3.25

13. Managerial Remuneration

Particulars of remuneration paid/payable to Directors

Particulars	Rs. Lakhs	
	2008-2009	2007-2008
Salary and Allowances	60.72	57.84
Medical Reimbursement	-	1.27
Electricity & Water	-	1.45
Other Perquisites	-	3.46
TOTAL	60.72	64.02
Provident Fund	0.18	0.18

\*includes a sum of Rs.6.00 lakhs capitalized during the year on assets.

**Managerial Remuneration****Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 for the year ended 31st March 2009:**

		Rs.
Profit before Taxation as per Profit and Loss Account		4,35,66,685
Add: Depreciation/Amortisation charged in the accounts	3,12,30,110	
Directors' Remuneration including Directors' Fees	54,72,000	3,67,02,110
		8,02,68,795
Less: Depreciation under Section 350 of the Companies Act, 1956	3,38,95,490	
Reduction in provision for doubtful debts	10,00,000	
Profit on sale of assets	4,95,288	3,53,90,778
		4,48,78,017
Managerial remuneration not to exceed 11%		49,36,582

**Computation as per Schedule XIII to the Companies Act, 1956 in case of inadequacy of profits**

		Rs.
Effective capital of the Company as on 31st March, 2009		
Share Capital		7,99,57,760
Share Premium Account		12,03,29,899
General Reserve		2,46,78,994
Long term loans (not due within 1 year) excluding working capital loan, Overdraft etc.		11,07,18,351
Accumulated losses carry forward		(3,15,19,375)
Miscellaneous Expenses		(5,40,900)
<b>Effective capital of Moldtek Plastics Limited</b>		<b>30,36,24,729</b>
Managerial remuneration payable per managerial person		36,00,000
Number of managerial persons (A. Subrahmanyam, Executive Director and P. Venkateswara Rao, Director)	2	
Overall managerial remuneration entitled in case of inadequacy of profits		60,78,000
A. Subrahmanyam @ Rs.3 lakhs p.m.	36,00,000	
P. Venkateswara Rao as per his terms of appointment	24,78,000	

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

## 15. Related Party Disclosures

### i. Related Parties and Nature of Relationship

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

### ii. Key Management Personnel

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

### iii. Relatives of Key Management Personnel

- a. A. Seshu Kumari, Finance Controller

### iv. Related Party Transactions

Rs. Lakhs

Particulars	Related Party		Relative of Key Management Personnel		Key management personnel	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>Purchases</b>						
Friends Packaging Private Limited	69.42	70.83				
Tarus Industries	43.16	35.03				
Mold-Tek Technologies Limited (Rent)	18.36	-				
<b>Remuneration</b>						
A. Subrahmanyam					35.94	38.85
P. Venkateswara Rao					24.78	25.66
<b>Dividend</b>						
A. Subrahmanyam					7.03	-
P. Venkateswara Rao					1.47	-
A. Seshu Kumari			8.29	-		
<b>Salaries</b>						
A. Seshu Kumari			4.20	4.20		
<b>Other Transactions</b>						
Mold-Tek Technologies Limited	378.16	(8.47)				
<b>Out Standing Payable as at 31st March 2009</b>						
Friends Packaging Private Limited	4.38	10.03				
Tarus Industries	0.17	1.05				
<b>Other Receivables</b>						
Mold-Tek Technologies Limited	286.36	(91.79)				

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


**K. SRIRAM**

Partner

Membership No. 37821

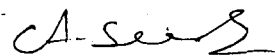
Hyderabad, 26th June, 2009

for and on behalf of the Board of Directors



**J. LAKSHMANA RAO**

Chairman & Managing Director



**A. SUBRAHMANYAM**

Deputy Managing Director

**Balance Sheet Abstract and Company Business Profile**

**I. Registration Details**

Registration No. 

2	6	5	4	2
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 State Code 

0	1
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 Corporate Identification No. 

U	2	1	0	2	2	A	P	1	9	9	7	P	L	C	0	2	6	5	4	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

  
 Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

**II. Capital raised during the year (Rs. in Thousands)**

Public Issue 

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

 Rights Issue 

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

 Bonus Issue 

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

 Private Placement 

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

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

Total Liabilities 

5	0	7	6	3	7
---	---	---	---	---	---

 Total Assets 

5	0	7	6	3	7
---	---	---	---	---	---

  
**Sources of Funds**  
 Paid-up Capital 

7	9	9	5	8
---	---	---	---	---

 Reserves & Surplus 

1	3	2	8	4	6
---	---	---	---	---	---

 Secured Loans 

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

 Unsecured Loans 

1	1	5	8	2	9
---	---	---	---	---	---

  
**Application of Funds**  
 Net Fixed Assets 

2	5	4	2	8	5
---	---	---	---	---	---

 Investments 

			5	1	7
--	--	--	---	---	---

 Net Current Assets 

2	5	1	1	6	3
---	---	---	---	---	---

 Miscellaneous Expenditure 

		1	6	7	2
--	--	---	---	---	---

  
 Accumulated Losses 

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

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

Turnover & Other Income 

1	0	4	6	9	1	3
---	---	---	---	---	---	---

 Total Expenditure 

1	0	0	3	3	4	6
---	---	---	---	---	---	---

 Profit Before Tax 

		4	3	5	6	7
--	--	---	---	---	---	---

 Profit After Tax 

		3	8	6	3	0
--	--	---	---	---	---	---

  
 Earnings per Share (Rs.) 

		4	.	8	3
--	--	---	---	---	---

 Dividend Rate (%) 

				2	0
--	--	--	--	---	---

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

The Company produces various plastic packing containers

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

ADMISSION SLIP

**MOLDTEK**

*Plastics Limited*

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



Name & Address of Member

Folio No.	DP ID No.	Client ID No.

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

I hereby record my presence at the 12th ANNUAL GENERAL MEETING of the Company on 24th day of September, 2009 at 10.30 a.m. at Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081

Please indicate whether Member/Proxy.

Member's/Proxy's Signature

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

PROXY FORM

**MOLDTEK**

*Plastics Limited*

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



Folio No.	DP ID No.	Client ID No.

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

a Member/Members of **MOLDTEK PLASTICS LIMITED** hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him

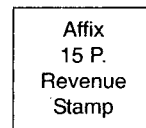
of \_\_\_\_\_ in the district of \_\_\_\_\_

my/our Proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10.30 a.m. on Thursday, 24th September, 2009 or at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of 2009 \_\_\_\_\_.

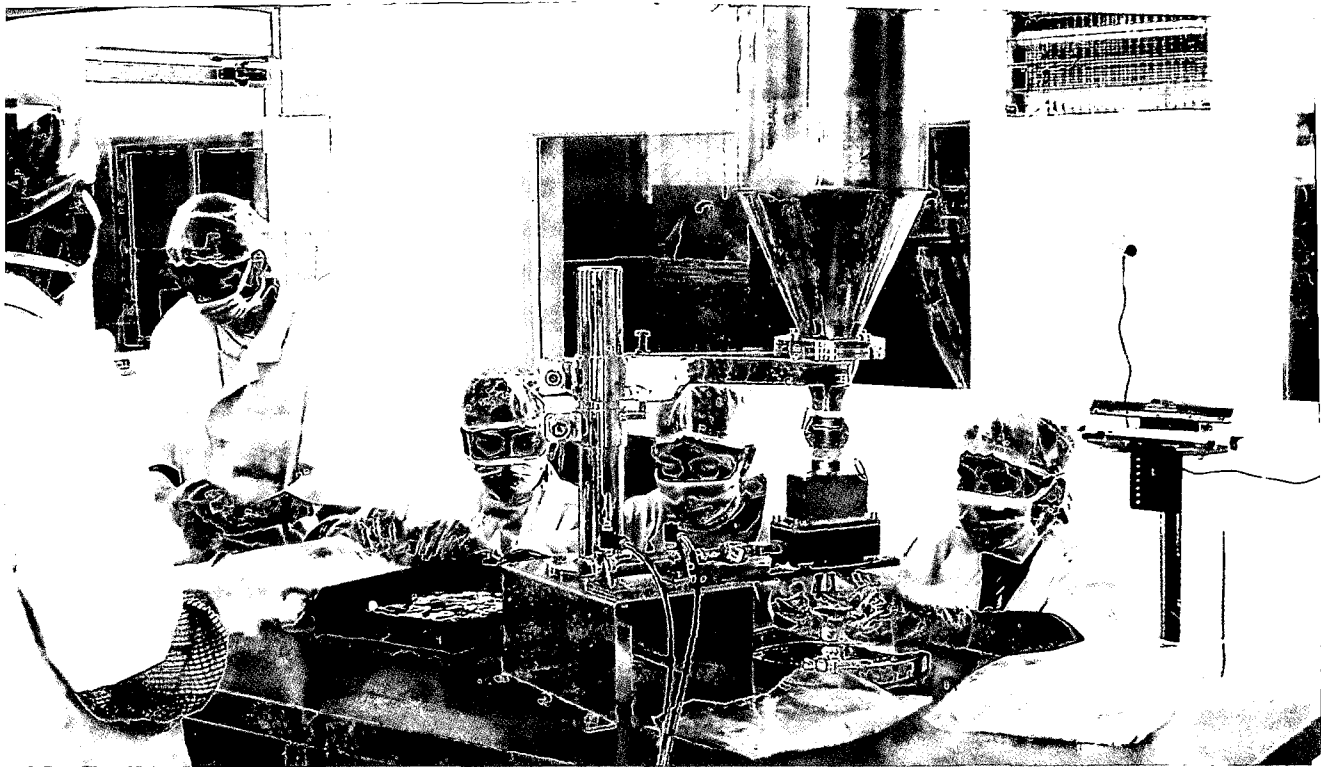
**NOTE**

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



**NO GIFTS WILL BE DISTRIBUTED AT THE MEETING.**

Signed by the said



Our facilities



A few of our products



Design & Production  
**Capicorn**  
Hyderabad

Book-Post

*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 2341 2950