

**MOLD-TEK**  
**Packaging Limited**  
(Formerly known as Moldtek Plastics Ltd.)

4<sup>th</sup> September, 2020

To, The Manager, Department of Corporate Services, BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001. Scrip Code : 533080	To, The Manager, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051. Ref: MOLDTKPAC - EQ
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Dear Sir,

**Sub: Annual Report for the financial year 2019-20 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2019-20.

This is for your information and records.

Thanking you,

**For MOLD-TEK PACKAGING LIMITED**

  
**Thakur Vishal Singh**  
(Company Secretary)





**MOLD-TEK**  
Packaging Limited

# 2020 ANNUAL REPORT

*The Power of Packaging  
Unleashed!*



New Milestones



Innovations



New Plants



Skilled  
Manpower



New Business  
Segments



Awards



# MOLD-TEK DEVELOPED PACKAGING SOLUTIONS WITH MANY INNOVATIVE CONCEPTS.

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*In Pursuit of perfection*



# From the desk of Chairman

*Dear Shareholders,*

World over Covid-19 pandemic has created unprecedented havoc on lives and safety of human beings resulting in lockdown of all economic and social activities all over the world.

Adversity, they say, is the true test of character. We are entering the new fiscal year, at a time when all major economies have been brought to a standstill. The impact has been very fast and widespread and the next few months will be very difficult for everyone. In the post-pandemic world, new norms will emerge; technology will play a major role.

Though the uncertainty is still lingering, the packaging industry may survive as a result of higher focus and preference of consumers towards hygienic packaged products, which is further expected to increase post Covid-19 pandemic. As per the industry reports, the India Packaging Market was valued at USD 50.5 billion in 2019 and it is expected to reach USD 204.81 billion by 2025, registering a CAGR of 26.7%. The need for hygienic packed foods has increased the focus of packaging industry in technology and innovation, adding value to the various products of FMCG, F&B, Pharma, Textile and Agriculture. The global packaging industry will very soon witness a major shift towards sustainability, smart and intelligent packaging. Your company is taking lead on these new initiatives to stay ahead.

During the financial year 2019-20, the Company registered sales of Rs. 438.2 crores with volume growth of 12.62%. Consolidated EBIDTA for the year is Rs.78 crores, a growth of 9% compared to the previous financial year, 2018-19. Your company has registered 17.22% growth in EPS during the year.

Moldtek has been investing in all its pillars- people, processes and infrastructure. Your company has strong and experienced management team which is being further strengthened. State of Art Tool Room Facility at Annaram plant is being expanded with latest and most sophisticated machinery for manufacturing high quality moulds. Your Company is planning to invest in a lotion pumps manufacturing unit, to further increase our presence in FMCG & Personal Care products packaging. This will further widen our product range and client base.

The core of our organization's culture is Respect, Concern and Value for every human being. During the last few months we have touched lives of around 2,000 families by distributing food and groceries, sanitization kits in and around our manufacturing units at Satara, Maharashtra; Hyderabad, Telangana; Daman & Diu; Mysore, Karnataka and Vishakhapatnam, Andhra Pradesh, donation to 'Bharosa' - Support Center for Women & Children, Hyderabad City Police, Telangana and constructed a government school building in Krishna District, Andhra Pradesh, we have also given Merit Scholarship to PGP Students of IIM-Bangalore. Recently, apart from regular employees all the contract laborers were also provided with Rs.3 Lacs COVID Insurance policy at Company's cost, to ensure that they are in a safer position to bear with the pandemic. Free Vitamin tablets are being distributed daily at all manufacturing units and offices to boost the immunity of all our employees, to face the worst pandemic of the century.

I would like to reconfirm that your company is committed to the highest standards of corporate governance, operational excellence and financial discipline for long term shareholder value creation. I am sure once we pass through these difficult times we will certainly get back on growth track as in the past.

I would like to thank our stakeholders for reposing their confidence and faith in the company and our management.

**J.Lakshmana Rao**

Chairman and Managing Director



**J. Lakshmana Rao CMD**



# Growth Drivers



## Edible Oil Packs

In Q-Packs, 10 lit pack is the new SKU added in FY 19-20, and became favourite choice in products of Agro industry, apart from Ghee/Oils segments  
 In addition to 92 customers of past, another 48 customers were added in 19-20 including 5 new states from Northern region  
 Total sale value of Rs. 43 Cr. Growth of 48.2% compared to previous FY 18-19



## Thin-Walled packs

Newly added SKUs include, Ice-cream 500ml; Butter 200ml; 750ml Dual fit pack; Ice-cream 125ml Oval tub; Dates 100 grams cup and a Hinge pack  
 Introducing Thinwall Packs for Sweets / Dry fruits / Biscuits in 2020-21  
 In TW, in addition to 183 customers of FY'18-19, another 63 added during 19-20 with new territories of Assam and Himachal added to customer's list  
 Total sale value of Rs. 48 Cr. Growth of 54 % compared to previous FY 18-19



## Pails

In Pails sector, in addition to 156 customers of past, another 18 added during FY 19-20  
 Total sale value of Rs. 428.75Cr. Growth of 11 % compared to previous FY 18-19



- Market Leaders in Rigid Plastic Packaging
- Operational Excellence
- Diversified Geographic Presence
- World-class Research & Development
- 100% Backward Integration

## Our Clients



Successfully launched Kwality Wall's 700 ml Family Pack & expanding into other sizes.

Launched our 5 ltr Q packs & has potential to expand 10 - fold

Now exporting to 3 countries.





# CSR

CORPORATE SOCIAL RESPONSIBILITY



## Primary School Building Construction

Construction of Primary school building at Ventrappagada. Andhra Pradesh



## Women Welfare

Contributed to Bharosa, Society for protection of Women & Children, HACA Bhavan, Hyderabad, to promote and supplement the state Govt. effort at rehabilitation of women & Children victims of violence or survivors



## Contribution for Construction of Multi Utility Hall

Sri Dakshinya Bhava Samithi, Guntur for Construction of Multi Utility Community hall for mentally and physically handicapped children.



## Helping hearing impaired Students

Contributed to Ashray Akrti at Hyderabad, to promote and provide the special education for 10 hearing impaired students.



## Vedic Education

Contributed to Sri Vijaya Sankara Desika Trust- Hyderabad, For Educational Purpose such as Vedic knowledge, Sastras, Vocational training centre etc.,



## Sponsorship

Contributed towards the Sponsorship to the Merit students for a period of 3 years of Indian Institute of Management (Bengaluru), Karnataka



## Contributed for school facilities

Contributed for Providing Water supply facility, Additional Class Rooms, Toilets, etc. to MPUP School at Kalasamudram (V), Anantapur, Andhra Pradesh



## Scholarship

Provided Scholarship to Ms. Pavani for Education, student of Rajiv Gandhi Ayurveda Medical College, Mahe.



## Contributed Ambulance

Provided ambulance along with First aid Kit to Gram Panchayat Annaram of Gummadidala Mandal of Sanga Reddy District, Telanagana



# AWARDS & ACHIEVEMENTS



On the 8th of February 2020, Mold-Tek received the **SIES SOP STAR Award 2019**, in Product Packaging for design and development of Twist Packs ranging from 50 ml to 1000 ml. These catchy packs are with Square shape at the bottom and round shape on the top.

Unique FORM-TRANSITION containers    Threaded caps    Wad-sealing Option    Multiple end-uses



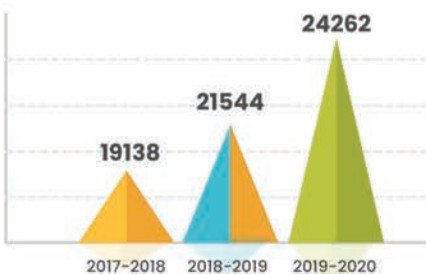
## 2018-2019

Mold-Tek received the **SIES SOP STAR Award 2018**, in Product Packaging for Tamper Evident & Leak Proof Square Packs with IML Decoration.

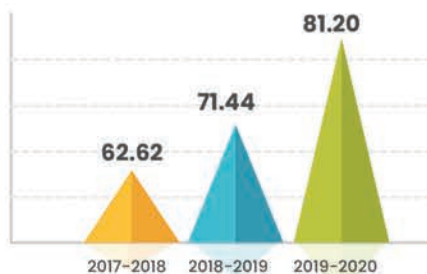
The SIES School of Packaging has instituted the SOP STAR AWARD in 2017 to recognize the R&D efforts of the industry in developing newer materials, forms, process, machinery and technology in the field of packaging.

## Mold-Tek Progress

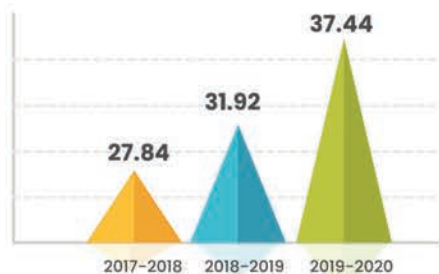
SALES VOLUME IN TONS



EBIDTA IN CR.



PAT IN CR.



# DISPENSING PUMPS

In light of the recent COVID crisis in India and careful study of the pumps market, we are building a state-of-the-art facility to manufacture dispenser pumps. We are setting up a capacity of 8 Million units per month using 32 to 48 cavity molds & automated assembly system with online QC & leak testing.



Lockdown  
Dispensing Pumps



Twist & Lock  
Dispensing Pumps

## Available Models



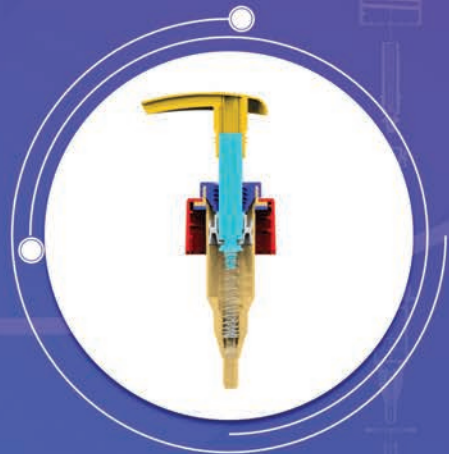
LC24A1

LC28A1

LC24A2

LC28A2

TL28A1





INTRODUCING MODERN  
**SWEET BOXES**

**MOST HYGIENIC FOOD SAFE PACKS**

Moldtek's tamper evident containers are made through hands free robotic operation  
- No human contact

Our containers are made In-House in FSSC Certified Clean Room facilities



This

*Diwali*

gift your loved ones responsibly

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Sri. J. Lakshmana Rao**  
Chairman & Managing Director

**Sri. A. Subramanyam**  
Deputy Managing Director

**Sri. P. Venkateswara Rao**  
Deputy Managing Director

**Sri. Srinivas Madireddy**  
Whole-time Director

**Smt. J. Mytraeyi**  
Non-Executive Promoter Director

**Sri. T. Venkateswara Rao**  
Non-Executive Independent Director

**Dr. Venkata Appa Rao Kotagiri**  
Non-Executive Independent Director

**Sri. Eswara Rao Immaneni**  
Non-Executive Independent Director

**Sri. Togaru Dhanraj Tirumala Narasimha,**  
Non-Executive Independent Director

**Sri. Madhuri Venkata Ramani Viswanadham,**  
Non-Executive Independent Woman Director

#### CHIEF FINANCIAL OFFICER

A. Seshu Kumari

#### COMPANY SECRETARY

Thakur Vishal Singh

#### STATUTORY AUDITORS

M. Anandam & Co.  
Chartered Accountants  
7 'A', Surya Towers,  
Sardar Patel Road,  
Secunderabad-500 003

#### INTERNAL AUDITORS

Praturi & Sriram  
Chartered Accountants  
3-6-220, Street No.15,  
Himayatnagar,  
Hyderabad - 500 029

#### SECRETARIAL AUDITOR

Ashish Gaggar  
Company Secretary in Practice  
Flat No.201, IInd Floor,  
Lake View Towers, Safari Nagar,  
Kothaguda, Kondapur,  
Hyderabad-500085

#### LEGAL ADVISOR

M. Radhakrishna Murthy, Advocate  
Vidya Nagar,  
Hyderabad

#### BANKERS

Citibank N.A.  
Yes Bank Limited  
ICICI Bank Limited  
HSBC Bank

#### REGISTERED OFFICE

Plot # 700, Road No. 36,  
Jubilee Hills,  
Hyderabad - 500 033, Telangana  
Phone : +91 40 40300300  
Fax : +91 40 40300328  
E-mail : cs@moldtekindia.com

#### REGISTRAR & SHARE TRANSFER AGENTS

M/s. XL Softech Systems Limited  
3, Sagar Society, Road No. 2,  
Hyderabad - 500 034  
Phone : +91 40 23545913/14/15  
Fax : +91 40 23553214  
Email : xlfield@gmail.com

### WORKS

#### Unit - I

Survey No. 54,55/A, 70,71 & 72,  
Near Air force Academy,  
Annaram Village,  
Gummadidala Mandal, Sanga Reddy District  
Telangana - 502 313

#### Unit - II

Survey No. 164/Part, Dommarapochampally Vil-  
lage, Gandimaisamma Dundigal Mandal, Medchal  
District, Telangana - 500 043

#### Unit - III

Survey No.160-A, 161-1, &161-5,  
Kund Falia, Behind Hotel Hilltop,  
Near Coastal Highway,  
Bhimpore, Nani Daman,  
Daman - 396 210

#### Unit - IV

Survey No. 79, Alinagar Village,  
Chetlapotharam Panchayat,  
Jinnaram Mandal,  
Sanga Reddy District  
Telangana - 502 313

#### Unit - V

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

#### Unit - VI

Shed No. D-17 & D-18,  
Survey No.283, Phase -1, APIIC,  
IDA Jeedimetla,  
Quthbullapur Mandal,  
Medchal District, Telangana - 500 055

#### Unit - VII

GAT No.656,  
Khandala - Lonand Road,  
Mhavashi (Village),  
Dhawad Wadi, Khandala  
Satara District - 412 802, Maharashtra

#### Unit - VIII

**Mysore**  
Plot No-94, SY No-186-P, 187-P, 193-P, 178-P,  
179-P, 116-P, Adakanahally Industrial, Hobli,  
Nanajangud (Talug), Mysore Dist. Mysore Area,  
Chikkaiahnachatra, Karnataka

#### Unit - IX

**Vizag**  
Plot No.2A, SY No 251P, 255P, 256P, 261P,IC-  
Pudi, Pudi Village, Rambilli  
(Mandal), Visakhapatnam (Dist.),  
Andhra Pradesh

CIN: L21022TG1997PLC026542 | Website: [www.moldtekgroup.com](http://www.moldtekgroup.com)



## FIVE YEARS PERFORMANCE REVIEW (Standalone)

₹ Lakhs

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Income from Operations (excluding taxes)	43,744	39,409	33,946	30,080	26,846
<i>Growth Rates (%)</i>	<i>11.00</i>	<i>16.09</i>	<i>12.85</i>	<i>12.05</i>	<i>(3.18)</i>
Other Income	116	134	105	156	62
<b>NET INCOME</b>	<b>43,860</b>	<b>39,542</b>	<b>34,051</b>	<b>30,236</b>	<b>26,908</b>
<i>Growth Rates (%)</i>	<i>10.92</i>	<i>16.13</i>	<i>12.62</i>	<i>12.37</i>	<i>(3.18)</i>
Materials Cost	25,687	23,872	20,199	18,589	16,697
<i>% to Net Income</i>	<i>58.57</i>	<i>60.37</i>	<i>59.32</i>	<i>61.48</i>	<i>62.05</i>
Over Heads	10,053	8342	7400	6304	5585
<i>% to Net Income</i>	<i>22.92</i>	<i>21.10</i>	<i>21.73</i>	<i>20.85</i>	<i>20.76</i>
<b>EBDITA</b>	<b>8,120</b>	<b>7,328</b>	<b>6,452</b>	<b>5,343</b>	<b>4,626</b>
<i>% to Net Income</i>	<i>18.51</i>	<i>18.53</i>	<i>18.95</i>	<i>17.67</i>	<i>17.19</i>
Depreciation	1,907	1473	1184	992	850
Interest & Finance Expenses	1,019	709	411	231	98
Exceptional items	286	1150	-	-	-
<b>PBT</b>	<b>4,908</b>	<b>3,996</b>	<b>4,857</b>	<b>4120</b>	<b>3,678</b>
<i>% to Net Income</i>	<i>11.19</i>	<i>10.11</i>	<i>14.26</i>	<i>13.63</i>	<i>13.67</i>
Taxes	1,089	1586	1688	1431	1268
<b>PAT</b>	<b>3,819</b>	<b>2,410</b>	<b>3,169</b>	<b>2,689</b>	<b>2,410</b>
<i>% to Net Income</i>	<i>8.71</i>	<i>6.10</i>	<i>9.31</i>	<i>8.89</i>	<i>8.96</i>
<i>Growth Rates (%)</i>	<i>58.44</i>	<i>(23.94)</i>	<i>17.85</i>	<i>11.58</i>	<i>42.86</i>
<i>Equity Dividend (%)</i>	<i>100</i>	<i>80</i>	<i>80</i>	<i>72</i>	<i>65</i>
<i>Dividend Payout (including Tax)</i>	<i>1,671</i>	<i>1,335</i>	<i>1,335</i>	<i>1,199</i>	<i>1,083</i>
Equity	1,386	1,385	1,385	1,385	1,385
Other equity	17,818	16,963	15,918	13,323	11,729
<b>NETWORTH</b>	<b>19,204</b>	<b>18,348</b>	<b>17,303</b>	<b>14,708</b>	<b>13,114</b>
Net Fixed Assets	21,060	19,585	12,939	10,040	8,951
Total Assets	36,261	34,332	30,247	23,607	20,449
<b>Market Capitalization</b>	<b>71,545</b>	<b>71,494</b>	<b>89,859</b>	<b>63,959</b>	<b>38,863</b>
<b>KEY INDICATORS</b>					
<b>Earnings per share (Face Value of ₹ 5) -(₹)</b>	<b>13.78</b>	<b>8.70</b>	<b>11.44</b>	<b>9.71</b>	<b>8.7</b>
<b>Turnover per share (Face Value of ₹ 5) -(₹)</b>	<b>158.39</b>	<b>142.80</b>	<b>122.97</b>	<b>109.19</b>	<b>97.17</b>
<b>Book Value per share (Face Value of ₹5)-(₹)</b>	<b>69.28</b>	<b>66.24</b>	<b>62.47</b>	<b>53.10</b>	<b>47.34</b>
<b>Dividend Pay-Out Ratio</b>	<b>43.75</b>	<b>55.39</b>	<b>42.13</b>	<b>44.59</b>	<b>44.94</b>
<b>Debt:Equity Ratio</b>	<b>0.61 : 1</b>	<b>0.50 : 1</b>	<b>0.45 : 1</b>	<b>0.26 : 1</b>	<b>0.20 : 1</b>

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE MEMBERS OF MOLD-TEK PACKAGING LIMITED WILL BE HELD ON WEDNESDAY, THE 30TH SEPTEMBER, 2020, AT 11:00 A.M. THROUGH VIDEO CONFERENCING (“VC”)/ OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:**

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2020 and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of interim dividend paid during the year on equity shares for the financial year ended on 31st March, 2020.
3. To appoint a Director in place of Mr. A Subramanyam, Deputy Managing Director (DIN: 00654046) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

4. **To Appoint Mr. Togaru Dhanraj Tirumala Narasimha as a Non-Executive Director, Independent category:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Togaru Dhanraj Tirumala Narasimha (DIN: 01411541), who was appointed as an Additional Director, Independent category and in respect of whom the Company has received a notice in writing under

Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 27<sup>th</sup> January, 2020 to 26<sup>th</sup> January, 2025, whose period of office shall not be liable to retire by rotation.”

5. **To Appoint Mrs. Madhuri Venkata Ramani Viswanadham as a Non-Executive Woman Director, Independent category:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and 17 (1) (a) and the other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Madhuri Venkata Ramani Viswanadham (DIN: 08715322), who was appointed as an Additional Woman Director, Independent category and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 11<sup>th</sup> March, 2020 to 10<sup>th</sup> March, 2025, whose period of office shall not be liable to retire by rotation.”

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

Sd/-

**J. LAKSHMANA RAO**

Place: Hyderabad

Chairman & Managing Director

Date: 2<sup>nd</sup> September, 2020

DIN:00649702



## NOTES

1. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (LODR) Regulations, 2015, (Listing Regulations), the 23<sup>rd</sup> AGM of the Company is being conducted through VC / OAVM. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at- Instructions for members CDSL e-Voting System – For Remote e-voting and e-voting during AGM below and is also available on the website of the Company at [www.moldteckpackaging.com](http://www.moldteckpackaging.com).
2. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with MTPL in case the shares are held by them in physical form.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 4 and 5 is annexed hereto.
6. In terms of Articles of Association of the Company, Mr. Adivishnu Subramanyam, Deputy Managing Director (DIN: 00654046) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Information about him, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, is contained in the statement annexed hereto as Annexure-I. The Board of Directors of the Company recommends the re-appointment of Mr. Adivishnu Subramanyam. He has furnished the requisite declarations for his re-appointment.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2020, 30<sup>th</sup> September, 2020 (both days inclusive).
8. Corporate Members (i.e other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [ashishgaggar.pcs@gmail.com](mailto:ashishgaggar.pcs@gmail.com) with a copy marked to [cs@moldteckpackaging.com](mailto:cs@moldteckpackaging.com).
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MTPL in case the shares are held by them in physical form.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report

and FAQ of investor page on Company's website [www.moldteckpackaging.com](http://www.moldteckpackaging.com)

12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
13. The Certificate from the Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 stating compliance as per SEBI (Share Based Employee Benefits) Regulations, 2014 as amended, from time to time and resolution of the Company passed in the general meeting, on implementation of scheme, will be available for inspection by the Members.
14. **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING ANNUAL REPORT.**

In accordance with, the General Circular No. 20/2020 dated 5 May 2020 issued by MCA and Circular No. SEBI/ HO/CFD/ CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the company or the Depository Participant(s).

Members holding shares in physical mode and who have not updated their email addresses with the company are requested to update their email addresses by writing to the company at [cs@moldteckpackaging.com](mailto:cs@moldteckpackaging.com) or CDSL Email helpdesk.[evoting@cdslindia.com](mailto:evoting@cdslindia.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register or update their email addresses with the relevant Depository Participants.

The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the company at [www.moldteckpackaging.com](http://www.moldteckpackaging.com) on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of Central Depository Services (India) Limited (CDSL) at [www.cdslindia.com](http://www.cdslindia.com).

15. 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

or Investor Relations 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).

16. Individual Members can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard, Members may contact M/s. XL Softech Systems Limited, 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034, Telangana, the Registrar and Share Transfer Agents of the Company.
17. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transmission and trans position of shares in the physical mode. Members may please take note of the same.

#### **Voting Through Electronic Means:**

1. The voting period begins on 26<sup>th</sup> September, 2020 at 9:00 a.m and ends on 29<sup>th</sup> September, 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Mr. Ashish Gaggar, Practicing Company Secretary (Membership No. FCS 6687) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
3. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
4. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 23<sup>rd</sup> September, 2020, only shall be entitled to avail the facility of remote e-voting. A person who is not a member as on the cut-off date should treat this notice for information purpose only.



5. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting, then you can use your existing User ID and password for casting your vote.
  6. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
  7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.moldtekgroup.com](http://www.moldtekgroup.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
  8. The resolutions listed in the Notice of the AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolutions.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

### **Instructions for members CDSL e-Voting System – For Remote e-voting and e-voting during AGM is as under:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.moldteckpackaging.com](http://www.moldteckpackaging.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 26<sup>th</sup> September, 2020 at 9:00 a.m and ends on 29<sup>th</sup> September, 2020 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR
- Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance **at least 7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number

at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in **advance 7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.





- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@moldteckpackaging.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk](mailto:helpdesk).

[evoting@cdslindia.com](mailto:evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

Sd/-

**J. LAKSHMANA RAO**

Chairman & Managing Director

Place: Hyderabad

Date: 2<sup>nd</sup> September, 2020

DIN:00649702

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

**Item no. 4**

Mr. Togaru Dhanraj Tirumala Narasimha (DIN: 01411541) was appointed as Additional Director (Independent) on the Board of the Company at the meeting held on 27th January, 2020, pursuant to the provisions of Section 161, 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). He hold office as Independent Director of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company.

Brief Profile: Mr. Dhanraj Tirumala Narasimha Rao Togaru is a B.E (ECE) and MBA (Systems & Marketing). He has got overall 35 years of vast experience in Electronics, IT, CAD/CAM GIS Simulation & visualization. He is an Entrepreneur from last 25 Years.

Mr. Togaru Dhanraj Tirumala Narasimha (DIN: 01411541) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. Togaru Dhanraj Tirumala Narasimha for the office of Independent Director of the Company.

The Company has also received declaration from Mr. Togaru Dhanraj Tirumala Narasimha that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Togaru Dhanraj Tirumala Narasimha fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Mr. Togaru Dhanraj Tirumala Narasimha is independent of the management.

The Draft Letter of appointment is available for inspection by members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company.

Details of Director whose appointment as Independent Directors is proposed at Item No. 4, is provided in the “Annexure I” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Mr. Togaru Dhanraj Tirumala Narasimha is interested in the resolution set out respectively at Item Nos. 4 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Ordinary Resolutions set out at Item No. 4 of the Notice for approval by the members.

**Item no. 5**

Mrs. Madhuri Venkata Ramani Viswanadham (DIN: 08715322) was appointed as Additional Woman Director (Independent) on the Board of the Company at the meeting held on 11th March, 2020, pursuant to the provisions of Section 161, 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). He hold office as Independent Director of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company.

Brief Profile: Mrs. Venkata Ramani Madhuri Viswanadham is A Chartered Accountant in practice, a graduate in Law and a diploma in business administration (Fin) with more than 20 yrs experience in the areas of accountancy, finance, audits, corporate laws & taxation. A self- motivated resourceful leader with communication skills , integrity & independent thinking with varied exposure and acumen to understand business functions & corporate affairs and provide expertise in financial, accounting and taxation related matters, their disclosures and statutory compliances. Possess the ability to bring objectivity & independent view to the Board and contribute to improving corporate credibility &governance and play a vital role in company strategy, performance and risk management.

Mrs. Venkata Ramani Madhuri Viswanadham is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Venkata Ramani Madhuri Viswanadham for the office of Independent Director of the Company.

The Company has also received declaration from Mrs. Venkata Ramani Madhuri Viswanadham that she meets with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mrs. Venkata Ramani Madhuri Viswanadham fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Mrs. Venkata Ramani Madhuri Viswanadham is independent of the management.

The Draft Letter of appointment is available for inspection by members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company.

Details of Director whose appointment as Independent Woman Director is proposed at Item No. 5, is provided in the “Annexure I” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Mrs. Venkata Ramani Madhuri Viswanadham is interested in the resolution set out respectively at Item Nos. 5 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Ordinary Resolutions set out at Item No. 5 of the Notice for approval by the members.



**Annexure-I**

Additional information on Director seeking re-appointment in the Annual General Meeting (under sub-regulation 3 of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard-2

Statement of Disclosure

<b>Name of the Director</b>	<b>Mr. Adivishnu Subramanyam</b>	<b>Mr. Togaru Dhanraj Tirumala Narasimha</b>	<b>Mrs. Madhuri Venkata Ramani Viswanadham</b>
Date of birth	8th July, 1954	19 <sup>th</sup> April, 1960	2 <sup>nd</sup> January, 1972
Date of first appointment on the board	1st April, 2014	27 <sup>th</sup> January, 2020	11 <sup>th</sup> March, 2020
Terms & Conditions of appointment and re-appointment along with Remuneration sought to be paid	Not Applicable	As mentioned in the resolution No. 4	As mentioned in the resolution No. 5
Relationship with other Directors	J. Lakshmana Rao- Brother-in-law	Not Applicable	Not Applicable
Expertise in specific functional area	Expertise is in overseeing CNC programming, machine and mould manufacturing activities	Electronics, IT, CAD/ CAM GIS Simulation & visualization.	Accountancy, finance, audits, corporate laws & taxation
Qualification	B.E. (Mechanical) Diploma in mould design & manufacturing	B.E (ECE) and MBA (Systems & Marketing)	Chartered Accountant
Number of Meetings of the Board attended during the financial year 2019-2020	8	1	Nil
Names of other companies in which holds the directorship	Mold-Tek Technologies Limited	<ul style="list-style-type: none"> <li>• CGI Simulations Private Limited</li> <li>• Mold-Tek Technologies Limited</li> </ul>	NIL
Names of other companies in which holds the membership of committees of the board	NIL	Mold-Tek Technologies Limited	NIL
No of shares held in the Company as on 31st March, 2020	20,29,124	NIL	NIL

## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their report on the business and operations of the Company for the year ended 31st March, 2020.

### FINANCIAL RESULTS

₹ in Lakhs

Particulars	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	43,744	39,408	43,820	40,572
Other income	116	134	116	113
<b>Total income</b>	<b>43,860</b>	<b>39,542</b>	<b>43,936</b>	<b>40,685</b>
Profit before Finance cost, depreciation & tax	8,120	7,328	7,794	7,145
Finance cost	1,019	709	1,040	757
Depreciation	1,907	1,473	1,921	1,610
<b>Profit before exceptional items and tax</b>	<b>5,194</b>	<b>5,146</b>	<b>4,833</b>	<b>4,778</b>
Provision for current tax	1,218	1,303	1,218	1,303
Provision for deferred tax	(129)	283	(129)	283
Exceptional items	286	1,150	-	-
<b>Net profit (After Tax)</b>	<b>3,819</b>	<b>2,410</b>	<b>3,744</b>	<b>3,192</b>
Other comprehensive income (net of tax)	(47)	(30)	(47)	(30)
Profit brought forward from previous years	7,568	6,523	7,693	5,866
<b>Amount available for appropriation</b>	<b>11,340</b>	<b>8,903</b>	<b>11,390</b>	<b>9,028</b>
<b>Less: Appropriation</b>				
Dividend on equity shares (excluding tax)	2,494	1,107	2,494	1,107
Tax on dividends	513	228	513	228
<b>Closing Balance of retained earnings</b>	<b>8,333</b>	<b>7,568</b>	<b>8,383</b>	<b>7,693</b>

### PERFORMANCE REVIEW

Your Company has shown a healthy performance at Standalone level in terms of revenue, EBIDTA & PAT. Your Company has achieved a total revenue of ₹43744 lakhs from ₹39408 lakhs in the previous year with a growth rate of 11%. The operating profit (EBIDTA) increased by 10.81%, from ₹7328 lakhs to ₹8120 lakhs, overall resulting into a healthy increase in net profits by 58.46% amounting to ₹3819 lakhs as against the profit of ₹2410 lakhs for financial year 2018-19. The EPS on weighted average equity has increased from ₹8.70 in the financial year 2018-19 to ₹13.78 in the financial year 2019-20, leading to an increase of 58.46%.

### FUTURE OUTLOOK

Your Company plans to change the packaging landscape by creating sustainable and intelligent packaging solutions. Your Company is planning to set up an exclusive lotion pump project with capital outlay of ₹15 crores at Hyderabad. It may start production around November 2020 to widen our product range and entry into personal care products.

Demand for our Square packs continue to grow and are on the way to create a major trend in the edible oil market. Conversion from tin to plastic by major edible oil players like N.K Protein, Goyal, Damani, Gulab, Halder Group etc has majorly aided the growth of our square packs. The Company has successfully added/increased capacity for these packs. Capacity shifted from RAK has been mainly allocated to these packs and other food packing products. We have also found demand for these packs from other consumer and agro-products.

Ice Cream sales have dropped drastically this summer due to the pandemic hit. But there is also a perceptible increase in demand for food packaging products from many SMEs apart from major players. Once the Impact of Covid on the economy is lifted we anticipate normal or better demand for our products.

### IMPACT ASSESSMENT OF THE GLOBAL HEALTH PANDEMIC – COVID 19 AND RELATED ESTIMATION UNCERTAINTY:

During the last few months, the spread of Covid 19 has affected the business which culminated into scaling down of

the Company's operations. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, closing of 6 out of 9 manufacturing facilities in April 2020, and adopting work from home policy wherever possible for employees across the locations.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The negative impact on sales is expected to continue in FY 2020-21. The Company is trying to reduce the fixed overheads to the best possible extent to sail through the difficult times to ahead.

Although it is difficult to estimate the impact of COVID-19 on future operations at this point of time, the Company believes the sales for discretionary products like paints would significantly be impacted in short term. In view of lock down, the performance of the Company may be adversely affected in 1st Quarter in FY 2020-21 by around 40%.

The Company's net cash position as on 31 March, 2020 is sufficient to meet the requirements in case of any emergency and do not foresee any liquidity crunch. The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfilment of obligations would lead to material financial claim against the Company. The Company endeavours to ensure that all contractual commitments shall be honoured.

### **TRANSFER TO RESERVES:**

The Board of Directors of the Company have not recommended for transfer of any amount to the General Reserve for the financial year ended 31st March, 2020.

### **DIVIDEND**

Your Company has recommended Interim Dividend of ₹5 per equity share i.e. @100% of face value of ₹5 each, (previous year: ₹4.00 per equity share @80% of face value of ₹5 each) for the financial year ended 31st March, 2020. Considering the Covid-19 impact on the business, your Company has decided not to declare any further final dividend.

This will entail an outflow of ₹1671.26 lakhs (Inclusive of dividend tax).

The dividend payout for the year under review has been formulated keeping in view your Company's need for capital and rewarding shareholders.

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

### **AUTHORIZED SHARE CAPITAL**

The Authorized Share Capital of the Company as on 31<sup>st</sup> March, 2020 stands at ₹14,50,00,000 (Rupees Fourteen crore fifty lakhs only) divided into 2,90,00,000 (Two crore ninety lakhs) equity shares of ₹5 (Rupees Five only) each. During the year, there has been no change in the authorized share capital of the Company.

### **PAID UP SHARE CAPITAL**

The paid up share capital of the Company is ₹13,86,30,135 divided into 2,77,26,027 shares of ₹5 each as on 31st March, 2020.

During the year 2019-20, the Company has issued 34,975 Equity Shares under the MTPL-ESOP Scheme, 2016.

### **CREDIT RATING**

#### **ICRA**

The rating details are as follows:

<b>Instrument</b>	<b>Rating</b>
Long-term, Term loan	[ICRA] A (Stable)
Long-term loans fund based	[ICRA] A (Stable)
Short-term non- fund based	[ICRA]A1

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

No change in the nature of Business

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' Report.

### **SUBSIDIARY**

Your Company has closed down the operations of the wholly owned subsidiary, Mold-Tek Packaging FZE, UAE pending winding up formalities. The entire machinery was withdrawn from subsidiary and installed in Indian facilities. The Company has made an additional provision of ₹286. 10 lakhs towards loan given.

The consolidated financial statements of the Company prepared in accordance with applicable Accounting Standards as specified in the Companies (Accounts) Rules, 2014, form part of the annual report. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the Act), a statement containing salient features of financial statements of subsidiary in Form AOC 1 forms part of Board's Report.

Separate audited financial statements in respect of the subsidiary company shall be kept open for inspection at the



Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of the subsidiary company is also available on the website of your Company at: <http://www.moldtekgroup.com>.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report.

### **DEPOSITS**

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

### **INTERNAL CONTROLS SYSTEMS AND ADEQUACY**

The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of financial statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

### **DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL**

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management.

Based on the confirmations received, none of the Directors are disqualified for being appointed/re-appointed as directors in terms of Section 164 of the Companies Act, 2013.

In accordance with the provisions of Section 152 of the Act, Mr. A Subramanyam, Deputy Managing Director (DIN: 00654046) of the Company, is liable to retire by rotation and is eligible for re-appointment.

In the Board Meeting held on 27<sup>th</sup> January, 2020, Sri. Togaru Dhanraj Tirumala Narasimha and Sri. Ramakrishna Bonagiri

were appointed as an Additional Director (Independent) of the company. Further, they are proposed to be appointed as Director (Independent) of the company under Section 161 of the Companies Act, 2013 at the ensuing 23<sup>rd</sup> Annual General Meeting.

Further, in the Board Meeting held on 11<sup>th</sup> March, 2020, Mrs. Madhuri Venkata Ramani Viswanadham was appointed as an Additional Director (Independent Woman Director) of the company. Further, She proposed to be appointed as Director (Independent Woman Director) of the company under Section 161 of the Companies Act, 2013 at the ensuing 23<sup>rd</sup> Annual General Meeting.

Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75 % of voting for his re-appointment on the board for second term of five consecutive years in the Annual General Meeting held on 30<sup>th</sup> September, 2019, accordingly he vacated the office from the Board of Directors w.e.f. 30<sup>th</sup> September, 2019.

Mr. Ramakrishna Bonagiri, Non-Executive Independent Director has resigned from the post of Independent Director of the company w.e.f. 29<sup>th</sup> August, 2020 and the Board accepted the resignation of Mr. Ramakrishna Bonagiri in the Board meeting held on 2<sup>nd</sup> September, 2020. The Board has placed its sincere appreciation for the services rendered by him during his tenure.

Pursuant to the provisions of regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by ICSI, brief particulars of the directors proposed to be appointed/ re-appointed are provided as an annexure to the notice convening the AGM.

### **EMPLOYEE STOCK OPTION SCHEME**

The Company has in operation Mold-Tek Packaging Employees Stock Option Scheme-2016 for granting stock options to the employees of the Company, in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities Exchange Board of India (Share Based employee benefits) Regulations, 2014.

The Company has granted the options under this scheme in the Board meeting held on 20<sup>th</sup> July, 2018 in the financial year 2018-19.

There have been no changes in the Scheme.

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are enclosed as Annexure-A to this report.

The **Annexure-A** is also available on website of the Company at [www.moldtekgroup.com](http://www.moldtekgroup.com)

## **GOVERNANCE GUIDELINES**

The Company has adopted Governance Guidelines or code of conduct on Board, Independent Director, Key Managerial Personnel and senior managerial personnel. The Governance Guidelines or code of conduct cover aspects relating to Board diversity, definition of independence and duties of independent directors, Code of Conduct, moral, ethics and principles to be followed.

## **STATEMENT ON COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS**

It is hereby stated that the Company has duly complied with applicable Secretarial Standards for the year 2019-20.

## **NOMINATION, REMUNERATION AND PERFORMANCE EVALUATION POLICY**

The requisite details as required by Section 134(3), Section 178(3) & (4) of the Act and Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Report on Corporate Governance.

## **TRANSACTIONS WITH RELATED PARTIES**

The requisite details as required by Sections 134 & 188 of the Act and Regulation 23, 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Report on Corporate Governance and financial statements.

## **BOARD AND COMMITTEE MEETINGS**

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Section 173(1) of the Act and Regulation 17(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- iv. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to the provisions of Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has constituted a CSR Committee. The Corporate Social Responsibility Committee comprises of 3 Executive Directors and one independent Director, chaired by J. Lakshmana Rao. The composition of the Corporate Social Responsibility Committee meets the requirements of Section 135 of the Act. The Board of Directors, based on the recommendations of the Committee, formulated a CSR Policy. The requisite details on CSR activities pursuant to Section 135 of the Act and as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-B** to this Report.

## **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The policy aims to provide

protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action. In the financial year 2019-20, the Company has not received any complaint which falls within the scope of this policy. The policy is available on website of the Company at: <http://moldteckpackaging.com/pdf/corporate-governance/MPL-Policy-of-SH.pdf>

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The requisite details as required by Section 177 of the Act and Regulation 22 & 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Report on Corporate Governance.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant material orders have been passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

#### **AUDITORS**

##### **a. Statutory Auditors**

M/s. Anandam & Co., Chartered Accountants (Firm Registration Number 000125S) were appointed as the Statutory Auditors by the Members of the Company at the 20th Annual General Meeting (AGM) to hold office from the conclusion of the 20th AGM until the conclusion of the 25th AGM of the Company (subject to ratification by the Members at every subsequent AGM), in accordance with the provisions of the Act.

In the 22<sup>nd</sup> AGM of the Company, held on 30<sup>th</sup> September, 2019, the appointment of Anandam & Co., Chartered Accountants, has been ratified up to the conclusion of 25th Annual General meeting of the Company.

##### **b. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. Ashish Kumar Gaggar, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended 31st March, 2020. The Secretarial Audit

Report is annexed as **Annexure-C**. The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2020 do not contain any qualification, reservation, adverse remark or disclaimer except the observations provided thereunder.

Pursuant to the provisions of Regulation 24A of the SEBI (LODR) Regulations, 2015 the Board of Directors of the Company had appointed Mr. Ashish Kumar Gaggar, Practicing Company Secretary to undertake the audit of Annual Secretarial Compliance of the Company for the year ended 31st March, 2020. The Annual Secretarial Compliance Report is annexed as **Annexure-C (1)**. The Annual Secretarial Compliance Report for the financial year ended 31st March, 2020 do not contain any qualification, reservation, adverse remark or disclaimer except the observations provided thereunder.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-D**.

#### **PARTICULARS OF REMUNERATION**

The information required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure-E**.

The information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT-9 is annexed as **Annexure-F**.

#### **MANAGEMENT DISCUSSION AND ANALYSIS, CORPORATE GOVERNANCE AND THE BUSINESS RESPONSIBILITY REPORT**

The Management Discussion and Analysis Report and the Report on Corporate Governance along with the Business Responsibility Report, as required under Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Your Company is committed to the tenets of good corporate governance and has taken adequate steps to ensure that the principles of corporate governance as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

A Company Secretary in Practice has certified that conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with by your Company and his certificate is annexed to the Report on Corporate Governance.

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

#### **CEO/CFO CERTIFICATION**

J. Lakshmana Rao, Chairman & Managing Director and A. Seshu Kumari, Financial Controller & Chief Financial Officer of the Company have given a certificate to the Board as contemplated in Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **RISK MANAGEMENT**

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

#### **EMPLOYEE RELATIONS**

The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full co-operation from the employees.

#### **BOARD'S OPINION OF INDEPENDENT DIRECTOR APPOINTED DURING THE YEAR:**

As per Rule 8 (5) (iiia) of Companies (Accounts) Rules, 2014, it is in the opinion of the Board that integrity, expertise and experience (proficiency yet to be ascertained from the online proficiency self-assessment test conducted by the IICA) of the independent directors appointed during the year, has been fulfilled.

#### **FRAUD REPORTING**

In the terms of provision of Section 134 (3) (ca) of the Companies Act 2013, during the year under review, there was no case of offense of fraud detected by the Auditors under sub section (12) of section 143.

#### **MAINTENANCE OF COST RECORDS**

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products/services of the company.

#### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation and gratitude for all the assistance and support received from Citibank, Yes Bank, HSBC, ICICI Bank 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

Sd/-

**J. LAKSHMANA RAO**

Chairman & Managing Director

Place: Hyderabad

DIN:00649702

Date: 2<sup>nd</sup> September, 2020



## ANNEXURE - A

*Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*

Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI form part of the notes to the financial statements provided in this Annual Report.

Scheme I - MTPL Employees Stock Option Scheme

Scheme II - MTPL Employees Stock Option Scheme-2016 (MTPL ESOS 2016)

### Details of the Employees Stock Option Schemes (ESOS)

S.No.	Description	Year ended 31st March, 2020 Scheme-I	Year ended 31st March, 2020 Scheme-II
1.	Date of shareholders' approval	9th February, 2010	19th September, 2016
2.	Total number of options approved under ESOS	5,00,000	3,00,000
3.	Vesting requirements	Commences at the expiry of one/two years to 4 years from the date of grant	Commences at the expiry of one year to 5 years from the date of grant
4.	Exercise price or pricing formula	Exercise price for the purpose of the grant of options shall be the price as reduced by 60% of the closing market price of the equity shares of the company available on the BSE on the date immediately preceding the grant date, subject to minimum of the face value of equity share.	Exercise price for the purpose of the grant of options shall be price as reduced up to a maximum of 50% of the closing market price of the equity shares of the Company available on the stock exchange on which the shares of the Company are listed. If equity shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the closing market price.
5.	Maximum term of options granted	6 years	5 years
6.	Source of shares (primary, secondary or combination)	Primary	Primary
7.	Variation of terms of options	Nil	Nil

**Details of ESOS during the financial year**

S. No.	Description	Year ended 31st March, 2020
1.	Number of options outstanding at the beginning of the year (out of total number of options approved under ESOS)	1,50,000
2.	Number of options granted during the year	Nil
3.	Number of options forfeited/lapsed during the year	2,525
4.	Number of options vested during the year	34,975
5.	Number of options exercised during the year	34,975
6.	Number of shares arising as a result of exercise of options	34,975
7.	Amount realized by exercise of options (₹ Lakhs)	75.78
8.	Loan repaid by the Trust during the year from exercise price received	Not applicable
9.	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	1,12,500
10.	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	Nil
11.	Weighted-average exercise	Not applicable
12.	Weighted-average fair values	Not applicable
13.	Closing price	Not applicable
14.	Employee wise details of options granted to	
	a. Key managerial personnel	Nil
	b. Any other employee who received a grant of options in any one year of option amounting to 5% or more of option granted during the year	Nil
	c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	Nil

**ANNEXURE-B**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

S.No.	Particulars	Disclosures
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Mold-Tek has aimed at serving the needs for the community and is a socially responsible corporate to give back to the society towards sustainable care and development. The policy includes all the programmes as per Schedule VII of Companies Act, 2013. Mold-Tek takes keen responsibility to develop education and rural areas. The Company has framed a CSR policy to regulate CSR activities. The policy is available on the website of the Company at: <a href="https://www.moldteckpackaging.com/pdf/MPL%20CSR%20Policy2020.pdf">https://www.moldteckpackaging.com/pdf/MPL%20CSR%20Policy2020.pdf</a>
2.	The composition of the CSR Committee	J. Lakshmana Rao, Chairman A. Subramanyam, Member P. Venkateswara Rao, Member Dr. Venkata Appa Rao Kotagiri, Member
3.	Average net profit of the Company for last three financial years	₹ 4697.54 Lakhs
4.	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 93.95 Lakhs
5.	Details of CSR spent for the financial year:	
	a) Total amount spent during the financial year	₹ 75.88 Lakhs
	b) Amount unspent, if any	₹ 119.30 Lakhs
	c) Manner in which the amount spent during the financial year	The Company sponsored the following projects with total contribution of ₹ 75.88 Lakhs.
		<ol style="list-style-type: none"> <li>1. Scholarship to PGP Students of IIM-Bangalore.</li> <li>2. Scholarship to Ms. Pavani for Education, student of Rajiv Gandhi Ayurveda Medical College.</li> <li>3. Contribution to 'BHAROSA' - Support Center for Women &amp; Children, Hyderabad City Police, Telangana.</li> <li>4. Construction of Primary school building at Ventrapragada, Krishna district, Andhra Pradesh.</li> <li>5. Contribution to Ashray Akruiti for children education.</li> <li>6. Contribution to MPUP School, Kalasamudram for children education</li> <li>7. Contribution to Sri Vijaya Sankara Desika Trust for Vedic education development programme.</li> <li>8. Sri Dakshinya Bhava Samithi, Guntur for Construction of Multi Utility Community hall for mentally and physically handicapped children and old aged persons by providing vocational training with lodging and boarding.</li> <li>9. Provided ambulance along with First aid Kit to Gram Panchayat Annaram of Gummadidala Mandal of Sanga Reddy District, Telanagana</li> </ol>
6.	Reasons for not spending the amount	The Company has initiated more projects for development of education and Healthcare activities. The Company is looking forward for the activities as listed out in Schedule VII of the Companies Act, 2013 to spend the amount of CSR.
7.	Responsibility statement	We hereby affirm that the CSR Policy, as recommended by the CSR Committee and approved by the Board, has been implemented and the Committee monitors the implementation of CSR projects and activities in compliance with CSR objectives.

Sd/-

**J. LAKSHMANA RAO**  
**Chairman of the Committee**  
**DIN: 00649702**

**ANNEXURE-C  
SECRETARIAL AUDIT REPORT**

To  
The Members  
**Mold-Tek Packaging Limited**  
Plot No.700, D.No.8-2-293/82/A/700,  
Ground Floor, Road No.36, Jubilee Hills,  
Hyderabad-500 033, Telangana

My report of even date is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



**Ashish Kumar Gaggar**  
**Company Secretary in Practice**

FCS : 6687  
CP No. : 7321

Place : Hyderabad  
Date : 2<sup>nd</sup> September, 2020  
UDIN : F006687B000647184



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Mold-Tek Packaging Limited**  
Plot No.700, D.No.8-2-293/82/A/700,  
Ground Floor, Road No.36, Jubilee Hills,  
Hyderabad-500 033, Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mold-Tek Packaging Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on 31<sup>st</sup> March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements), Regulations, 2018 [**Not Applicable as the company has not issued any further share capital during the period under review**];
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [**Not Applicable as the Company has not issued and listed any debt securities during the financial year under review**];
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; [**Not Applicable as the company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year under review**];
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [**Not Applicable as there was no reportable event during the period under review**];
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [**Not Applicable as there was no reportable event during the period under review**];
- (vi) The industry specific Acts, Labour and other applicable laws as provided by the management of the company:

I have also examined compliance with the applicable clauses of following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01 July 2015.
- ii. The listing agreements entered into by the company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

## Mold-Tek Packaging Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

Sr. No	Compliance Requirement Deviations Observations/(Regulations/ circulars / Remarks of the guidelines including specific Practicing clause)	Deviations
1.	As per Regulation 17(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors”	<i>The company was not in compliance with the requirements pertaining to the composition of the board as per the Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, from November 24, 2019 to January 26, 2020.</i>  <i>The Company has complied with the requirement of said regulation by appointing two more Non-Executive Independent Directors on the Board, in the Board meeting held on January 27, 2020.</i>

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *except as referred above*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, the meetings held at shorter notice were in compliance with SS-1 Secretarial Standard on Meetings of the Board of Directors.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the other Acts, Rules, Regulations, Guidelines, Standards, etc.



**Ashish Kumar Gaggar**  
**Company Secretary in Practice**

FCS : 6687

CP No. : 7321

Place : Hyderabad

Date : 2<sup>nd</sup> September, 2020

UDIN : F006687B000647184

## ANNEXURE-C (1)

### Secretarial Compliance Report of “MOLD-TEK PACKAGING LIMITED”

**For the year ended 31<sup>st</sup> March 2020**

I, **Ashish Kumar Gaggar** have examined:

- (a) all the documents and records made available to me and explanation provided by **MOLD-TEK PACKAGING LIMITED**(“the listed entity”),
  - (b) the filings/ submissions made by the listed entity to the stock exchanges
  - (c) website of the listed entity,
  - (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended 31<sup>st</sup> March 2020 (“Review Period”) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992(“SEBI Act”) and the Regulations, Circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2018;-*Not Applicable to the listed entity during the review period*

- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - *Not Applicable to the listed entity during the review period*
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;-*Not Applicable to the listed entity during the review period*
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;-*Not Applicable to the listed entity during the review period*
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement Deviations Observations/ (Regulations/circulars/Remarks of the guidelines including specific Practicing clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	As per Regulation 17(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors”	<i>The company was not in compliance with the requirements pertaining to the composition of the board as per the Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, from November 24, 2019 to January 26, 2020</i>	The Company has complied with the requirement of said regulation by appointing two more Non-Executive Independent Directors on the Board, in the Board meeting held on January 27, 2020.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1.	BSE Limited	The company was in non-compliance with the requirements pertaining to the composition of the board as per the Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018 for 38 days (November 24, 2019 to December 31, 2019)	BSE Limited vide its letter LIST/COMP/Reg.27(2) & Reg. 17 to 21/Dec-19/533080/283/2019-20 dated February 03, 2020 imposed the fine of ₹ 2,24,200/-. (Basic Fine - 1,90,000/- and GST @ 18%- 34,200/-)	NIL
2.	National Stock Exchange of India Limited	The company was in non-compliance with the requirements pertaining to the composition of the board as per the Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018 for 38 days (November 24, 2019 to December 31, 2019)	National Stock Exchange of India Limited vide its letter NSE/LIST-SOP/CG/FINES/100977 dated February 03, 2020 imposed the fine of ₹2,24,200/-. (Basic Fine - 1,90,000/- and GST @ 18%- 34,200/-)	NIL
3.	BSE Limited	The company was in non-compliance with the requirements pertaining to the composition of the board as per the Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018 for 26 Days (January 01, 2020 to January 26, 2020)	BSE Limited vide its email dated July 08, 2020 imposed the fine of ₹1,53,400/-. (Basic Fine - 1,30,000/- and GST @ 18%- 23,400/-)	The Company has filed a letter dated 09 <sup>th</sup> July 2020 in which the company has requested for waiver of penalty and personal hearing representation. Reply is awaited from the BSE Limited.
4.	National Stock Exchange of India Limited	The company was in non-compliance with the requirements pertaining to the composition of the board as per the Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018 for 26 Days (January 01, 2020 to January 26, 2020)	National Stock Exchange of India Limited vide its letter NSE/LIST-SOP/CG/FINES/0468 dated July 02, 2020 imposed the fine of ₹1,53,400/-. (Basic Fine - 1,30,000/- and GST @ 18%- 23,400/-)	The Company has filed a letter dated 07 <sup>th</sup> July 2020 in which the company has requested for waiver of penalty and personal hearing representation. Relevant hearing was held on 20 <sup>th</sup> July 2020. Reply is awaited from the National Stock Exchange of India Limited.

The listed entity has taken the following actions to comply with the observations made in previous reports:



Sr.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
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Not Applicable



**Ashish Kumar Gaggar**  
Company Secretary in Practice

FCS : 6687  
CP No. : 7321

Place : Hyderabad  
Date : 30th July 2020  
UDIN : F006687B000526910

**ANNEXURE-D**

*[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]*

**a. Conservation of energy**

Energy conservation is one of the words we are hearing more and more. Energy conservation is not about making limited resources last as long as they can, that would mean that you are doing nothing more than prolong a crisis until we finally run out of energy resources all together. Conservation is the process of reducing demand on a limited supply and enabling that supply to begin to rebuild itself. Many times the best way of doing this is to replace the energy used with an alternate.

Without energy conservation, the world will deplete its natural resources. While some people don't see that as an issue because it will take many decades to happen and they foresee that by the time the natural resource is gone there will be an alternative; the depletion also comes at the cost of creating an enormous destructive waste product that then impacts the rest of life. The goal with energy conservation techniques is reduce demand, protect and replenish supplies, develop and use alternative energy sources, and to clean up the damage from the prior energy processes.

**Steps taken for conservation of energy**

- a. Monitoring and analysis of energy consumption on periodic basis;
- b. New moulding machines selected are always either servo controller or fully electric machines;
- c. Replacement of conventional tubes and bulbs with LED;
- d. Monitoring, benchmarking and selection of energy intensive equipment only;
- e. Minimum use of energy by optimizing processes and material movement in factories;
- f. 'Machine On' alarms and automatic switch off machines;
- g. Share and implement best energy saving practices across manufacturing units.

**b. Technology absorption**

Mold-Tek operates in an industry which requires continuous technology upgradation for manufacturing products and research activities to stay ahead of the market. Currently, the Company has a centralized integrated tool room to develop and repair molds. While the Company's centralized tool room provides advantages such as early development of products at cheaper cost, Mold-Tek will continue to make investments in R&D including and not limited to developing robots, new molds and processes since the Company depends significantly on such processes for upgrading the technologies and processes from time to time. The top management devotes considerable time to develop new design and technologies at the tool room. These R&D activities are critical since it may improve demand for the Company's products and profitability, if the same proves to be successful.

**c. Foreign exchange earnings and outgo**

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

	₹ in Lakhs	
	2019-20	2018-19
Foreign exchange earnings	434	286
Foreign exchange outgo	4,345	3,509

## ANNEXURE-E

*Disclosure under Section 197(12) and Rule 5(1) Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

**a. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:**

(₹ In Lakhs)

Name of the Director	Remuneration	Median remuneration (₹)	Ratio to median remuneration
<b>Executive Directors</b>			
J. Lakshmana Rao	142.70	285768	49.94 : 1
A. Subramanyam	194.88	285768	68.20 : 1
P. Venkateswara Rao	137.28	285768	48.04 : 1
M. Srinivas	86.14	285768	30.14 : 1
<b>Non-Executive Directors</b>			
J. Mytraeyi	0.60	NA	NA
Dr. T. Venkateswara Rao	1.40	NA	NA
Dr. VenkataAppa Rao Kotagiri	0.60	NA	NA
Eswara Rao Immaneni	1.40	NA	NA
Dhanraj Tirumala	0.20	NA	NA
Madhuri VRV	Nil	NA	NA
B Ramakrishna	Nil	NA	NA

**Note:** J. Lakshmana Rao, Chairman & Managing Director is drawing salary from two companies - Mold-Tek Packaging Limited and Mold-Tek Technologies Limited, aggregating to ₹ 217.14 Lakhs pursuant to approval of the Members accorded at the 18<sup>th</sup> Annual General Meeting of Mold-Tek Packaging Limited held on 28<sup>th</sup> September, 2015 and 31<sup>st</sup> Annual General Meeting of Mold-Tek Technologies Limited held on 28<sup>th</sup> September, 2015.

**b. Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2019-20**

Name	Designation	Increase %
J. Lakshmana Rao	Chairman & Managing Director	5.7
A. Subramanyam	Deputy Managing Director	10.46
P. Venkateswara Rao	Deputy Managing Director	3.22
M. Srinivas	Whole-time Director	38.29
J. Mytraeyi	Non-Executive Promoter Director	-
Dr. T. Venkateswara Rao	Independent Director	-
Dr. VenkataAppa Rao Kotagiri	Independent Director	-
Eswara Rao Immaneni	Independent Director	-
Dhanraj Tirumala	Independent Director	-
Madhuri VRV	Independent Woman Director	-
B Ramakrishna	Independent Director	-
Thakur Vishal Singh	Company Secretary	18.6
A Seshu Kumari	Chief Financial Officer	25.43

## **Mold-Tek Packaging Limited**

- c. Percentage increase in the median remuneration of employees in the financial year 2019-20: 19.95%
- d. Number of permanent employees on the rolls of the Company as on 31st March, 2020: 521
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The aggregate remuneration of employees excluding whole-time directors grew by 19.92 % over the previous financial year. The aggregate remuneration for KMPs grew by 11.73 % over the previous financial year. This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per industry benchmarks. There was no exceptional circumstance or increase for managerial personnel in the last financial year.

**f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

Yes, the remuneration is as per the remuneration policy of the Company.

Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Employees employed throughout the year and were in receipt of remuneration of not less than ₹ 1,02 lakhs per annum and receipt of remuneration in excess of that drawn by the Managing Director

(₹ in Lakhs)

Name	Designation/ nature of employment	Qualification	Age (Years)	Date of joining	Remunera- tion received (₹)	Overall experience (Years)	Particulars of last employment
J. Lakshmana Rao	Chairman & Manag- ing Director	Bachelor's degree in Civil Engineer- ing & Post gradu- ate diploma in management from the Indian Insti- tute of Manage- ment, Bangalore	61	Refer Note*	142.70	37	Founder of Mold- Tek Group Chairman & Managing Direc- tor of Mold-Tek Packaging Limited and Mold-Tek Tech- nologies Limited
A. Subramanyam	Deputy Managing Director	B.E.	66	Refer Note*	194.88	39	Director, Mold- Tek Technologies Limited
P. Venkateswara Rao	Deputy Managing Director	Bachelor of Arts and P.G. in Mate- rials Management	63	Refer Note*	137.28	41	Director, Mold- Tek Technologies Limited

**Note:** Percentage of equity shares held and relation with other directors of the above employees has been disclosed in the Report on Corporate Governance.

\* High Court of Judicature, Andhra Pradesh at Hyderabad by its Order dated 25th July, 2008 has approved the Scheme of Arrangement between Teckmen Tools Private Limited, the Transferor Company, Mold-Tek Technologies Limited, the Transferee Company and the Demerged Company and Mold-Tek Packaging Limited (Former name: Mold-Tek Plastics Limited), the Resulting Company. The employees of Mold-Tek Technologies Limited and Teckmen Tools Private Limited continue to be in the employment of Mold-Tek Packaging Limited.



**Details of the names of the top ten employees in terms of remuneration drawn**

(₹ in Lakhs)

S. No.	Name	Designation	Qualification	Age (Years)	Date of joining	Remuneration (₹)	Overall experience (Years)	Last employment
1.	J. Lakshmana Rao	Chairman & Managing Director	Bachelor's degree in Civil Engineering & Post graduate diploma in management from the Indian Institute of Management, Bangalore	61	Refer Note1 & 2	142.70	37	Founder of Mold-Tek Group Chairman & Managing Director of Mold-Tek Packaging Limited and Mold-Tek Technologies Limited
2.	A. Subramanyam	Deputy Managing Director	Bachelor's degree in Mechanical Engineering	62	Refer Note2	194.88	39	Director, Mold-Tek Technologies Limited
3.	P. Venkateswara Rao	Deputy Managing Director	Bachelor of Arts & P.G. in Materials Management	63	Refer Note2	137.28	41	Director, Mold-Tek Technologies Limited
4.	M. Srinivas	Whole-Time Director	Bachelor's degree in Mechanical Engineering	53	Refer Note2	67.80	32	Director, Teckmen Tools Private Limited
5.	A. SeshuKumari	Chief Financial Officer & Finance Controller	Bachelor's degree in Science	60	Refer Note2	40.38	29	Mold-Tek Technologies Limited
6.	Kavya Sarraju	Manager - Marketing & Co-ordination	Master of Business Administration - Marketing	32	1st January, 2016	28.98	9	—
7.	Rakesh Marupaka	Head, National Sales & Marketing	Industrial Design, NID-Ahmedabad; Plastics Technology, CIPET – Chennai	51	2nd April, 2018	31.80	26	Reliance Ind. Ltd, Fenoplast Ltd, CIPET
8.	M. Rajeshwara Rao	General Manager (Unit 7)	Bachelor's degree in Mechanical Engineering and P.G Diploma in Materials Management	50	25th May, 1996	27.92	28	Mold-Tek Technologies Limited
9.	J Navya Mythri	Asst. Finance Controller	CA	31	19th December, 2011	20.58	10	Moldtek Packaging LTD
10.	T. Mallikarjun	HR-Group Head	MCA, MBA	50	18th March, 2018	20.00	25	H.M Clause

- 1 J. Lakshmana Rao, Chairman & Managing Director is drawing salary from two companies - M/s. Mold-Tek Packaging Limited and M/s. Mold-Tek Technologies Limited, aggregating to ₹ 217.14 Lakhs pursuant to approval of the Members accorded at the 18th Annual General Meeting of Mold-Tek Packaging Limited held on 28th September, 2015 and 31st Annual General Meeting of Mold-Tek Technologies Limited held on 28th September, 2015.
- 2 High Court of Judicature, Andhra Pradesh at Hyderabad by its order dated 25th July, 2008 has approved the Scheme of Arrangement between Teckmen Tools Private Limited, the Transferor Company, Mold-Tek Technologies Limited, the Transferee Company and the Demerged Company and Mold-Tek Packaging Limited (Former name: Mold-Tek Plastics Limited), the Resulting Company. The employees of Mold-Tek Technologies Limited and Teckmen Tools Private Limited continue to be in the employment of Mold-Tek Packaging Limited.

**ANNEXURE-F  
EXTRACT OF ANNUAL RETURN**

**MGT-9**

**as on the financial year ended on 31st March,2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN	L21022TG1997PLC026542
Registration date	28th February, 1997
Name of the Company	Mold-Tek Packaging Limited
Category/sub-category of the Company	Public company, limited by shares
Address of the Registered Office and contact details	8-2-293/82/A/700, Ground Floor, Road No. 36, Jubilee Hills, Hyderabad - 500 033, Telangana
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agents	XL Softech Systems Limited 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034. Phone : +91 40 2354 5913/14/15 Fax : +91 40 2355 3214 Email : xlfield@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S.No.	Name and description of main products/services	NIC code of the product/service	% to total turnover of the Company
1.	Manufacturing of plastic packaging containers	22203	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No.	Name and address of the Company	CIN/GLN	Holding/subsidiary/associate	% of shares held	Applicable Section
1.	Mold-Tek Packaging FZE RAK Free Trade Zone, Technology Park, PO Box No. 328559, Ras Al Khaimah, UAE	Registration No: RAKFTZA-FZE- 4016196	Wholly owned subsidiary	100	2(87)

#### IV. Shareholding pattern (Equity share capital breakup as percentage of total equity)

##### i. Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
1. Indian									
a. Individuals/HUF	98,43,492	-	98,43,492	35.55	96,19,280	-	96,19,280	34.69	-0.86
b. Central government	-	-	-	-	-	-	-	-	-
c. State government(s)	-	-	-	-	-	-	-	-	-
d. Bodies corporate	-	-	-	-	-	-	-	-	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>98,43,492</b>	<b>-</b>	<b>98,43,492</b>	<b>35.55</b>	<b>96,19,280</b>	<b>-</b>	<b>96,19,280</b>	<b>34.69</b>	<b>-0.86</b>
2. Foreign									
a. NRIs - Individuals	-	-	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-	-	-
c. Bodies corporate	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter A = (A)(1) + (A)(2)</b>	<b>98,43,492</b>	<b>-</b>	<b>98,43,492</b>	<b>35.55</b>	<b>96,19,280</b>	<b>-</b>	<b>96,19,280</b>	<b>34.69</b>	<b>-0.86</b>
<b>B. Public shareholding</b>									
1. Institutions									
a. Mutual Funds	28,61,545	-	28,61,545	10.33	34,29,955	-	34,29,955	12.37	+2.04
b. Banks/FI	23,164	-	23,164	0.08	28,794	-	28,794	0.10	+0.02
c. Central government/ state government	-	-	-	-	-	-	-	-	-
d. Venture capital funds	-	-	-	-	-	-	-	-	-
e. Insurance companies	-	-	-	-	-	-	-	-	-
f. FIIs	-	-	-	-	-	-	-	-	-
g. Foreign venture capital funds	-	-	-	-	-	-	-	-	-
h. Foreign Portfolio Investors	33,01,519	-	33,01,519	11.92	28,58,464	-	28,58,464	10.31	-1.61
i. Alternate Investment Funds	1,47,778	-	1,47,778	0.53	96,927	-	96,927	0.35	-18
h. Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>63,34,006</b>	<b>-</b>	<b>63,34,006</b>	<b>22.86</b>	<b>64,14,140</b>	<b>-</b>	<b>64,14,140</b>	<b>23.12</b>	<b>+0.26</b>
2. Non-Institutions									
a. Bodies corporate	3,47,426	-	3,47,426	1.25	3,46,262	-	3,46,262	1.25	0
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	67,32,911	1,61,740	68,94,651	24.90	67,47,005	1,51,622	68,98,627	24.88	-0.02
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	34,83,969	-	34,83,969	12.58	35,61,726	-	35,61,726	12.85	+0.27
c. NRI	6,00,216	-	6,00,216	2.17	7,53,088	-	7,53,088	2.71	0
d. Clearing members	31,375	-	31,375	0.11	48,283	-	48,283	0.17	0
e. Others	155,917	-	1,55,917	0.56	84,621	-	84,621	0.31	-0.25
<b>Sub-total (B)(2)</b>	<b>1,13,51,814</b>	<b>1,61,740</b>	<b>11,35,1814</b>	<b>41.57</b>	<b>11,54,0984</b>	<b>1,51,622</b>	<b>1,16,92,607</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of public = (B) (1) + (B) (2)</b>	<b>1,76,85,820</b>	<b>1,61,740</b>	<b>1,76,85,820</b>	<b>64.43</b>	<b>1,79,55,125</b>	<b>1,51,622</b>	<b>1,81,06,747</b>	<b>65.30</b>	<b>+0.87</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2,75,29,312</b>	<b>1,61,740</b>	<b>2,76,91,052</b>	<b>100.00</b>	<b>2,75,74,404</b>	<b>151,622</b>	<b>2,77,26,027</b>	<b>100</b>	<b>100</b>

**ii. Shareholding of promoters**

S. No.	Shareholders' name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	J. Lakshmana Rao	25,55,445	9.23	-	25,55,445	9.21	-	-0.02
2.	A. Subramanyam	20,29,124	7.33	-	20,29,124	7.31	-	-0.02
3.	Janumahanti Sudha Rani	14,91,588	5.38	-	15,06,194	5.43	-	0.05
4.	A. Seshu Kumari	4,94,000	1.78	3,09,000	4,94,000	1.78	1,74,000	-
5.	Madireddi Srinivas	4,37,036	1.58	-	4,37,036	1.57	-	-0.01
6.	N. Padmavathi	4,66,200	1.68	4,00,000	3,41,445	1.23	60,400	-0.45
7.	Golukonda Satyavati	3,15,120	1.14	3,00,000	3,09,008	1.11	2,55,000	-0.03
8.	Adhivishnu Lakshmi Mythri	2,40,000	0.86	-	2,40,000	0.86	-	-
9.	Pattabhi Venkateshwara Rao	2,34,896	0.84	-	2,34,896	0.84	-	-
10.	Adivishnu Durga Sundeep	2,86,462	1.03	-	1,98,902	0.71	-	-
11.	J. Bhujanga Rao	1,83,834	0.66	-	1,83,834	0.66	-	-
12.	Pattabhi Sai Lakshmi	1,62,000	0.58	-	1,61,000	0.58	-	-
13.	Janumahanti Rana Pratap	1,45,894	0.52	-	1,45,894	0.52	-	-
14.	Sathya Sravya Janumahanti	1,44,068	0.52	-	1,44,068	0.52	-	-
15.	Janumahanti Navya Mythri	1,38,304	0.49	-	1,38,304	0.49	-	-
16.	Kavya Sarraju	1,00,000	0.36	-	1,00,000	0.36	-	-
17.	J. Mytraeyi	86,700	0.31	-	86,700	0.31	-	-
18.	Sarada Janumanti	54,928	0.19	-	53,519	0.19	-	-
19.	Vihaan Laxman Posemsetty	0	0	-	50000	0.18	-	-
20.	Virat Laxman Janumahanti	50,000	0.18	-	50,000	0.18	-	-
21.	Swetha Mythri Janumahanti	42,038	0.15	-	42,038	0.15	-	-
22.	Koteshwara Rao Madireddi	30,240	0.11	-	30,240	0.10	-	-
23.	Madireddi Hyma	27,690	0.10	-	27,690	0.10	-	-
24.	Seshupriya Golakonda	22,316	0.08	-	22,316	0.08	-	-
25.	P S N Vamsi Prasad	20,000	0.07	-	20,000	0.07	-	-
26.	G. Prasanna Kumar	26,958	0.09	10,200	10,605	0.03	9,650	-0.06
27.	N. V. Prasad	75,830	0.27	75,000	4,201	0.00	-	-0.27
28.	K. V. Rama Rao	2,382	0.01	-	2,382	0.00	-	-0.01
29.	P. Appa Rao	439	0.00	-	439	0.00	-	-
	<b>Total</b>	<b>98,43,492</b>	<b>35.55</b>	<b>10,94,200</b>	<b>96,19,280</b>	<b>34.69</b>	<b>4,99,050</b>	<b>-0.91</b>



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	%	No of Shares	%
<b>1</b>	<b>J LAKSHMAN RAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	25,55,445	9.23	25,55,445	9.21
	Increase /Decrease during the period	0		25,55,445	9.21
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>25,55,445</b>	<b>9.23</b>	<b>25,55,445</b>	<b>9.21</b>
<b>2</b>	<b>A SUBRAHMANYAM</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	20,29,124	7.33	20,29,124	7.31
	Increase /Decrease during the period	0		20,29,124	7.31
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>20,29,124</b>	<b>7.33</b>	<b>20,29,124</b>	<b>7.31</b>
<b>3</b>	<b>J SUDHA RANI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	14,91,588	5.39	14,91,588	5.39
	Increase /Decrease during the period				
a)	13 Sep 2019 to 20 Sep 2019 (Gift)	-50,000	-0.18	14,41,588	5.21
b)	20 Sep 2019 to 27 Sep 2019 (Market Purchase)	7,880	0.03	14,49,468	5.23
c)	13 Dec 2019 to 20 Dec 2019 (Market Purchase)	2,000	0.01	14,51,468	5.24
d)	31 Jan 2020 to 07 Feb 2020 (Market Purchase)	14,750	0.05	14,66,218	5.29
e)	28 Feb 2020 to 06 Mar 2020 (Market Purchase)	5,151	0.02	14,71,369	5.31
f)	13 Mar 2020 to 20 Mar 2020 (Market Purchase)	1,406	0.01	14,72,775	5.31
g)	20 Mar 2020 to 27 Mar 2020 (Market Purchase)	28,670	0.10	15,01,445	5.42
h)	27 Mar 2020 to 31 Mar 2020 (Market Purchase)	4,749	0.02	15,06,194	5.43
	Total Increase /Decrease during the period	14,606	0.05		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>15,06,194</b>	<b>5.43</b>	<b>15,06,194</b>	<b>5.43</b>
<b>4</b>	<b>A SESHU KUMARI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	4,94,000	1.78	4,94,000	1.78
	Increase /Decrease during the period	0		4,94,000	1.78
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>4,94,000</b>	<b>1.78</b>	<b>4,94,000</b>	<b>1.78</b>
<b>5</b>	<b>MADIREDDI SRINIVAS</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	4,37,036	1.58	4,37,036	1.58
	Increase /Decrease during the period	0		4,37,036	1.58
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>4,37,036</b>	<b>1.58</b>	<b>4,37,036</b>	<b>1.58</b>
<b>6</b>	<b>N PADMAVATHI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	4,66,200	1.68	4,66,200	1.68
	Increase /Decrease during the period				
a)	25 Oct 2019 to 01 Nov 2019 (Market Sale)	-60,000	-0.22	4,06,200	1.47
b)	15 Nov 2019 to 22 Nov 2019 (Market Sale)	-40,000	-0.14	3,66,200	1.32
c)	20 Dec to 2019 to 27 Dec 2019 (Market Sale)	-4,755	-0.02	3,61,445	1.30
d)	27 Dec 2019 to 03 Jan 2020 (Market Sale)	-20,000	-0.07	3,41,445	1.23
e)	28 Feb to 03 Mar 2020 (Market Sale)				
	Total Increase /Decrease during the period	-124,755	-0.45		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>3,41,445</b>	<b>1.23</b>	<b>3,41,445</b>	<b>1.23</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumilative Shareholding during the year	
		No of Shares	%	No of Shares	%
<b>7</b>	<b>GOLUKONDA SATYAVATI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	3,15,120	1.14	3,15,120	1.14
a)	01 Nov 2019 to 08 Nov 2019	-9,612	-0.03	3,05,508	1.10
b)	20 Mar 2020 to 27 Mar 2020	3,500	0.01	3,09,008	1.11
	Increase /Decrease during the period	-6,112	-0.02		0.00
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>3,09,008</b>	<b>1.11</b>	<b>3,09,008</b>	<b>1.11</b>
<b>8</b>	<b>ADIVISHNU LAKSHMI MYTHRI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	2,40,000	0.87	2,40,000	0.87
	Increase /Decrease during the period	0		2,40,000	0.87
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>2,40,000</b>	<b>0.87</b>	<b>2,40,000</b>	<b>0.87</b>
<b>9</b>	<b>PATTABHI VENKATESWARA RAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	2,34,896	0.85	2,34,896	0.85
	Increase /Decrease during the period	0		2,34,896	0.85
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>2,34,896</b>	<b>0.85</b>	<b>2,34,896</b>	<b>0.85</b>
<b>10</b>	<b>ADIVISHNU DURGA SUNDEEP</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	2,86,462	0.85	2,86,462	1.03
	Increase /Decrease during the period				
a)	25 Oct 2019 to 01 Nov 2019 (Market Sale)	-45,000	-0.16	2,41,462	0.87
b)	01 Nov 2019 to 08 Nov 2019 (Market Sale)	-2,826	-0.01	2,38,636	0.86
c)	15 Nov 2019 to 22 Nov 2019 (Market Sale)	-1,483	-0.01	2,37,153	0.86
d)	22 Nov 2019 to 29 Nov 2019 (Market Sale)	-13,559	-0.05	2,23,594	0.81
e)	21 Feb 2020 to 28 Feb 2020 (Market Sale)	-24,692	-0.09	1,98,902	0.72
	Total Increase /Decrease during the period	-87,560	-0.32		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,98,902</b>	<b>0.72</b>	<b>1,98,902</b>	<b>0.72</b>
<b>11</b>	<b>J BHUJANGA RAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	1,83,834	0.66	1,83,834	0.66
	Increase /Decrease during the period	0		1,83,384	0.66
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,83,834</b>	<b>0.66</b>	<b>1,83,834</b>	<b>0.66</b>
<b>12</b>	<b>PATTABHI SAI LAKSHMI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	1,62,000	0.59	1,62,000	0.58
	Increase /Decrease during the period				
a)	31 Mar 2019 to 05 Apr 2019 (Market Sale)	-1,000	0.00	1,61,000	0.58
	<b>Total Increase /Decrease during the period</b>	<b>-1,000</b>	<b>0.00</b>		<b>0.00</b>
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,61,000</b>	<b>0.58</b>	<b>1,61,000</b>	<b>0.58</b>
<b>13</b>	<b>RANA PRATAP J</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	1,45,894	0.53	1,45,894	0.53
	Increase /Decrease during the period	0		1,45,894	0.53
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,45,894</b>	<b>0.53</b>	<b>1,45,894</b>	<b>0.53</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	%	No of Shares	%
<b>14</b>	<b>SATHYA SRAVYA JANUMAHANTI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	1,44,068	0.52	1,44,068	0.52
	Increase /Decrease during the period	0		1,44,068	0.52
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,44,068</b>	<b>0.52</b>	<b>1,44,068</b>	<b>0.52</b>
<b>15</b>	<b>JANUMAHANTI NAVYA MYTHRI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	1,38,304	0.50	1,38,304	0.50
	Increase /Decrease during the period	0		1,38,304	0.50
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,38,304</b>	<b>0.50</b>	<b>1,38,304</b>	<b>0.50</b>
<b>16</b>	<b>KAVYA SARRAJU</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	1,00,000	0.36	1,00,000	0.36
	Increase /Decrease during the period	0		1,00,000	0.36
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,00,000</b>	<b>0.36</b>	<b>1,00,000</b>	<b>0.36</b>
<b>17</b>	<b>J MYTRAEYIE</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	86,700	0.31	86,700	0.31
	Increase /Decrease during the period	0		86,700	0.31
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>86,700</b>	<b>0.31</b>	<b>86,700</b>	<b>0.31</b>
<b>18</b>	<b>J SARADA</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	54,928	0.20	54,928	0.18
	Increase /Decrease during the period				
a)	24 May 2019 to 31 May 2019 (Market Sale)	-1,889	-0.01	53,039	0.18
b)	13 Mar 2020 to 20 Mar 2020 (Market Purchase)	480		53,519	0.18
	Total Increase /Decrease during the period	-1,409	-0.01		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>53,519</b>	<b>0.19</b>	<b>1,61,486</b>	<b>0.18</b>
<b>19</b>	<b>VIHAAN LAXMAN POSEMSETTY</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	0		0	
	Increase /Decrease during the period				
a)	06 September 2019 to 13 September 2019 (Gift)	50,000	0.18	50,000	0.18
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>50,000</b>	<b>0.18</b>	<b>50,000</b>	<b>0.18</b>
<b>20</b>	<b>VIRAT LAXMAN JANUMAHANTI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	50,000	0.18	50,000	0.18
	Increase /Decrease during the period	0		50,000	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>50,000</b>	<b>0.18</b>	<b>50,000</b>	<b>0.18</b>
<b>21</b>	<b>SWETHA MYTHRI JANUMAHANTI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	42,038	0.15	42,038	0.15
	Increase /Decrease during the period	0		42,038	0.15
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>42,038</b>	<b>0.15</b>	<b>42,038</b>	<b>0.15</b>
<b>22</b>	<b>KOTESHWARA RAO MADIREDDI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	30,240	0.11	30,240	0.11
	Increase /Decrease during the period	0		30,240	0.11
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>30,240</b>	<b>0.11</b>	<b>30,240</b>	<b>0.11</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumilative Shareholding during the year	
		No of Shares	%	No of Shares	%
<b>23</b>	<b>MADIREDDI HYMA</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	27,690	0.10	27,690	0.10
	Increase /Decrease during the period	0		27,690	0.10
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>27,690</b>	<b>0.10</b>	<b>27,690</b>	<b>0.10</b>
<b>24</b>	<b>SESHUPRIYA GOLAKONDA</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	22,316	0.08	22,316	0.08
	Increase /Decrease during the period	0		22,316	0.08
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>22,316</b>	<b>0.08</b>	<b>22,316</b>	<b>0.08</b>
<b>25</b>	<b>P S N VAMSI PRASAD</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	20,000	0.07	20,000	0.07
	Increase /Decrease during the period	0		20,000	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>20,000</b>	<b>0.07</b>	<b>20,000</b>	<b>0.07</b>
<b>26</b>	<b>PRASANNA KUMAR GOLKONDA</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	26,958	0.10	26,958	0.10
a)	21 Jun 2019 to 28 Jun 2019 (Market Sale)	-550	0.00	26,408	0.10
b)	25 Oct 2019 01 Nov 2019 (Market Sale)	-11,803	-0.04	14,605	0.05
c)	01 Nov 2019 to 08 Nov 2019 (Market Sale)	-4,000	-0.01	10,605	0.04
	Total Increase /Decrease during the period	-16,353	-0.06		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>10,605</b>	<b>0.04</b>	<b>10,605</b>	<b>0.04</b>
<b>27</b>	<b>N V PRASAD</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	75,830	0.27	75,830	0.27
	Increase /Decrease during the period				
a)	20 Dec 2019 to 27 Dec 2019 (Market Sale)	-669	0.00	75,161	0.27
b)	27 Dec 2019 to 03 Jan 2020 (Market Sale)	-960	0.00	74,201	0.27
c)	03 Jan 2020 to 10 Jan 2020 (Market Sale)	-70,000	-0.25	4,201	0.02
	Total Increase /Decrease during the period	-71,629	-0.26		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>4,201</b>	<b>0.02</b>	<b>4,201</b>	<b>0.02</b>
<b>28</b>	<b>K V RAMARAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	2,382	0.01	2,382	0.01
	Increase /Decrease during the period	0		2,382	0.01
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>2,382</b>	<b>0.01</b>	<b>2,382</b>	<b>0.01</b>
<b>29</b>	<b>P APPARAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	439	0.00	439	0.00
	Increase /Decrease during the period	0		439	0.00
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>439</b>	<b>0</b>	<b>439</b>	<b>0.00</b>

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No	Name of shareholder	Beginning of the year		During the year	
		No. of shares	%	No. of shares	%
<b>1</b>	<b>DSP SMALL CAP FUND</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	18,08,643	6.53	1,80,8643	6.52
	Increase /Decrease during the period	0		18,08,643	6.52
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>18,08,643</b>	<b>6.53</b>	<b>18,08,643</b>	<b>6.52</b>
<b>2</b>	<b>VERDIPAPIRFONDET ODIN EMERGING MARKETS</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	11,13,647	4.02	11,13,647	4.02
	Increase /Decrease during the period				
a)	24 Jan 2020 to 31 Jan 2020 (Market Sale)	-647	-0.00	11,13,000	4.01
b)	07 Feb 2020 to 14 Feb 2020 (Market Sale)	-2,300	-0.01	11,10,700	4.01
c)	13 Mar 2020 to 20 Mar 2020 (Market Sale)	-8,037	-0.03	11,02,663	3.98
	<b>Total Increase /Decrease during the period</b>	<b>-10,984</b>	<b>-0.04</b>		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>11,02,663</b>	<b>3.98</b>	<b>11,02,663</b>	<b>3.98</b>
<b>3</b>	<b>MADHULIKA AGARWAL</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	10,20,893	3.69	10,20,893	3.68
	Increase /Decrease during the period	0		1020893	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>10,20,893</b>	<b>3.80</b>	<b>10,20,893</b>	<b>3.68</b>
<b>4</b>	<b>PRINCIPAL TRUSTEE CO. PVT LTD. - PRINCIPAL MUTUAL FUND - PRINCIPAL EMERGING BLUECHIP FUND</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	7,97,453	2.88	7,97,453	2.88
	Increase /Decrease during the period				
a)	17 May 2019 to 24 May 2020 (Market Purchase)	36,000	0.13	8,33,453	3.01
b)	19 July 2019 to 26 July 2019 (Market Purchase)	42,000	0.15	8,75,453	3.16
	<b>Total Increase /Decrease during the period</b>	<b>78,000</b>	<b>0.28</b>		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>875,453</b>	<b>3.16</b>	<b>8,75,453</b>	<b>3.16</b>
<b>5</b>	<b>PRINCIPAL SMALL CAP FUND</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	0		0	
	Increase /Decrease during the period				
a)	25 Oct 2019 to 01 Nov 2019 (Market Purchase)	16,508	0.06	16,508	0.06
b)	01 Nov 2019 to 08 Nov 2019 (Market Purchase)	43,152	0.16	59,660	0.22
c)	15 Nov 2019 to 22 Nov 2019 (Market Purchase)	21,150	0.08	80,810	0.29
d)	29 Dec 2019 to 06 Dec 2019 (Market Purchase)	19,640	0.07	1,00,450	0.36
e)	13 Dec to 20 Dec 2020 (Market Purchase)	6,000	0.02	1,06,450	0.38
f)	28 Feb 2020 to 06 Mar 2020 (Market Purchase)	14,500	0.05	1,20,950	0.44
g)	20 Mar 2020 to 27 Mar 2020 (Market Purchase)	15,321	0.06	1,36,271	0.49
h)	27 Mar 2020 to 31 Mar 2020 (Market Purchase)	1,554	0.01	1,37,825	0.50
	<b>Total Increase /Decrease during the period</b>	<b>1,37,825</b>	<b>0.50</b>		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>1,37,825</b>	<b>0.50</b>	<b>1,37,825</b>	<b>0.50</b>



S. No	Name of shareholder	Beginning of the year		During the year	
		No. of shares	%	No. of shares	%
<b>6</b>	<b>ASHISH KACHOLIA</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	9,47,497	3.42	9,47,497	3.42
	Increase /Decrease during the period	0	0.00	9,47,497	3.42
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>9,47,497</b>	<b>3.42</b>	<b>9,47,497</b>	<b>3.42</b>
<b>7</b>	<b>KITARA INDIA MICRO CAP GROWTH FUND</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	8,60,000	3.10	8,60,000	3.10
	Increase /Decrease during the period				
a)	19 Apr 2019 to 26 Apr 2019 (Market Sale)	-351	-0.00	8,59,649	3.10
b)	13 Sep 2019 to 20 Sep 2019 (Market Sale)	-11,800	-0.04	8,47,849	3.06
c)	20 Sep 2019 to 27 Sep 2019 (Market Sale)	-20,000	-0.07	8,27,849	2.99
	<b>Total Increase /Decrease during the period</b>	<b>-32,151</b>	<b>-0.12</b>		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>8,27,849</b>	<b>2.99</b>	<b>8,27,849</b>	<b>2.99</b>
<b>8</b>	<b>EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEI</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	86,318	0.31	86,318	0.31
	Increase /Decrease during the period				
a)	16 August 2019 to 23 August 2019 (Market Purchase)	6,000	0.02	92,318	0.33
b)	23 August 2019 to 30 August 2019 (Market Purchase)	65,552	0.24	1,57,870	0.57
c)	06 Sep 2019 to 13 Sep 2019 (Market Purchase)	75,120	0.27	2,32,990	0.84
d)	20 Sep 2019 to 27 Sep 2019 (Market Purchase)	11,550	0.04	2,44,540	0.88
e)	27 Sep 2019 to 04 Oct 2019 (Market Purchase)	3,751	0.01	2,48,291	0.90
f)	04 Oct 2019 to 11 Oct 2019(Market Purchase)	15,181	0.05	2,63,472	0.95
g)	11 Oct 2019 to 18 Oct 2019(Market Purchase)	25,700	0.09	2,89,172	1.04
h)	18 Oct 2019 to 25 Oct 2019(Market Purchase)	13,974	0.05	3,03,146	1.09
	<b>Total Increase /Decrease during the period</b>	<b>2,16,828</b>	<b>0.78</b>		<b>0.00</b>
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>3,03,146</b>	<b>1.09</b>	<b>3,03,146</b>	<b>1.09</b>
<b>9</b>	<b>EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEI</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	0		0	
	Increase /Decrease during the period				
a)	26 Jul 2019 to 02 August 2019 (Market Purchase)	35,745	0.13	35,745	0.13
b)	02 August 2019 to 09 August 2019 (Market Purchase)	92,841	0.33	1,28,586	0.46
c)	09 August 2019 to 16 August 2019 (Market Purchase)	9,589	0.03	1,38,175	0.50
d)	06 Sep 2019 to 13 Sep 2019 (Market Purchase)	26,645	0.10	1,64,820	0.59
e)	13 Sep 2019 to 20 Sep 2019 (Market Purchase)	32,048	0.12	19,6,868	0.71
f)	20 Sep 2019 to 27 Sep 2019 (Market Purchase)	4,950	0.02	2,01,818	0.73
g)	27 Sep 2019 to 04 Oct 2019(Market Purchase)	1,608	0.01	2,03,426	0.73
h)	25 Oct 2019 to 01 Nov 2019(Market Purchase)	2,136	0.01	2,05,562	0.74
i)	01 Nov 2019 to 08 Nov 2019 (Market Purchase)	31,763	0.11	2,37,325	0.86
	<b>Total Increase /Decrease during the period</b>	<b>2,37,325</b>	<b>0.86</b>		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>2,37,325</b>	<b>0.86</b>	<b>2,37,325</b>	<b>0.86</b>

S. No	Name of shareholder	Beginning of the year		During the year	
		No. of shares	%	No. of shares	%
<b>10</b>	<b>PASSAGE TO INDIA MASTER FUND LIMITED</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	0		0	
	Increase /Decrease during the period				
a)	02 August 2019 to 09 August 2019 (Market Purchase)	4,83,954	1.75	4,83,954	1.75
b)	16 August 2019 to 23 August 2019 (Market Sale)	-5,000	-0.02	4,78,954	1.73
c)	20 Sep 2019 to 27 Sep 2019 (Market Sale)	-10,000	-0.04	4,68,954	1.69
d)	18 Oct 2019 to 25 Oct 2019 (Market Sale)	-12,000	-0.04	4,56,954	1.65
e)	25 Oct 2019 to 01 Nov 2019 (Market Sale)	-17,000	-0.06	4,39,954	1.59
f)	01 Nov 2019 to 08 Nov 2019 (Market Sale)	-5,000	-0.02	4,34,954	1.57
g)	03 Dec 2019 to 10 Dec 2019 (Market Sale)	-5,000	-0.02	4,29,954	1.55
h)	10 Dec 2019 to 17 Dec 2019 (Market Sale)	-5,000	-0.02	4,24,954	1.53
i)	31 Jan 2020 to 07 Feb 2020 (Market Sale)	-7,500	-0.03	4,17,454	1.51
j)	21 Feb 2020 to 28 Feb 2020 (Market Sale)	-17,000	-0.06	4,00,454	1.44
k)	28 Feb 2020 to 06 Mar 2020 (Market Sale)	-10,000	-0.04	3,90,454	1.41
l)	06 Mar 2020 to 13 Mar 2020 (Market Sale)	-10,000	-0.04	3,80,454	1.37
	<b>Total Increase /Decrease during the period</b>	<b>-1,03,500</b>	<b>-0.37</b>		
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>3,80,454</b>	<b>1.37</b>	<b>3,80,454</b>	<b>1.37</b>
<b>11</b>	<b>INVESTOR EDUCATION AND PROTECTION FUND A</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	<b>2,28,630</b>	<b>0.82</b>	<b>2,28,630</b>	<b>0.82</b>
	Increase /Decrease during the period				
a)	21 Feb 2020 to 28 Feb 2020	-288	-0.00	2,28,342	0.82
	<b>Total Increase /Decrease during the period</b>	<b>-288</b>			
	<b>At the End of the Year (of face value of ₹5/- each)</b>	2,28,342		2,28,342	0.82
<b>12</b>	<b>NANDA KISHORE SHARMA</b>				
	<b>At the Beginning of the Year (of face value of ₹5/- each)</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	Increase /Decrease during the period				
a)	28 Feb 2020 to 06 Mar 2020	2,00,000	0.72	2,00,000	0.72
	<b>Total Increase /Decrease during the period</b>	<b>0</b>		<b>2,00,000</b>	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>2,00,000</b>	<b>0.72</b>	<b>20,0,000</b>	<b>0.72</b>

Note: The above information is based on the weekly beneficiary position received from Registrar Transfer & Agents.

**(v) Shareholding of Directors and Key Managerial Personnel**

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	%	No of Shares	%
<b>1</b>	<b>J LAKSHMAN RAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	25,55,445	9.23	25,55,445	9.22
	Increase /Decrease during the period	0	0.00	25,55,445	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>25,55,445</b>	<b>9.23</b>	<b>25,55,445</b>	<b>9.22</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	%	No of Shares	%
<b>2</b>	<b>A SUBRAHMANYAM</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	20,29,124	7.33	20,29,124	7.32
	Increase /Decrease during the period	0	0.00	20,29,124	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>20,29,124</b>	<b>7.33</b>	<b>20,29,124</b>	<b>7.32</b>
<b>3</b>	<b>PATTABHI VENKATESWARA RAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	2,34,896	0.85	2,34,896	0.85
	Increase /Decrease during the period	0		0	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>2,34,896</b>	<b>0.85</b>	<b>2,34,896</b>	<b>0.85</b>
<b>4</b>	<b>J MYTRAEYIE</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	86,700	0.31	86,700	0.31
	Increase /Decrease during the period	0	0.00	86,700	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>86,700</b>	<b>0.31</b>	<b>86,700</b>	<b>0.31</b>
<b>5</b>	<b>MADIREDDI SRINIVAS</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	4,37,036	1.58	4,37,036	1.58
	Increase /Decrease during the period	0	0.00	4,37,036	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>4,37,036</b>	<b>1.58</b>	<b>4,37,036</b>	<b>1.58</b>
<b>6</b>	<b>Dr. T. VENKATESWARA RAO</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	20,000		20,000	0.07
	Increase /Decrease during the period	0		0	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>20,000</b>		<b>20,000</b>	<b>0.07</b>
<b>7</b>	<b>Dr. VENKATA APPA RAO KOTAGIRI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	238	0.00	238	0.00
	Increase /Decrease during the period			238	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>238</b>	<b>0.00</b>	<b>238</b>	<b>238.00</b>
<b>8</b>	<b>ESWARA RAO IMMANENI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	8,562	0.03	8,562	0.03
	Increase /Decrease during the period	0		8,562	
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>8,562</b>	<b>0.03</b>	<b>8,562</b>	<b>0.03</b>
<b>9</b>	<b>DHANRAJ TIRUMALA NARASIMHA RAO TOGARU</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	NIL	0.00	NIL	0.00
	Increase /Decrease during the period	NIL		NIL	0.00
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>0.00</b>
<b>10</b>	<b>RAMAKRISHNA BONAGIRI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	NIL	0.00	NIL	0.00
	Increase /Decrease during the period	NIL		NIL	0.00
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>0.00</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	%	No of Shares	%
<b>11</b>	<b>MADHURI VENKATA RAMANI VISWANADHAM</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	NIL	0.00	NIL	0.00
	Increase /Decrease during the period	NIL		NIL	0.00
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>0.00</b>
<b>12</b>	<b>A SESHU KUMARI</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	4,94,000	1.78	4,94,000	1.78
	Increase /Decrease during the period	0		4,94,000	0.00
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>4,94,000</b>	<b>1.78</b>	<b>4,94,000</b>	<b>1.78</b>
<b>13</b>	<b>THAKUR VISHAL SINGH</b>				
	At the Beginning of the Year (of face value of ₹5/- each)	NIL	0.00	NIL	0.00
	Increase /Decrease during the period				
	11 Nov 2019 to 15 Nov 2019 (Market Purchase)	125	0.00	125	0.00
	25 Nov to 29 Nov 2019 (Market Sale)	-21	0.00	104	0.00
	16 Dec 2019 to 20 Dec 2019 (Market Sale)	-50	0.00	54	0.00
	<b>Total Increase /Decrease during the period</b>	<b>-71</b>	<b>0.00</b>		<b>0.00</b>
	<b>At the End of the Year (of face value of ₹5/- each)</b>	<b>54</b>	<b>0.00</b>	<b>54</b>	<b>0.00</b>

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakhs

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	9,415	193	-	9,608
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	34	-	-	34
<b>Total (i+ii+iii)</b>	<b>9,449</b>	<b>193</b>	<b>-</b>	<b>9,642</b>
Change in indebtedness during the financial year				
Addition	2,822	-	-	2,822
Reduction	549	92	-	641
Net change	2,273	(92)	-	2,181
Indebtedness at the end of the financial year				
i. Principal amount	11,688	101	-	11,789
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	40	-	-	40
<b>Total (i+ii+iii)</b>	<b>11,728</b>	<b>101</b>	<b>-</b>	<b>11,829</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

₹ in Lakhs

S. No.	Particulars of Remuneration	Name of Managing Director/Whole-time Director				Total
		J. Lakshmana Rao	A. Subramanyam	P. Venkateswara Rao	M. Srinivas	
1.	Gross salary					
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	124.20	138.00	88.32	65.26	415.78
b.	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	38.38	30.46	20.88	89.72
c.	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Provision for Managerial Commission	18.50	18.50	18.50	-	55.50
3.	Provision for Current Year Gratuity	-	-	-	-	-
4.	Provision for Current Year Leave encashment	-	-	-	-	-
65.	Others	-	-	-	-	-
	<b>Total</b>	<b>142.70</b>	<b>194.88</b>	<b>137.28</b>	<b>86.14</b>	<b>561.00</b>
	Ceiling as per the Act		The remuneration is paid as per resolution passed in the 18 <sup>th</sup> AGM held on 28 <sup>th</sup> September, 2015.			

Note: J. Lakshmana Rao, Chairman & Managing Director is drawing salary from two companies - Mold-Tek Packaging Limited and Mold-Tek Technologies Limited, aggregating to ₹ 217.14 Lakhs pursuant to approval of the Members accorded at the 18<sup>th</sup> Annual General Meeting of Mold-Tek Packaging Limited held on 28<sup>th</sup> September, 2015 and 31<sup>st</sup> Annual General Meeting of Mold-Tek Technologies Limited held on 28<sup>th</sup> September, 2015.

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd)**

**B. Remuneration to other Directors**

₹ in Lakhs

Particulars of Remuneration	Name of Directors							Total
	Dr. T. Venkateswara Rao	Dhanraj Tirumala	J. My-traeyi	Dr. Venkata Appa Rao Kotagiri	Eswara Rao Immaneni	Madhuri VRV	B Ramakrishna	
Independent Directors/ Non-Executive Directors								
• Fee for attending board/ committee meetings	1.40	0.20	0.60	0.60	1.40	Nil	Nil	4.20
• Commission	-	-	-	-	-	-	Nil	-
• Others	-	-	-	-	-	-	Nil	-
<b>Total remuneration (A+B)</b>	<b>1.40</b>	<b>0.20</b>	<b>0.60</b>	<b>0.60</b>	<b>1.40</b>	<b>1.40</b>	<b>Nil</b>	<b>4.20</b>
<b>Overall ceiling as per the Act</b>	Not applicable							



**C. Remuneration to other Directors key managerial personnel other than Managing Director, Whole Time Director and or Manager**

₹ in Lakhs

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Thakur Vishal Singh (CS)	A. Seshu Kumari (CFO)	Total
1.	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.44	43.65	50.09
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961			
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2.	Stock option			
3.	Sweat equity			
4.	Commission			
5.	Others			
	<b>Total</b>	<b>6.44</b>	<b>43.65</b>	<b>50.09</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Against the Company, Directors and other officers in default under the Companies Act, 2013: NONE

**for Mold-Tek Packaging Limited**

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
(DIN: 00649702)

Sd/-

**A. Subramanyam**  
Whole-Time Director  
(DIN: 00654046)

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Part A: Subsidiary

₹ in Lakhs

**Part A: Subsidiary**

Sl.No.	Particulars	Details
1.	Name of the subsidiary	Mold-Tek Packaging FZE
2.	The date since when subsidiary was acquired	12 <sup>th</sup> January, 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2020
4.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹ 20.52 per 1 AED
5.	Share capital	₹ 11,20,09,622
6.	Reserves & surplus	₹ (15,76,71,532)
7.	Total assets	₹ 1,19,99,701
8.	Total liabilities	₹ 1,19,99,701
9.	Investments	-
10.	Turnover	₹ 2,07,43,236
11.	Profit/(loss) before taxation	₹ (4,78,36,796)
12.	Provision for taxation	-
13.	Profit/(loss) after taxation	₹ (4,78,36,796)
14.	Proposed dividend	-
15.	Extent of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

**VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Against the Company, Directors and other officers in default under the Companies Act, 2013: NONE

**Part B: Associates and joint ventures**

The Company does not have any associates and joint venture. for Mold-Tek Packaging Limited

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
(DIN: 00649702)

Sd/-

**A. Subramanyam**  
Whole-Time Director  
(DIN: 00654046)

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
(M. No A41956)



## **FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

### **1. Details of contracts or arrangements or transactions not at Arm's length basis:**

There were no contracts or arrangements or transactions entered during the year ended 31<sup>st</sup> March, 2020, which were not at arm's length Basis

### **2. Details of contracts or arrangements or transactions at Arm's length basis:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Mold-Tek Packaging FZE, Wholly owned subsidiary
b)	Nature of contracts/arrangements/transaction	Sale of Services, Purchase of Input Materials, Acquisition of Property, plant and Equipment, Loans (current)
c)	Duration of the contracts/arrangements/transaction	The transactions are ongoing and existing prior to commencement of the Companies Act, 2013
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Services, - ₹ 0.29 Lakhs Purchase of Input Materials - ₹ 132.08 Lakhs Acquisition of Property, plant and Equipment - ₹ 807.97 Lakhs
e)	Date of approval by the Board	The transactions are entered in the ordinary course of business and are at arm's length price basis. NA
f)	Amount paid as advances, if any	Loans (current) - ₹ 69.78 Lakhs

**For and on behalf of the Board of Directors**

Sd/-

**J. Lakshmana Rao**  
(Chairman & Managing Director)  
DIN: 00649702

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FORWARD-LOOKING STATEMENT**

The report contains forward-looking statements, identified by words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ and so on. All statements that address expectations or projections about the future, but not limited to the Company’s strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company’s actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

### **OVERVIEW**

#### **GLOBAL ECONOMY**

The global economy grew at 2.4% in CY 2019, slowing from 3% in CY 2018 amid global trade war, tariff related uncertainties, and Brexit. Chinese growth moderated but held up at 6.1% despite escalation of trade tensions with the United States (US). Amidst trade tensions and Brexit related uncertainty, EU growth also weakened to 1.1%. However, with talks of trade resolution in second half of 2019, Europe started to see some recovery in growth. Brexit, which was a key uncertainty for Europe over the last two years, also saw resolution towards end 2019. The US economy remained relatively strong growing at 2.3%.

The unprecedented impact of COVID on human beings has left nations caught unguarded with millions getting affected & lacs of human lives were lost. Even developed countries like USA & Europe could not save their citizens and economies from the impact of the pandemic. This impact is going to last for few more quarters even after the vaccines are found and administered.

Packaging is one of the fastest growing industries and stands at USD 900 billion globally. It has grown higher than GDP in most of the countries. In developing country like India, it grew at a CAGR of 18% in the last five years and touched USD 72 Billion in FY 20. The per capita packaging consumption in India is as low as 4.3 kg, compared to developed countries like Germany and Taiwan where it is 42 kg and 19 kg respectively. However, in the coming years Indian packaging industry is expected to grow at 25% per annum.

Retail Industry is one of the most dynamic industries in India. It has experienced high growth over the past years, with a gradual shift towards modern retailing. Indian retail market has attracted and increased the presence of multinational companies and therefore boosted demand in sectors such as F&B, consumer products, pharma, personal care and cosmetics. Rising income levels is also stimulating the growth of organized retail which therefore increases the demand for innovative and attracting packaging concepts.

In the retail segment, Food & Beverages is one of the key growing segments and is the biggest under the category of end user packaging. Growth in F&B sector will drive the demand for hygienic packaging which in turn will increase the demand for plastic packaging, as it ensures food safety, quality and longer shelf life.

Since packaged food is the fastest growing segment, it is expected to fuel the demand of plastic packaging in India. Spend on packaged foods is increasing (at inflexion point) due to Increase in per capita income, urbanization and increase in working woman population. The recent outbreak of pandemic has driven people to prefer hygienic packaging and it may drive the growth of packaged foods in the near future. Besides Food & Beverage, pharmaceuticals, personal care and cosmetics are other major users of packaging.

Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020 and global growth environment will remain challenging in the short term.

#### **INDIAN ECONOMY**

The Indian economy continued with its slow growth trend, with quarterly growth rates trending downwards through the year. The decline was led by a slowdown in the key construction sector, a restricted real estate space and persistent downturn in the automotive sector. The fourth quarter witnessed a growth rate of 3% - the lowest in almost a decade. It aptly highlighted the concern of deceleration in the domestic economy even before the impact of COVID-19 shock.

The Indian economy grew by 4.2% in FY 2019-20 still remaining one of the fastest growing major economies in the world. Industrial activity remained healthy in the beginning of the year, but saw some weakness later. Auto sales suffered due to weak credit conditions, demand softness, and change in regulatory norms. On the rural side, with food prices

firming up, demand saw some recovery with two-wheeler sales returning to positive growth in December quarter, but reversed the recovery in 4Q.

The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to high-quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Indian paint industry outlook-2022 provides a study of growth in the industry by value and volume, which is expected to grow at a CAGR of around 12% during 2018-2019 to 2021-2022 in value terms. The global lubricants market is expected to grow at a compound annual growth rate (CAGR) of 3.6% from 2020 to 2027.

Like everywhere else impact of sanitization and need for hygiene is driving Indians to seek cleaner and modern ways of packaging for their consumables and food products. This may in long run help the packaging industry.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The packaging industry is experiencing growth globally as a result of higher focus and preference of consumers towards hygiene and packaged products which are further expected to increase post Covid-19 pandemic. Packaging sales in the emerging markets are expected to continue to show strong momentum as both increased consumption and demand for consumer goods drives the need for more sophisticated packaging.

In recent years, India has seen sustainable packaging growth due to the increase of packaged food consumption and awareness, demand for quality products. Consumer awareness surrounding packaged food, specifically packaged food deliveries, has heightened. The boom in ecommerce and organized retail is expected to enhance the growth of plastic packaging and per capita consumption in the near future. The rising purchasing power, due to the growth in per-capita income of the Indian middle-class and concern for hygiene post COVID, will fuel the Indian packaging market in adopting better packaging methods, materials, and machinery, to ensure better quality.

The global packaging industry will very soon witness a major shift towards hygienic smart and intelligent packaging – packaging that can sense changes in its external environment and transmit the signals informing about the change. With trends such as this influencing the market, packaging manufacturers will be poised to make changes that will have a significant impact on their overall business value

Retail Industry is one of the most dynamic industries in India. It has experienced high growth over the past years, with a gradual shift towards modern retailing formats. Indian retail market has attracted and increased the presence of multinational companies and therefore boosted demand in spaces such as F&B, consumers' products, cosmetics

etc. Rising income levels is also stimulating the growth of organised retail which therefore increases the demand for innovative and attracting packaging concepts.

In the retail segment, Food & Beverages are one of the key growing segments. It falls amongst the biggest end users of packaging. Growth in F&B sector will drive the packaging demand and also demand for plastic packaging, as it ensures food safety, quality and longer shelf life.

Besides food & beverage, personal care and pharmaceuticals are another major user of packaging. India's domestic pharmaceutical market is witnessing double digit growth. Pharmaceutical Packaging is now becoming the major part of the drug delivery system. Pharmaceutical/personal care product companies rely more on packaging and labelling as media to protect and promote their products, increase patient compliance, and meet new regulations.

### STANDALONE FINANCIAL AND OPERATIONAL PERFORMANCE - OVERVIEW

₹ Lakhs except EPS

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Revenue	43,744	39,409	33,946	30,080	26,846
EBITDA	81,20	73,28	64,52	53,43	46,26
Exceptional items*	2,86	11,50	-	-	-
PBT	49,08	39,96	48,57	41,20	36,78
Net Profit	38,19	24,10	31,69	26,89	24,10
EPS (Face Value of ₹ 5) -(₹)	13.78	8.70	11.44	9.71	8.70

During the financial year 2020, though the Covid lockdown has impacted last few days of the financial year, Company registered sales of ₹438.2 crores and a volume growth of 12%. Consolidated EBIDTA for the year increased by 9% to ₹78 crores against ₹71.5 crores in financial year 2018-19. Your Company has registered 17.22% growth in EPS during the year.

During the financial year, Paint sector sales have gone up from ₹187 Crores to ₹229 Crores, resulting a handsome growth of 22%, mainly added by new plants set up for APIL at Visakhapatnam and Mysuru. Jump in FMCG sector sales have also contributed handsomely to Company's growth in this financial year. Sales of square packs for edible oil have gone up from ₹85 Crores to ₹101 Crores, a 19% growth. Lubes sector sales dropped to ₹107 Crores as against previous year sales of ₹120 Crores.

The management has closed down the operations of the wholly owned subsidiary, Mold-Tek Packaging FZE, UAE pending winding up formalities. The entire machinery was withdrawn from the subsidiary and installed in Indian facilities to add capacities to meet increasing demand in India. The



## **Mold-Tek Packaging Limited**

Company is not expecting to realize the investment made and accordingly the investment of ₹1003.20 Lakhs is impaired and fully provided for. Further, a provision of ₹432.93 Lakhs is also made towards expected loss on the realization of the trade receivables and loan given to subsidiary.

### **FUTURE OUTLOOK**

Your Company plans to change the packaging landscape by creating sustainable and intelligent packaging solutions. Your Company is planning to set up an exclusive lotion pump project with capital outlay of ₹15 crores at Hyderabad. It may start production around November 2020 to widen our product range and entry into personal care products.

Demand for our Square packs continue to grow and are on the way to create a major trend in the edible oil market. Conversion from tin to plastic by major edible oil players like N.K Protein, Goyal, Damani, Gulab, Halder Group etc has majorly aided the growth of our square packs. The Company has successfully added/increased capacity for these packs. Capacity shifted from RAK has been mainly allocated to these packs and other food packing products. We have also found demand for these packs from other consumer and agro-products.

Ice Cream sales have dropped drastically this summer due to the pandemic hit. But there is also a perceptible increase in demand for food packaging products from many SMEs apart from major players. Once the Impact of Covid on the economy is lifted we anticipate normal or better demand for our products.

### **OPPORTUNITIES AND RISKS**

Recent developments in the packaging industry have created a high demand for packaging materials such as Square packs, oval shape packs and Hinge packs. However, striking the right balance between the functionality of the package and elegance is a major challenge for players in the consumer packaging sector. Packaging Industries are now focusing on developing innovative packages that are aimed at attracting customers to drive sales.

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

With environmental awareness rising globally, there is a strong momentum towards sustainable solutions. Stakeholders across the value chain are voicing their concerns regarding the use of plastic packaging and organizations are realigning themselves in this direction. Moldtek is taking lead in development of biodegradable packs. Company has been working closely with several FMCG brands and helping

them develop easy-to-recycle packs for their products without compromising on the different functionalities.

Slowdown in the Indian economy due to current global developments could adversely impact growth in the short-term although impact is expected to be certainly there but not very significant on packaging industry being part of essential commodity.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Audit System commensurate with its size and nature of business operations. The Internal Auditors covers all the key areas of the Company's business like purchase of stores consumables, raw materials, plant & machinery, equipment and other similar assets and for the sale of goods and reports Audit Committee of the Board. The Company also has internal control system for speedy compilation of accounts and management information reports and to comply with applicable laws and regulations. The Company has an effective budgetary control system. The management reviews the actual performance with reference to budgets periodically. The Company has a well-defined organization structure, authority levels and internal rules and regulations for conducting business transactions. The Audit Committee ensures proper compliance with the provisions of the Listing Agreement with stock exchanges, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016, the Companies Act, etc. reviews the adequacy and effectiveness of the internal control environment and monitors implementation of internal audit recommendations. Besides the above, the Audit Committee is actively engaged in overseeing financial disclosures.

### **HUMAN RESOURCES**

Moldtek believe that the employees are the cornerstone of an organization and it has continued to invest significantly in developing talent across levels, leveraging processes such as integrated talent management to accelerate development and ensure robust succession pipelines for all critical roles. This resulted in robust and differentiated development for employees at all levels, thereby building capability to facilitate career progression and deliver enhanced performance. Moldtek strive to encourage diversity in workforce and believe in building the career of its employees through focused interventions. It encompasses all aspects of people management, communication and is pivotal in building a positive culture. Learning opportunities contribute to better employee engagement, increased productivity, reduced employee turnover and add to a more positive culture Moldtek HR policy is geared towards promoting an empowering and engaging work culture, providing individuals opportunities to learn and grow professionally. The Company believes in fostering equal employment opportunities, where individuals are selected and treated on the basis of their merits and abilities.



## BUSINESS RESPONSIBILITY REPORT OF MOLD-TEK PACKAGING LIMITED (2019-20)

### Introduction

In 2015, the Securities and Exchange Board of India (SEBI) mandated the top 500 companies listed on the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE) to prepare a 'Business Responsibility Report' (BRR) as part of the Annual Report. This is based on clause (f) of sub regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Business Responsibility Report captures organizations' non-financial performance across the economic, environmental and social bottom-line.

Further, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, which came into effect from 26<sup>th</sup> December, 2019, amended Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, and the 'Business Responsibility Report' (BRR) was mandated for the top 1000 companies listed on the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE).

Accordingly, Mold-tek Packaging Limited (MTPL), featuring amongst the top 1000 listed entities, has developed this Business Responsibility Report based on the framework suggested by SEBI.

At MTPL, our efforts are focused on taking forward our sustainability objectives, which are well aligned with our business goals. The Company believes that overall development throughout the value chain is crucial for long-term development. Further, by incorporation of sustainability practices in its operations, MTPL ensures the wellbeing of its employees, communities and other stakeholders. Greening operations, technological upgradation, community development, and stakeholder wellbeing are some of the avenues through which the Company endeavours to improve its non-financial performance.

### Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L21022TG1997PLC026542
2. **Name of the Company:** Mold-Tek Packaging Limited
3. **Registered Address:** 8-2-293/82/A/700, Ground Floor, Road No. 36, Jubilee Hills, Hyderabad - 500033, Telangana.
4. **Website:** www.moldtekpackaging.com
5. **E-mail ID:** cs@moldtekpackaging.com
6. **Financial Year reported:** 2019-20
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**
  - Manufacturing of plastic packaging containers (NIC Code- 2220)

### 8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)

- Plastic Packaging Containers

### 9. Total number of locations where business activity is undertaken by the Company:

The Company operates from India with its presence across the country. For more details on plant locations refer to the "Corporate Information" (page 7) of Annual Report.

### 10. Markets served by the Company – Local/State/National/International:

The products and services offered by MTPL have a national presence and some of the products are exported to other countries.

LOCAL	STATE	NATIONAL	INTERNATIONAL
YES	YES	YES	NO

**Section B: Financial Details of the Company**

1. Paid Up Capital (INR)	₹ 1386.30 Lakhs
2. Total Turnover (INR)	₹ 43743.73 Lakhs
3. Total Profit after Taxes (INR)	₹ 3818.98 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%):	₹ 75.88 Lakhs 84%
5. List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> <li>• Scholarship to PGP Students of IIM-Bangalore.</li> <li>• Donation to ‘Bharosa’ - support center for women &amp; children, Hyderabad City Police, Telangana.</li> <li>• Construction of building for school at Ventrapragada, Krishna district, Andhra Pradesh.</li> <li>• Donation to Ashray Akruti for children education.</li> </ul> <p><b>For Further details kindly refer our Annexure-B</b></p>

**Section C: Other Details**

**1. Does the Company have any Subsidiary Company/Companies?**

Yes, MTPL has one wholly owned subsidiary namely:

- a. Mold-Tek Packaging FZE.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

Yes, The Business Responsibility initiatives of the Company apply to its subsidiary. Mold-Tek Packaging FZE participates in the BR Initiatives of the parent company. It has mandated its suppliers and vendors to follow MTPL’s policy on prohibition of child labour, forced labour, discrimination, no drug or alcohol consumption policy, HSE & Sustainability policy and fraud prevention policy. The subsidiary company operate in a different geography and conduct its own BR initiatives as appropriate.

**3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? [Less than 30%, 30 – 60% and More than 60%]**

The vendor selection process at MTPL includes criteria on abstinence from child labour, forced labour, no drug and alcohol policy, health & safety compliance and non-discrimination among others. Adherence to these policies is mandatory for all contractors appointed by the Company. Furthermore, the Company aims to include all entities across the value chain in its BR initiatives. Currently, Majority of its entities participate in the BR activities. Other entities viz. suppliers, distributors etc. with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company.

**Section D: BR Information**

**1. Details of Director/Directors responsible for BR**

**a) Details of the Director/Directors responsible for implementation of the Business Responsibility policy/policies:**

Sr. No.	PARTICULARS	DETAILS
1.	DIN	00649702
2.	NAME	LAKSHMANA RAO JANUMAHANTI
3.	DESIGNATION	Chairman & Managing Director

**(b) Details of the BR head:**

Sr.No.	PARTICULARS	DETAILS
1.	DIN	00649702
2.	NAME	LAKSHMANA RAO JANUMAHANTI
3.	DESIGNATION	Chairman & Managing Director
4.	TELEPHONE NUMBER	040-40300300
5.	E-MAIL ID.	ir@moldteckpackaging.com

**2. Principle-wise (as per NVGs) BR Policy/Policies**

**(a) Details of Compliance (Reply in Y/N)**

***The Nine principles as per BRR are as given below:-***

**P 1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

**P 2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**P 3** Businesses should promote the well-being of all employees.

**P 4** Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

**P 5** Businesses should respect and promote human rights.

**P 6** Businesses should respect, protect and make efforts to restore the environment.

**P 7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**P 8** Businesses should support inclusive growth and equitable development.

**P 9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes, The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a Specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
6.	Indicate the link to view the policy online?	**The link to view the policies online is: <a href="https://www.moldteckpackaging.com/investors.html?nav=financial-info">https://www.moldteckpackaging.com/investors.html?nav=financial-info</a>								

No.	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally Communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company.								
8.	Does the Company have in-house structure to implement its policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

\* The company do not have a specified committee, but the Board oversees its implementation.

\*\* The link to view all the policies relating to BRR is <https://www.moldteckpackaging.com/investors.html?nav=financial-info>

**3. Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Since, the BRR is applicable to the Company recently, the BR performance of the Company is assessed annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Mold-tek Packaging Limited (MTPL), featuring amongst the top 1000 listed entities, has developed this Business Responsibility Report based on the framework suggested by SEBI for the first time in F.Y 2019-20 as mandated by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, which came into effect from 26<sup>th</sup> December, 2019.

**Section E: Principle wise Performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Policy relating to Ethics, Transparency and Accountability is the backbone of our Company and guides the operations of the Company alone. The Policy includes Code of Conduct which applies to the Directors and the Senior Management of the Company.

A Whistle Blower Policy/ Vigil Mechanism is also in place, which provides opportunity to all stakeholders to report any concerns/issues/ incidents about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policies.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the financial year 2019-20, the Company has not received any complaints from the stakeholders on ethics, transparency and accountability.



***Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle***

**1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities**

- a. Square shaped “Anti-counterfeit” packages: These are innovative products designed and developed by Moldtek and facilitate consumers with several features by eliminating the scope of “DUPLICATION / ADULTERATION” of content. Once the pack sealed in the manufacturer’s end, ONLY the end-user can open and access the content by breaking open the three stage seals.
- b. Usually - packages have multiple materials like Glass, Aluminium, Paper, and Polymer (of different types). Moldtek packages have been developed with PP-IML wherein the entire package including Jar, Lid, Handle an even the label are Polymer materials and that too same type such that there is no need of segregation while reprocessing
- c. All our packages have a distinct characteristic, i.e. they are reusable containers. We have deliberately kept our range of packages in such a thickness that the life of package is far beyond the usage cycle of primary content. Our Pails, Q packs and Food packs are all used for secondary usages for a longer duration and the decoration being IN-MOLD labelling the labels are anti-peel and ant scratch type thus the brand image, identity is longer, stronger.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company is committed to Environment protection, climate change and taking lot of initiatives to reduce carbon footprint. Please refer to Annexure – ‘D’ to the Director’s Report covering inter-alia, details of Conservation of Energy.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company’s products are used by variety of consumers and it is neither feasible to measure reduction in the usage (energy, water) nor available with us. However at plant level we are taking following actions to reduce energy and water:

- a. Monitoring and analysis of energy consumption on periodic basis;
  - b. New moulding machines selected are always either servo controller or fully electric machines;
  - c. Replacement of conventional tubes and bulbs with LED;
  - d. Monitoring, benchmarking and selection of energy intensive equipment only;
  - e. Minimum use of energy by optimizing processes and material movement in factories;
  - f. ‘Machine On’ alarms and automatic switch off machines;
  - g. Share and implement best energy saving practices across manufacturing units.
- We are buying only All Electrical Injection Moulding machines instead of Hydraulic based Injection Moulding Machines to save the energy by 30%
  - For all new projects, Installing Water Chillers instead of cooling towers and saving water by 90%.
  - Applying FMEA (Failure Mode Effects and Analysis) to optimise the process rejections thereby carbon foot prints.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, More than 90 % inputs are sourced sustainably MTPL has ISO procedures for sustainable sourcing including transportation. An effective system for vendor selection, vendor registration, vendor management has been established evaluating vendor rating and proper auditing. To maintain quality and transparency in the supply chain, e-procurement and e-payment services have been set up. The vendor selection process also lays emphasis on Health, Safety, Environment (HSE) and sustainable business practices.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Vendor Qualification and evaluation system is in place. For key materials, suppliers/vendors are audited physically before select for key materials. Vendor’s performance is evaluated and shared the results with concern on quarterly basis. And QA department work with smaller suppliers in developing quality products on a sustained basis.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, we have a mechanism that all process rejections will be recycled and re-used. Since all our products are made up of polypropylene plastic and easily recyclable, the rejections are grinded into small pieces and reused in the process. The remaining waste, other than plastic is disposed as per the PCB guidelines.

**Principle 3: Businesses should promote the wellbeing of all employees**

1. Please indicate the total number of employees MTPL has a total of 521 employees as on March 31, 2020.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis MTPL has 1100 employees on temporary/contractual/casual basis as on March 31, 2020.
3. Please indicate the number of permanent women employees MTPL has 20 permanent women employees as on March 31, 2020.
4. Please indicate the number of permanent employees with disabilities MTPL has NO permanent employees with disabilities as on March 31, 2020.

**5. Do you have an employee association that is recognized by management?**

Yes

**6. What percentage of your permanent employees are members of this recognized employee association?**

2.5%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year. MTPL strives to provide employees a work environment that supports their wellbeing as well as overall growth.

The Company’s Code of Conduct for Board Members and Senior Management provide a framework for prevention and redresses complaints related to sexual harassment.

Sl. No.	Category	No of complaints received during the Financial Year	No of complaints pending at the end of this Financial Year
1.	Child Labour/Forced labour/Involuntary labour	The Company does not employ such labour	Not Applicable
2.	Sexual harassment	NIL	Not Applicable
3.	Discriminatory employment	NIL	Not Applicable

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Employee category	% Employees that were given safety training	% Employees that were given skill up gradation training
Permanent Employees	90%	20%
Casual/ Temporary/ Contractual Employees	90%	30%
Permanent Women Employees	90%	20%
Employees with Disabilities	90%	20%

**Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged vulnerable and marginalized.**

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

Yes. For MTPL, maintaining relationship with stakeholders is a business imperative.

The business revolves around stakeholders, right from suppliers to customers, shareholders to communities, government to workforce and contractors.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

The company has mapped disadvantaged, vulnerable and marginalised stakeholders viz. communities in and around the areas of its significant operations, and is actively working towards their inclusive growth as part of company's CSR efforts.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company runs initiatives in the areas of Health Care including preventive health care and sanitation, providing safe drinking water, education, skill development leading to creation of alternative employment, Infrastructure development and ensuring environmental sustainability through agro forestry, conservation of natural resources and maintaining quality of soil, air and water, all directed towards helping neighbouring communities, including disadvantaged, vulnerable and marginalised stakeholders and being instrumental in cultivating their progress. To achieve the same, the Company has a well-established CSR policy which reflects the objective of economic and social development to create a positive impact. COVID support, insurance to sub-contract labour, vitamin tablets to improve immunity.

**Principle 5: Businesses Should Respect and Promote Human Rights**

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Policy relating to respecting and promoting human rights covers the Company only. The Company encourage its business partners and third parties with whom it conducts business to abide by this policy.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the financial year 2019-20, the Company did not receive any complaint with regard to violation of human rights.

**Principle 6: Business Should Respect, Protect and Make Efforts to Restore the Environment**

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

MTPL is committed to protection and restoration of the environment while managing our business. We strive to ensure that our leadership is committed to complying with the highest standards of environment management systems. The Policy relating to respecting, protecting and restoring the Environment covers the entire group.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?** Y/N. If yes, please give hyperlink for webpage etc. Climate change, global warming and environmental risks are serious challenges that the company is fully engaged with and started various initiatives.

Sustainable packaging is the slogan at Mold-Tek introduced almost a decade ago.

Even our product brochure mention the importance sustainability and demonstrates the same with features incorporated in our entire range of products.

3. **Does the company identify and assess potential environmental risks?** Y/N

Yes. The Company identifies and assesses potential environmental risks periodically across its plant operations and projects and has taken up several initiatives for offsetting its GHG emissions.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Not applicable

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. The Company has taken various initiatives on clean technology, energy efficiency, renewable energy etc., to reduce its impact on the environment. For further details please refer to Annexure- 'D' to the Director's Report covering inter-alia, details of Conservation of Energy. Company initiated the process of setting up solar power development at all manufacturing units.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. The emissions/waste generated by the company is within the permissible limits for the financial year 2019- 20.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

NONE.

There are no show cause/ legal notices received from CPCB/SPCB which are pending as at end of the Financial Year 2019-20.

***Principle 7: Businesses, When Engaged In Influencing Public and Regulatory Policy, Should Do So in a Responsible Manner***

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes, MTPL is aware of its responsibilities towards influencing public and regulatory policy and is a member of the following associations:

- a) The Associated Chambers Of Commerce & Industry of India
- b) Andhra Chamber of Commerce
- c) The Plastics Export Promotion Council
- d) The All India Plastics Manufacturers Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?** Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) Not through associations. And not lobbying O advocating per se. But have spread the message within the network of customers and during expositions and events.

We have shared the ideas and concepts pertaining to Sustainable packaging for public good with leadership teams of major companies ranging from FOOD, PHARAMA and FMCG.

***Principle 8: Businesses Should Support Inclusive Growth and Equitable Development***

- 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has a continuous CSR programme which create sustainable livelihoods, especially among the poor in rural places wherein the Company:

Refer Annexure- 'B' to the Board Report for details of CSR spending's.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?**

Projects are undertaken through in house team as well as through external NGO.

- 3. Have you done any impact assessment of your initiative?**

- 4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

The Company has spent 75.88 as part of its CSR initiatives. Details of the projects are given in Annexure- 'B'- Report on CSR Activities forming part of Director's Report.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. MTPL undertakes measures in order to ensure that the community development initiatives are adopted successfully by the community. The need for identifying and implementing initiatives is crucial for achieving the CSR objectives of BL. The projects implemented are based on needs of the community and are conducted in partnership with local authorities or an NGO. Active participation of local communities in the planning stages of the programme creates a sense of responsibility & commitment among them resulting in successful adoption of the initiatives. Additionally, MTPL regularly engages with the local community to effect a behavioural change for the adoption of the projects.

***Principle 9: Businesses Should Engage With and Provide Value to Their Customers and Consumers in A Responsible Manner***

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company is firmly committed to providing world class products and services to customers, supported by capable and qualified manpower to provide pre- and after-sales services. The Company empathises with concerns of all its stakeholders, influencers and recommenders. A well-established mechanism is in place to deal with customer feedback and complaints. Customers can connect with the Company through multiple channels such as email, telephone, website, social media and feedback forms. It is a robust mechanism to appropriately address and resolve any type of complaint. At the end of the financial year, there were only a few unresolved newly reported complaints. Less than 2%.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

The products we make possess labels of customers, being packages made/meant for them.

The secondary and tertiary packs do contain labels of our company displaying necessary data applicable for such needs. Company displays and maintains high standards of communication and information dissemination to ensure full compliance with applicable regulations.

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There are no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any laws during the financial year 2019-20.

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends**

Yes. As part of our internal procedures, we do follow a customer satisfaction survey and publish the report to Senior executives of the company during Management review meets held periodically.

## **REPORT ON CORPORATE GOVERNANCE**

### **A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization. We consider stakeholders as the partners in the Company's success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long-term stakeholder value. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered on time at high competitive prices.

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

Company's philosophy extends beyond what is being reported under this Report and it has been the Company's constant endeavour to attain the highest levels of Corporate Governance.

### **B. Board of Directors Composition**

The Company's Board comprises of Ten Directors including

- Three Executive Promoter Directors
- One Whole Time Director
- One Non-Executive Promoter Director
- Five Independent Directors

The Composition of the Board is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### **Board Meetings**

The Board of Directors met 8 times during the financial year 2019-20 i.e., 2<sup>nd</sup> May, 2019; 27<sup>th</sup> May, 2019; 25<sup>th</sup> July, 2019; 31<sup>st</sup> August, 2019; 24<sup>th</sup> October, 2019, 23<sup>rd</sup> December, 2019, 27<sup>th</sup> January, 2020 & 11<sup>th</sup> March, 2020. The maximum gap between any two meetings was less than one hundred and twenty days as stipulated under Section 173 of Companies Act, 2013 and Regulation 17(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

Name of the Director	Category	Number of Board Meetings attended during the year 2019-20	Whether attended last AGM held on 30th September, 2019	No. of directorships in other companies		No. of committee positions in other companies		Name of the other Listed Entity In which Director is a member
				Chairman	Member	Chairman	Member	
Mr. J. Lakshmana Rao (Chairman & Managing Director)	Executive Promoter Director	8	Yes	1	1	-	-	Mold-Tek Technologies Limited- Chairman & Managing Director
Mr. A. Subramanyam (Deputy Managing Director)	Executive Promoter Director	8	Yes	-	1	-	-	Mold-Tek Technologies Limited- Promoter Director
Mr. P. Venkateswara Rao (Deputy Managing Director)	Executive Promoter Director	8	No	-	1	-	-	Mold-Tek Technologies Limited- Promoter Director
Mrs. J. Mytraeyi	Non-Executive Promoter Director	3	Yes	-	-	-	-	-
Mr. Srinivas Madireddy	Executive-Whole Time Director	5	Yes	-	-	-	-	-
Dr. T. Venkateswara Rao	Non-Executive Independent Director	7	Yes	-	6	-	-	-
Mr. Eswara Rao Immaneni	Non-Executive Independent Director	7	Yes	-	1	-	-	-
Dr. Venkata Appa Rao Kotagiri	Non-Executive Independent Director	3	No	-	3	1	2	Mold-Tek Technologies Limited- Independent Director
*Mr. Dhanraj Tirumala Narasimha Rao Togaru	Non-Executive Independent Director	1	No	1	1	1	2	Mold-Tek Technologies Limited- Promoter Director
**Mr. Ramakrishna Bonagiri	Non-Executive Independent Director	0	NA	-	1	1	2	Mold-Tek Technologies Limited- Promoter Director
*Mrs. Madhuri Venkata Ramani Viswanadham	Non-Executive Independent Woman Director	0	NA	-	-	-	-	-
** Mr. Venkata Neeladri Varma Nadimpalli	Non-Executive Independent Director	0	No	-	-	-	-	-

Note 1: In accordance with Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, membership/chairmanship of only audit committee, shareholders/investors relationship committee of all companies has been considered.

\*Note 2: Mr. Dhanraj Tirumala Narasimha Rao Togaru and Mr. Ramakrishna Bonagiri has been appointed on the Board of Directors with effect from 27<sup>th</sup> January, 2020.

\*Note 3: Mrs. Madhuri Venkata Ramani Viswanadham has been appointed on the Board of Directors with effect from 11<sup>th</sup> March, 2020.

\*Note 4: Since, Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75 % of voting for his re-appointment on the board for second term of five consecutive years in the last AGM, accordingly, he vacated the office from the Board of Directors w.e.f. 30th September, 2019.

\*\*Note 5: Mr. Ramakrishna Bonagiri has resigned from the post of Independent Director of the company w.e.f. 29th August, 2020 due to personal reasons.

**Relationship of Directors *inter-se***

- J. Lakshmana Rao is son of J. Mytraeyi and brother-in-law of A. Subramanyam.
- J. Mytraeyi is mother of J.Lakshmana Rao and mother-in-law of A. Subramanyam.
- A. Subramanyam is brother-in-law of J. Lakshmana Rao and son-in-law of J. Mytraeyi.

**Familiarization Programme for Independent Directors**

In terms of Regulation 25 (7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should conduct Familiarization Programs for Independent Directors about their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives. The details of programmes are available on website of the Company at: [https://www.moldteckpackaging.com/pdf/MTPL\\_Familiarisation\\_Programme\\_-\\_MTPL%202015%20to%202020.pdf](https://www.moldteckpackaging.com/pdf/MTPL_Familiarisation_Programme_-_MTPL%202015%20to%202020.pdf)

**Details of skills / expertise / competence of the Board of Directors:**

S.No.	Name of Director	list of core skills/expertise/competencies
1.	Lakshmana Rao Janumahanti	Marketing and Finance Area.
2.	Subramanyam Adivishnu	Over all in-charge of In-house research and development of moulds and in-house tool room for designing and development of moulds for new products.
3.	Venkateswara Rao Pattabhi	Over all in-charge of Materials Management, marketing and commercial activities
4.	Srinivas Madireddy	Production, planning and control of all the units.
5.	Eswara Rao Immaneni	Accountancy
6.	Mytraeyi Janumahanti	Governance and management affairs
7.	Talupunuri Venkateswara Rao	Commercial Taxes & Government affairs
8.	Venkata Appa Rao Kotagiri	Technology & Strategy
9.	Mr. Dhanraj Tirumala Narasimha Rao Togaru	Governance
10.	Mrs. Madhuri Venkata Ramani Viswanadham	Accountancy

Note 1: Mr. Dhanraj Tirumala Narasimha Rao Togaru and Mr. Ramakrishna Bonagiri has been appointed on the Board of Directors with effect from 27<sup>th</sup> January, 2020.

Note 2: Mrs. Madhuri Venkata Ramani Viswanadham has been appointed on the Board of Directors with effect from 11<sup>th</sup> March, 2020.

\*Note 3: Mr. Ramakrishna Bonagiri has resigned from the post of Independent Director of the company w.e.f. 29th August, 2020 due to personal reasons.

**Declaration by Board:**

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

**Detailed reasons for the resignation of an independent director:**

Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75 % of voting for his re-appointment on the board for second term of five consecutive years in the last AGM, accordingly, he vacated the office from the Board of Directors w.e.f. 30th September, 2019.

Mr. Ramakrishna Bonagiri has resigned from the post of Independent Director of the company w.e.f. 29th August, 2020 due to personal reasons.

## C. BOARD COMMITTEES

### I. 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.

#### Powers and terms of reference

The power and terms of reference of the Audit Committee are as mentioned in Regulation 18 and Part C of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

#### Composition & meeting

The Audit Committee comprises of Three Non-Executive Independent Directors chaired by Mr. Eswara Rao Immaneni (for the financial year 2019-2020). The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Five meetings of the Audit Committee were held during the financial year 2019-20. The dates on which the said meetings were held are as follows 27<sup>th</sup> May, 2019; 25<sup>th</sup> July, 2019, 31<sup>st</sup> August, 2019; 24<sup>th</sup> October, 2019, and 27<sup>th</sup> January, 2019.

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

Name & category	Designation	No of meetings attended during the year 2019-20
Mr. Eswara Rao Immaneni, Independent Non-Executive Director	Chairman	4
Dr. T. Venkateswara Rao, Independent Non-Executive Director	Member	5
Dr. Venkata Appa Rao Kotagiri, Independent Non-Executive Director	Member	2
*Dr. N.V.N. Varma, Independent Non-Executive Director	Member	0

\*Since, Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75% of voting for his re-appointment on the board for second term of five consecutive years in the last AGM, accordingly, he vacated the office from the Board of Directors w.e.f. 30th September, 2019.

### II. NOMINATION & REMUNERATION COMMITTEE

#### Terms of reference

The power and terms of reference of the Nomination and Remuneration Committee are as mentioned in Regulation 19 and part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 178 of the Companies Act, 2013, and as laid down in the Nomination, Remuneration and Performance Evaluation Policy and as entrusted by Board of Directors from time to time.

The terms of reference of the Nomination and Remuneration Committee also includes:

- a. Recommend employees stock option scheme;
- b. Administer the employee stock option scheme.

**Composition & meeting**

The Nomination & Remuneration Committee comprises of three Non-Executive Independent Directors chaired by Dr. Venkata Appa Rao Kotagiri (for the financial year 2019-2020). The composition of the Nomination & Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Three meetings of the Nomination & Remuneration Committee were held during the financial year 2019-20. The dates on which the said meetings were held are as follows 31<sup>st</sup> August, 2019, 27<sup>th</sup> January, 2020 & 11<sup>th</sup> March, 2020

The composition of Nomination & Remuneration Committee and particulars of meeting attended by the members of the Committee are given below:

<b>Name &amp; category</b>	<b>Designation</b>	<b>No of meetings attended during the year 2019-20</b>
Dr. Venkata Appa Rao Kotagiri, Independent Non-Executive Director	Chairman	2
*Dr. T. Venkateswara Rao, Independent Non-Executive Director	Member	3
Mr. Eswara Rao Immaneni, Independent Non-Executive Director	Member	2
**Dr. N.V.N. Varma, Independent Non-Executive Director	Member	0

\* Dr. T. Venkateswara Rao was appointed as Chairman for Nomination & Remuneration Committee in the meeting held on 11<sup>th</sup> March, 2020 in the absence of Dr. Venkata Appa Rao Kotagiri.

\*\* Since, Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75 % of voting for his re-appointment on the board for second term of five consecutive years in the last AGM, accordingly, he vacated the office from the Board of Directors w.e.f. 30th September, 2019.

**Nomination, Remuneration and Board Evaluation Policy**

The Company has formulated a Nomination, Remuneration and Board Evaluation Policy as per the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which, *inter-alia*, lays down the criteria for:

- Identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as senior management personnel of the Company; and
- determining the remuneration of the directors, key managerial personnel (KMP) and other employees.

**Nomination, Remuneration and Board Evaluation Policy provides for the following attributes for appointment and removal of Director, KMP and senior management:**

**Appointment criteria and qualification**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director in terms of diversity policy of the board and recommend to the board his/her appointment.
- For the appointment of KMP (other than managing/whole-time director) or senior management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment. Further, for administrative convenience, as regards the appointment of KMP (other than managing/whole-time director) or senior management, the managing director is authorized to identify and appoint a suitable person for such position. However, if the need be, the managing director may consult the committee/board for further directions/guidance.

**Term**

- The term of the directors including managing/whole-time director/independent directors shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder and Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; whereas, the term of the KMP (other than the managing/whole-time director) and senior management shall be governed by the prevailing HR policies of the Company.

#### **Evaluation**

- The Committee shall carry out evaluation of performance of every Director.
- The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment/re appointment/continuation of directors on the board shall be subject to the outcome of the yearly evaluation process.

#### **Removal**

- Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable act, rules and regulations thereunder and/or for any disciplinary reasons and subject to such applicable acts, rules and regulations and the Company's prevailing HR policies, the committee may recommend, to the board, with reasons recorded in writing, removal of a director, KMP or senior management.

#### **Remuneration of managing/whole-time director, KMP and senior management**

- The remuneration/compensation/commission, etc. as the case may be, to the managing/whole-time director will be determined by the committee and recommended to the board for approval. The remuneration/ compensation/ commission, etc. as the case may be, shall be subject to the prior/post approval of the shareholders of the Company and central government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the managing director of the Company is authorized to decide the remuneration of KMP (other than managing/whole-time director) and senior management, and shall be decided by the managing director based on the standard market practice and prevailing HR policies of the Company

#### **Remuneration to non-executive/independent director**

- The remuneration/commission/sitting fees, as the case may be, to the non-executive/independent director, shall be in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force or as may be decided by the committee/board/shareholders.
- An independent director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

#### **Details of the evaluation process**

In terms of the Nomination, Remuneration and Board Evaluation Policy and the applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee laid down the criteria for evaluation/assessment of the Directors (including the independent directors) of the Company and the Board as a whole. The Committee also carried out the evaluation of the performance of each Director of the Company.

The Board conducted formal annual evaluation of its own performance, its Committees and the individual directors (without the presence of the director being evaluated). Basis the said evaluation, the Nomination and Remuneration Committee has evaluated the Directors and Senior Management Personnel and made recommendations for the appointment/re-appointment/increase in remuneration of the Directors and Senior Management.

#### **Criteria for evaluation of Board (Including Independent Directors) and its Committees**

The evaluation of the Board (including independent directors) and its committee were based on knowledge to perform the role, attendance, time and level of participation, performance of duties, adequate discharge of responsibilities, level of oversight, understanding of the Company professional conduct, independence, structure and composition, frequency and duration of meetings, its process and procedures, effectiveness of Board/ Committees, its financial reporting process, including internal controls, review of compliance under various regulations etc.

**Meetings of Independent Directors**

A separate meeting of the Independent Directors of the Company was held on 27<sup>th</sup> January, 2020 without the attendance of Non-Independent Directors and members of management, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. At the meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness off low of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Fee to statutory auditor:** Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor is ₹ 11.40 Lakhs.

Internal committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

**The composition of the internal committee is as under:**

- Mrs. Seshu Kumari, Chief Financial Officer - Chairperson
- Mrs. J. Navya, Assistant Financial Controller - Member
- Mr. Thakur Vishal Singh, Company Secretary - Member
- Mrs. K. Sirisha, Assistant Manager-HR - Member

There was no meeting held in the financial year, as no complaints were received from any employee.

Non-compliance of any requirement of corporate governance report: As per the Secretarial Audit Report Annexed at **Annexure-C**

Details of the remuneration of Executive Directors and Non-Executive Directors for the year ended on 31<sup>st</sup> March, 2020 is as follows:

(₹ in Lakhs)

Name	Salary	Perquisites & other benefits	Performance bonus/ commission	Earned leave & gratuity	Others	Sitting fees	Total
Mr. J. Lakshmana Rao (Chairman & Managing Director)	124.20	-	18.50	-	-	-	142.70
Mr.A. Subramanyam (Deputy Managing Director)	138.00	38.38	18.50	-	-	-	194.88
Mr.P. Venkateswara Rao (Deputy Managing Director)	88.32	30.46	18.50	-	-	-	137.28
Mrs. J. Mytraeyi	-	-	-	-	-	0.60	0.60
Mr. Srinivas Madireddy	65.26	20.88	-	-	-	-	86.14
Dr. T. Venkateswara Rao	-	-	-	-	-	1.40	1.40
Mr. Eswara Rao Immaneni	-	-	-	-	-	1.40	1.40
Dr. Venkata Appa Rao Kotagiri	-	-	-	-	-	0.60	0.60
*Mr. Dhanraj Tirumala Narasimha Rao Togaru	-	-	-	-	-	0.20	0.20
*Mr. Ramakrishna Bonagiri	-	-	-	-	-	-	-
**Mrs. Madhuri Venkata Ramani Viswanadham	-	-	-	-	-	-	-
***Dr. N. V. N. Varma	-	-	-	-	-	-	-



J. Lakshmana Rao, Chairman & Managing Director is drawing salary from two companies - M/s. Mold-Tek Packaging Limited and M/s. Mold-Tek Technologies Limited, aggregating to ₹ 217.14 Lakhs pursuant to approval of the Members accorded at the 18th Annual General Meeting of Mold-Tek Packaging Limited held on 28th September, 2015 and 31st Annual General Meeting of Mold-Tek Technologies Limited held on 28th September, 2015.

- \* Note 1: Mr. Dhanraj Tirumala Narasimha Rao Togaru and Mr. Ramakrishna Bonagiri has been appointed on the Board of Directors with effect from 27<sup>th</sup> January, 2020.
- \*\* Note 2: Mrs. Madhuri Venkata Ramani Viswanadham has been appointed on the Board of Directors with effect from 11<sup>th</sup> March, 2020.
- \*\*\* Note 3: Since, Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75 % of voting for his re-appointment on the board for second term of five consecutive years in the last AGM, accordingly, he vacated the office from the Board of Directors w.e.f. 30th September, 2019.

Shareholding of the Directors of the Company as on 31<sup>st</sup> March, 2020.

Name	No of shares	% of Total holding
Mr. J. Lakshmana Rao	25,55,445	9.23
Mr. A. Subramanyam	20,29,124	7.33
Mr. P. Venkateswara Rao	2,34,896	0.85
Mrs. J. Mytraeyi	86,700	0.31
Mr. Srinivas Madireddy	4,37,036	1.58
Dr. T. Venkateswara Rao	20,000	0.07
Mr. Eswara Rao Immaneni	8,562	0.03
Dr. Venkata Appa Rao Kotagiri	238	0.00
*Mr. Dhanraj Tirumala Narasimha Rao Togaru	0	0
*Mr. Ramakrishna Bonagiri	0	0
**Mrs. Madhuri Venkata Ramani Viswanadham	0	0
***Dr. N. V. N. Varma	—	—

- Non-Executive Directors did not hold any fully convertible warrants as on 31st March, 2020.
- \* Note 1: Mr. Dhanraj Tirumala Narasimha Rao Togaru and Mr. Ramakrishna Bonagiri has been appointed on the Board of Directors with effect from 27<sup>th</sup> January, 2020.
- \*\* Note 2: Mrs. Madhuri Venkata Ramani Viswanadham has been appointed on the Board of Directors with effect from 11<sup>th</sup> March, 2020.
- \*\*\* Note 3: Since, Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75 % of voting for his re-appointment on the board for second term of five consecutive years in the last AGM, accordingly, he vacated the office from the Board of Directors w.e.f. 30th September, 2019.

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The composition of the Stakeholders Relationship Committee as on 31st March, 2020 was as under:

<b>Name &amp; category</b>	<b>Designation</b>	<b>No of meetings attended during the year 2018-19</b>
Dr. T. Venkateswara Rao, Independent Non-Executive Director	Chairman	4
Dr. Venkata Appa Rao Kotagiri, Independent Non-Executive Director	Member	1
Mr. Eswara Rao Immaneni, Independent Non-Executive Director	Member	4
*Dr. N.V.N. Varma, Independent Non-Executive Director	Member	0

\* Since, Mr. Venkata Neeladri Varma Nadimpalli (DIN: 02861521) Independent Non-Executive Director of the Company has not attained the 75 % of voting for his re-appointment on the board for second term of five consecutive years in the last AGM, accordingly, he vacated the office from the Board of Directors w.e.f. 30th September, 2019.

The Stakeholders Relationship Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, etc. It also takes note of share transfer and issue of share certificates.

Four meetings of the Stakeholders Relationship Committee were held during the financial year 2019-20. The dates on which the said meetings were held are as follows 27th May, 2019; 25th July, 2019, 24th October, 2019, and 27th January, 2020.

Name of non-executive director heading the committee	Dr. T. Venkateswara Rao, Independent Non-Executive Director
Name and designation of compliance officer	Mr. Thakur Vishal Singh, Company Secretary & Compliance Officer
Number of shareholders' complaints received so far	3
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

3 complaints were received during 2019-20, all of which were resolved to the satisfaction of the shareholders and no complaints were pending as on 31st March, 2020.

**IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee comprises of three Executive Directors and one Independent Director, chaired by J. Lakshmana Rao. The composition of the Corporate Social Responsibility Committee meets the requirements of Section 135 of the Companies Act, 2013 and is as follows.

<b>Name &amp; category</b>	<b>Designation</b>
Mr. J. Lakshmana Rao, Chairman & Managing Director	Chairman
Mr. A. Subramanyam, Deputy Managing Director	Member
Mr. P. Venkateswara Rao, Deputy Managing Director	Member
Dr. Venkata Appa Rao Kotagiri, Independent Non-Executive Director	Member

## D. DISCLOSURES

Details of annual/extraordinary general meetings

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

Year	Location	Date	Time
2014-15 (EGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033	24th December, 2014	11.00 a.m.
2014-15 (AGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033	28th September, 2015	10.30 a.m.
2015-16 (EGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500033	3rd February, 2016	11.00 a.m.
2015-16 (AGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500033	19th September, 2016	11.00 a.m.
2016-17 (AGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500033	22nd September, 2017	11.00 a.m.
2017-18 (AGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500033	29 <sup>th</sup> September, 2018	11.00 a.m.
2018-19 (AGM)	Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500033	30 <sup>th</sup> September, 2019	11.00 a.m.

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

Means of communication

As per Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is maintaining a functional website-[www.moldtekgroup.com](http://www.moldtekgroup.com) containing the information about the Company viz. details of business, financial information, shareholding pattern, annual reports, Company's policies, results and contact information of the designated officials of the Company for handling investor grievances. The website is updated from time to time.

- Quarterly/half-yearly/annual financial results are generally published in any of the following newspapers: Business Standard, Praja Shakti, Financial Express, Andhra Prabha, Mana Telangana & Nava Telangana. The results are also posted on the Company's website <https://www.moldteckpackaging.com/> and on the website of stock exchanges [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).
- The annual report of the Company is available on the Company's website in a user-friendly and downloadable form.
- The Company has designated an Email ID exclusively for investor servicing i.e., [ir@moldteckpackaging.com](mailto:ir@moldteckpackaging.com). Investors may raise any queries, complaints or provide suggestions through Email.
- Official news releases and media releases are sent to the stock exchanges.
- Presentation made to institutional investor/analysts
- Detailed presentation made to institutional investors and financial analysts is available on the Company's website: <https://www.moldteckpackaging.com/>

### General shareholder information

23 <sup>rd</sup> Annual General Meeting	
Date and time	30 <sup>th</sup> September, 2020 at 11:00 a.m.
Venue	Audio - Visual Means

**Financial calendar (2020-21)**

The financial year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March. For the year ending 31<sup>st</sup> March, 2020, quarterly un-audited/ annual audited results shall be announced as follows:

<b>Financial reporting for</b>		<b>Proposed date</b>
Unaudited results for the quarter ending:	30th June,2020	On or before 14th August, 2020
	30th September, 2020	On or before 14th November, 2020
	31st December, 2020	On or before 14th February, 2021
Audited results for the year ended	31st March,2021	On or before 30th May, 2021

Book closure date	24 <sup>th</sup> September, 2020 to 30 <sup>th</sup> September, 2020 (both days inclusive)
Registered office	Plot No.700, Door No.8-2-293/82/A/700, Road No.36, Jubilee Hills, Hyderabad - 500 034, Telangana.
Name and address of the stock exchanges on which equity shares are listed	BSE Limited (BSE) Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Listing fees	Listing fee has been paid to BSE & NSE for the financial year 2020-21.
Stock code	BSE: 533080; NSE: MOLDTKPAC
ISIN	INE893J01029
CIN	L21022TG1997PLCO26542

**Market price data**

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

Month	BSE				
	High (₹)	Low (₹)	Volume of shares		
2019	April	278.55	234.45	43,154	
	May	271.85	225.00	60,919	
	June	279.40	234.00	94,743	
	July	284.40	243.00	68,568	
	August	307.70	252.25	51,118	
	September	309.00	277.00	59,357	
	October	322.00	283.10	81,077	
	November	312.00	275.60	53,577	
	December	298.95	271.90	21,780	
	2020	January	293.00	266.65	46,429
		February	286.30	243.00	70,626
		March	245.40	146.00	87,954

### The monthly high and low quotations and volume of shares traded on NSE

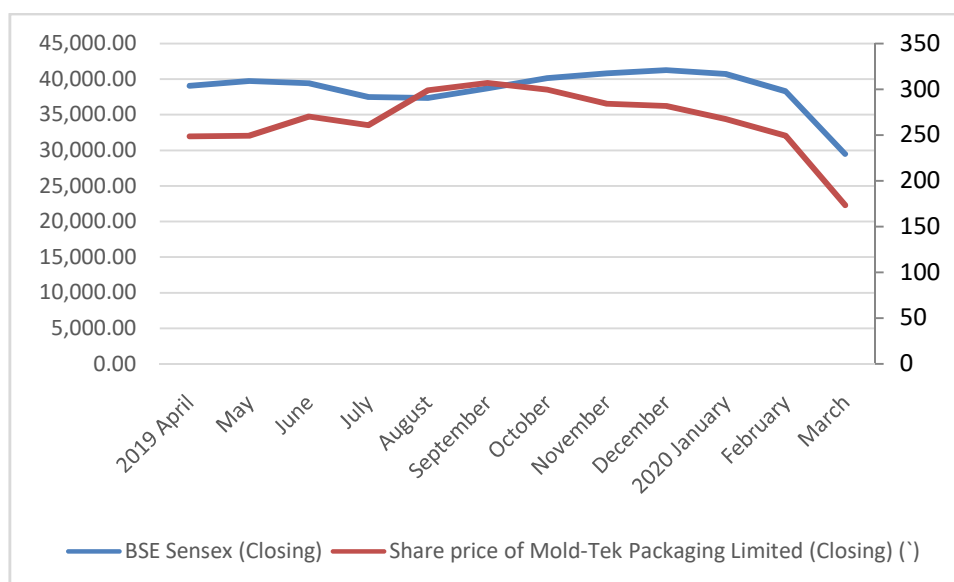
Month		NSE		
		High (₹)	Low (₹)	Volume of shares
2019	April	279.00	238.00	2,92,138
	May	269.70	225.85	4,46,841
	June	278.95	234.00	6,29,143
	July	278.80	243.60	6,34,430
	August	308.00	252.40	6,65,850
	September	310.05	276.00	5,44,487
	October	321.80	282.20	4,67,010
	November	307.45	275.00	4,68,127
	December	295.00	271.25	3,49,027
2020	January	293.90	266.80	5,04,744
	February	279.60	245.55	9,19,415
	March	257.00	150.60	12,32,614

### Performance in comparison to with BSE Sensex

Month		BSE Sensex (Closing)	Share price of Mold-Tek Packaging Limited (Closing) (₹)
2019	April	39,031.55	248.35
	May	39,714.20	249.20
	June	39,394.64	270.20
	July	37,481.12	260.80
	August	37,332.79	298.95
	September	38,667.33	306.95
	October	40,129.05	299.55
	November	40,793.81	284.30
	December	41,253.74	281.80
2020	January	40,723.49	267.40
	February	38,297.29	249.15
	March	29,468.49	173.30

### Graphical presentation

#### Performance in comparison with BSE Sensex

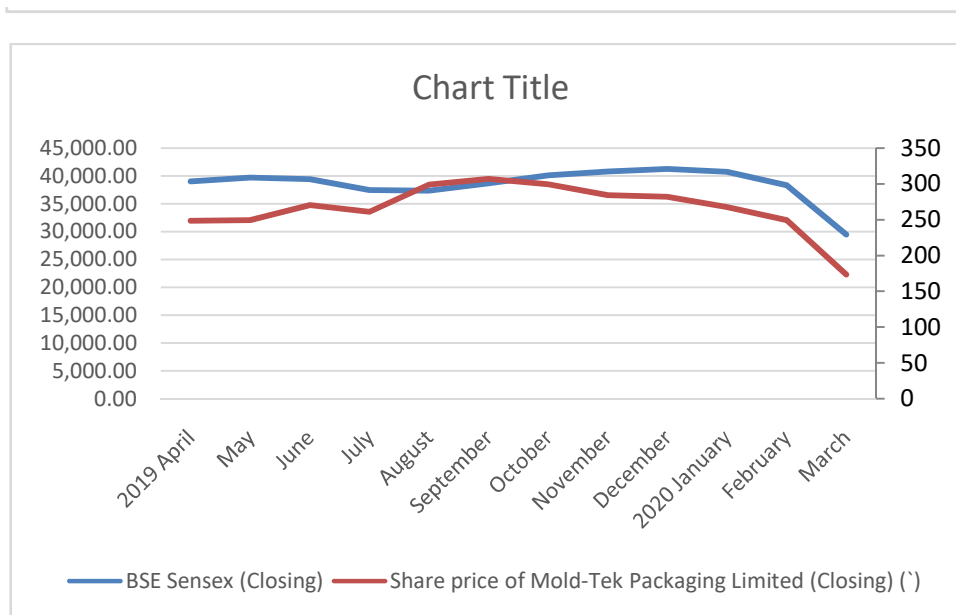


**Performance in comparison to with NSE Nifty 50**

Month		NSE Nifty 50 (Closing)	Share price of Mold-Tek Packaging Limited (Closing) (₹)	
2019	April	11,655.90	246.65	
	May	11,922.80	250.95	
	June	11,788.85	270.05	
	July	11,118.00	259.65	
	August	11,023.25	299.30	
	September	11,474.45	307.50	
	October	11,877.45	299.65	
	November	12,056.05	284.15	
	December	12,168.45	281.55	
	2020	January	11,962.10	267.40
		February	11,201.75	249.40
		March	8,597.75	172.85

**Graphical presentation**

Performance in comparison with NSE Nifty 50



**Investors' correspondence/Registrar & Share Transfer Agents**

M/s. XL Softech Systems Limited 3, Sagar Society, Road No. 2,  
Hyderabad - 500 034  
Phone : +91 40 2354 5913/14/15  
Fax : +91 40 23553214  
Email : xlfield@gmail.com

**Share transfer system**



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

#### Distribution of Shareholding pattern as on 31<sup>st</sup> March, 2020

Category	No of shares held	Percentage of shareholding
Promoters	96,19,280	34.69
Mutual Funds, Banks, financial institutions, Foreign Portfolio Investors, Alternate Investment Funds	64,14,140	23.13
Private bodies corporate	3,94,545	1.42
Trusts	84,621	0.31
Indian public	1,04,60,353	37.73
NRI	7,53,088	2.71
Clearing members	0	0
<b>TOTAL</b>	<b>2,77,26,027</b>	<b>100</b>

Distribution of shareholders as on 31<sup>st</sup> March, 2020

Slab of shareholding of nominal value of ₹	No. of shareholders	% to Total holding	Share Amount in ₹	% to Total
Upto - 5,000	20,584	87.68	1,09,93,950	7.93
5,001 - 10,000	1,527	6.50	57,06,780	4.12
10,001 - 20,000	712	3.03	52,37,090	3.78
20,001 - 30,000	220	0.94	27,77,580	2.00
30,001 - 40,000	104	0.44	18,63,790	1.34
40,001 - 50,000	63	0.27	14,39,535	1.04
50,001 - 1,00,000	122	0.52	44,57,935	3.22
1,00,001 and above	145	0.62	10,61,53,475	76.57
<b>TOTAL</b>	<b>23,477</b>	<b>100</b>	<b>13,86,30,135</b>	<b>100</b>

#### Dematerialization of shares

As on 31<sup>st</sup> March, 2020, NSDL & CDSL in demat form hold 2,75,74,405 equity shares of ₹ 5 each aggregating to 99.45% of the paid up share capital & the rest 1,51,622 equity shares aggregating to 0.55% are in physical form.

**ADR/GDR holding is Nil.**

#### Contact Details

The contact details and locations of plants are provided in **Page 7** of the Annual Report.

#### CREDIT RATING

The Credit rating has been already disclosed in the Board Report.

#### Other 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.

All related party transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), Listing Agreement and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no materially significant related party transactions made by the Company during the year that would have required shareholder approval and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all related party transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature and value of the transactions.

The Company has adopted a related party transactions policy. The policy is available on website of the Company at <https://www.moldtekpackaging.com/pdf/corporate-governance/Related-Party-Transaction-Policy.pdf>

Details of the transactions with related parties are provided in the accompanying financial statements.

- b. Details of non-compliance by the Company, penalties and 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. Whistle blower policy/vigil mechanism

The Company has adopted the whistle blower policy and established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct. It also provides adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases. No employee has been denied access to the audit committee during the year. The policy is available on website of the Company at: <https://www.moldtekpackaging.com/pdf/VIGIL%20MECHANISM%20WHISTLE%20BLOWER%20POLICY2020%20.pdf>

- d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements and has adopted the following non-mandatory requirement of Regulation 27(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

- e. Subsidiary

The Company has floated a subsidiary company in Ras-al-Khaimah zone, UAE by name Mold-Tek Packaging FZE, incorporated on 12th January, 2016. The financial statements of the subsidiary are placed in Audit Committee meetings and Board meetings as per Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has adopted the policy and procedures with regard to determination of material subsidiaries. This policy deals with determination of material subsidiaries of Mold-Tek Packaging Limited in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (as amended from time to time) which states that the Company shall formulate a policy for determination of the material subsidiary and the policy is intended to ensure the governance framework of material subsidiary companies. The policy is available on the website of the Company at:

<https://www.moldtekpackaging.com/pdf/Policy-for-determining-material-subsiidiaries-%20MTPL2020.pdf>

Website Disclosures

The Company is maintaining a functional website [www.moldtekgroup.com](http://www.moldtekgroup.com). All the information as specified under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded on a daily basis under investor column of the website. For more information, kindly visit [www.moldtekpackaging.com](http://www.moldtekpackaging.com) - Mold-Tek Packaging Limited -under Investors tab.

f. Management Discussion and Analysis

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

g. Equity shares in the Suspense Account

In terms of Regulation 39(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following are the details in respect of equity shares lying in the suspense account which were issued in demat form and physical form, respectively:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2019	213	57,558
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	2	432
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2020	211	57,126

Note: 1. The voting rights on these shares shall remain frozen till the rightful owners, claim the shares.

2. All the shares referred above are in dematerialized format. No shares are held in physical mode.

**Additional disclosures**

**a. Reconciliation of share capital audit**

As stipulated by SEBI, a qualified Company Secretary-in-Practice carries out a reconciliation of share capital audit, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital with the stock exchanges. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with depositories). The audit report is being submitted on quarterly basis to the stock exchanges.

**b. Familiarization programme**

In accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the provisions of Companies Act, 2013, the Company familiarizes the Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business operations and model etc. through various programmes. The programme is available on the website of the Company at: [https://www.moldteckpackaging.com/pdf/MTPL\\_Familiarisation\\_Programme\\_-\\_MTPL%202015%20to%202020.pdf](https://www.moldteckpackaging.com/pdf/MTPL_Familiarisation_Programme_-_MTPL%202015%20to%202020.pdf)

**c. Policy on disclosure of material events and information**

The Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the stock exchanges. The said policy is available on the website of the Company at: <https://www.moldteckpackaging.com/pdf/Policy-on-criteria-for-determining-materiality-of-events%20-%20MTPL2020.pdf>

**d. Code of conduct for prohibition of insider trading**

Pursuant to the provisions of Securities and Exchange Board of India (SEBI) notified SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors approved and adopted 'Code of Conduct for Prohibition of Insider Trading' which, inter-alia, lays down the process of dealing in securities of the Company, along with the reporting and disclosure requirements by the employees and the connected persons and became effective from 15th May, 2015. The Code provides for pre-clearance of trades above certain thresholds and trading restrictions on the

designated employees and connected persons when in possession of unpublished price sensitive information and/or at the time of trading window closure.

In terms of the said regulations, the Company has also formulated 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information', with the objective to have a standard and stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

Further, the SEBI has amended the provisions of Insider Trading Regulations, 2015 vide Notification No. SEBI/LAD-NRO/GN/2018/59 dated 31<sup>st</sup> December 2018. As per the requirement of the Circular the Board of Directors in their meeting held on 31<sup>st</sup> January, 2019 has adopted and approved the Amended 'Code of Conduct for Prohibition of Insider Trading' effective from 1<sup>st</sup> April 2019.

The amended copy of the 'Code of Conduct for Prohibition of Insider Trading' is available on the website of the Company at: <https://www.moldteckpackaging.com/pdf/Code%20of%20Conduct%20for%20Regulating,%20Monitoring%20and%20Reporting%20of2020.pdf>

**e. Policy on preservation of documents and records**

The Company has adopted, in accordance with the Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy to ensure compliance with the applicable document retention laws, preservation of various statutory documents and minimum retention period for the documents and records in respect of which no retention period has been specified by any law/rule/regulation. The policy also provides for the authority under which the disposal/destruction of documents and records after their minimum retention period can be carried out. The code is available on the website of the Company at: [https://www.moldteckpackaging.com/pdf/corporate-governance/Archival\\_policy\\_MTPL.pdf](https://www.moldteckpackaging.com/pdf/corporate-governance/Archival_policy_MTPL.pdf)

**f. Code of conduct for the board of directors & senior management personnel**

The Company has its Code of Conduct for the Board of Directors & Senior Management Personnel of the Company, as per the provisions of Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is available on the website of the Company at: [https://www.moldteckpackaging.com/pdf/Code\\_of\\_conduct\\_BOD\\_MPTL20.PDF](https://www.moldteckpackaging.com/pdf/Code_of_conduct_BOD_MPTL20.PDF)

The Board of Directors and members of the senior management personnel have provided their affirmation to the compliance with this code. The declaration regarding compliance by the Board of Directors and the senior management personnel with the said code of conduct, duly signed by the Chairman & Managing Director forms part of this Annual Report.

**g. CEO/CFO certification**

The Chairman & Managing Director and Chief Financial Officer have issued necessary certificate pursuant to the provisions of Regulation 17(8) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of the Annual Report.



## CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER COMPLIANCE CERTIFICATE

The Board of Directors,  
Mold-Tek Packaging Limited,

We certify that:

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Place: Hyderabad  
Date: 6<sup>th</sup> June, 2020

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

### DECLARATION UNDER CODE OF CONDUCT

As provided under Regulation 17(5) and 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2020.

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Place: Hyderabad  
Date: 6<sup>th</sup> June, 2020

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**Mold-Tek Packaging Limited**  
Plot No.700, D.No.8-2-293/82/A/700, Ground Floor, Road No.36,  
Jubilee Hills, Hyderabad-500 033, Telangana, India

I have examined all the relevant records of Mold-Tek Packaging Limited ('the Company'), for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020. I have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations and information furnished to us, I certify that the Company has complied with all the conditions of Corporate Governance as stipulated in applicable provisions of Listing Regulations except in respect of matters specified below for the year ended on March 31, 2020.

Sr. No	Compliance Requirement Deviations Observations/(Regulations/ circulars / Remarks of the guidelines including specific Practicing clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	As per Regulation 17(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors"	<i>The company was not in compliance with the requirements pertaining to the composition of the board as per the Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, from November 24, 2019 to January 26, 2020.</i>	The Company has complied with the requirement of said regulation by appointing two more Non-Executive Independent Directors on the Board, in the Board meeting held on January 27, 2020.

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



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

Place : Hyderabad  
Date : 2<sup>nd</sup> September, 2020  
UDIN: F006687B000647283





## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

**The Members of**

Mold-Tek Packaging Limited  
Plot No.700, D.No.8-2-293/82/A/700, Ground Floor, Road No.36,  
Jubilee Hills, Hyderabad-500 033, Telangana, India


I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mold-Tek Packaging Limited having CIN L21022TG1997PLC026542 and registered office at Plot No.700, D.No.8-2-293/82/A/700, Ground Floor, Road No.36, Jubilee Hills, Hyderabad-500033, Telangana, India (hereinafter referred to as 'the Company') produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Date of Cessation
1.	Talupunuri Venkateswara Rao	00572657	27/08/2008	-
2.	Lakshmana Rao Janumahanti	00649702	27/08/2008	-
3.	Subramanyam Adivishnu	00654046	27/08/2008	-
4.	Venkateswara Rao Pattabhi	01254851	27/08/2008	-
5.	Srinivas Madireddy	01311417	14/05/2018	-
6.	Venkata Appa Rao Kotagiri	01741020	14/05/2018	-
7.	Mytraeyi Janumahanti	01770112	27/08/2008	-
8.	Chitturi Vasu Prakash	02196411	12/07/2010	24/08/2019
9.	Venkata Neeladri Varma Nadimpalli	02861521	31/10/2009	30/09/2019
10.	Eswara Rao Immaneni	08132183	14/05/2018	-
11.	Togaru Dhanrajtirumala Narasimha	01411541	27/01/2020	-
12.	Ramakrishna Bonagiri	08132561	27/01/2020	-
13.	Madhuri Venkata Ramani Viswanadham	08715322	11/03/2020	-

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date : 2nd September, 2020  
UDIN : F006687B000647162

Signature:   
Name: **Ashish Kumar Gaggar**  
Membership No.: F6687  
CP No.: 7321

## INDEPENDENT AUDITORS' REPORT

To the Members of Mold-Tek Packaging Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **Mold-Tek Packaging Limited** ("the Company"), which comprise the Standalone Balance sheet as at 31 March, 2020, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the Institute of Chartered Accountants of India. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred.</p> <p>Refer Note 2 to the standalone financial statements – Significant Accounting Policies.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of tests of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of Company's revenue recognition in line with Ind AS 115 – Revenue from Contracts with Customers.</li> <li>• Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over revenue cut off at the year end.</li> <li>• Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
2.	<p><b>Adequacy of the provision made for the impairment losses of equity investment and expected credit losses on other financial assets which are due from wholly owned subsidiary.</b></p> <p>During the year, the operations of wholly owned subsidiary "Mold-Tek Packaging FZE, UAE" were shut down.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>Reviewed the future cash flows from realisation of net assets of the subsidiary which are estimated by the management.</li> </ul>
	<p>Given the significance of the matter, there is a risk that adequate provision is not made in accordance with Ind AS 109 - Financial Instruments.</p>	<ul style="list-style-type: none"> <li>Reviewed the available net asset position to the Company after repayment of all outside liabilities like bank loans, trade payables and statutory liabilities etc.</li> <li>Ensured that the net receivable (after provision) from the subsidiary shown in the books is adequately covered by the expected cash flows.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information in the annual report does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Emphasis of Matter

The management has closed down the operations of the wholly owned subsidiary, Mold-Tek Packaging FZE, UAE pending winding up formalities. The entire machinery was withdrawn from the subsidiary and installed in Indian facilities of the Company. The Company has made an additional provision of ₹286.10 lakhs towards loan given (Refer Note 30 of the standalone financial statements). Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of cash flows dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 32 of the standalone financial statements);
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016, (“the Order”) issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For M.Anandam & Co.,**  
Chartered accountants  
(Firm Registration No.000125S)

Sd/-

**B.V.Suresh Kumar**  
Partner  
Membership No.212187  
UDIN: 20212187AAAABW1118

Place: Hyderabad  
Date: 6<sup>th</sup> June, 2020

## **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Mold-Tek Packaging Limited** ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.





Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M.Anandam & Co.,**  
Chartered accountants  
(Firm Registration No.000125S)

Sd/-

**B.V.Suresh Kumar**  
Partner  
Membership No.212187  
UDIN: 20212187AAAABW1118

Place: Hyderabad  
Date: 6<sup>th</sup> June, 2020

## **Annexure - B to the Independent Auditors' Report**

### **Annexure - B to the Independent Auditors' Report**

With reference to Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The Company has granted unsecured loan to wholly owned subsidiary covered in the register maintained under section 189 of the Act.
  - a) In our opinion and according to the information given to us, the terms and conditions of the loan given by the Company are prima facie, not prejudicial to the interest of the Company.
  - b) The management has closed down the operations of the wholly owned subsidiary pending winding up formalities. The Company has made provision of ₹395.77 lakhs (including transfer of provision of ₹109.67 lakhs which was made against trade receivables during the financial year 2018-19) as on 31 March, 2020. The Company has not charged any interest on loan granted during the year. Reference is invited to "Emphasis of Matter" paragraph of the report.
  - c) In view of clause (iii) (b) above, clause (iii) (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans except for not charging interest on loan as stated in clause (iii) (b) above, investments and guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Goods and Services Tax, Customs duty, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, sales tax/value added tax, goods and services tax, customs duty, or cess as at 31 March, 2020 which have not been deposited on account of any dispute pending are as under:

Name of the statute	Nature of the dues	Amount (₹in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income tax	-	AY 2014-15	Assessing officer
Income-tax Act, 1961	Income tax	2.56	AY 2015-16	Assessing officer
Income-tax Act, 1961	Income tax	11.96	AY 2016-17	Centralised Processing Centre (CPC)
Income-tax Act, 1961	Income tax	6.70	AY 2017-18	Commissioner of Income tax Appeals, Hyderabad
Income-tax Act, 1961	Income tax	48.18	AY 2017-18	Commissioner of Income tax Appeals, Hyderabad
AP Value Added Tax Act, 2005	Value Added Tax	2.60	FY 2006-07	Sales Tax Appellate Tribunal, Hyderabad
AP Value Added Tax Act, 2005	Value Added Tax	1.34	FY 2007-08	Appellate Deputy Commissioner (CT), Punjagutta Division, Hyderabad

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations give to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M.Anandam & Co.,**  
Chartered accountants  
(Firm Registration No.000125S)

Sd/-

**B.V.Suresh Kumar**  
Partner

Membership No.212187  
UDIN: 20212187AAAABW1118

Place: Hyderabad  
Date: 6<sup>th</sup> June, 2020

# BALANCE SHEET AS AT 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	As at 31 March, 2020	As at 31 March, 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4.1	19815.73	17925.48
(b) Capital work-in-progress	4.2	1153.26	1604.25
(c) Investment property	4.3	5.23	5.36
(d) Intangible assets	4.4	64.13	30.49
(e) Intangible assets under development	4.5	21.24	19.17
(f) Right-of-use assets	4.6	338.36	341.89
(g) Financial assets			
(i) Investments	5.1	733.60	971.78
(ii) Other financial assets	5.2	23.45	22.09
(h) Other non-current assets	6	1323.32	615.87
<b>Current assets</b>			
(a) Inventories	7	4999.57	4384.65
(b) Financial assets			
(i) Trade receivables	8.1	5798.65	6637.69
(ii) Cash and cash equivalents	8.2	19.56	13.55
(iii) Bank balances other than (ii) above	8.3	77.81	76.70
(iv) Loans	8.4	68.76	414.88
(v) Other financial assets	8.5	323.08	251.98
(c) Current tax assets (net)	9	131.92	136.01
(d) Other current assets	10	1363.53	882.08
<b>TOTAL ASSETS</b>		<b>36261.20</b>	<b>34333.92</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1386.30	1384.55
(b) Other equity	12	18324.46	17675.44
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	13	2518.24	1486.62
(b) Provisions	14	261.74	203.28
(c) Deferred tax liabilities (net)	15	1161.37	1306.05
(d) Other non-current liabilities	16	8.53	17.16
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17.1	8146.00	7404.80
(ii) Trade payables	17.2		
A. Dues to micro and small enterprises		10.57	27.18
B. Dues to creditors other than micro and small enterprises		1792.60	1756.08
(iii) Other financial liabilities	17.3	2242.20	2665.87
(b) Other current liabilities	18	358.94	250.42
(c) Provisions	19	50.25	156.47
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36261.20</b>	<b>34333.92</b>
<b>Summary of significant accounting policies</b>	2		
<b>The accompanying notes form an integral part of the financial statements.</b>			

As per our report of even date  
For **M.Anandam & Co.**,  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-

**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>I. Income</b>			
Revenue from operations	22	43743.73	39408.57
Other income	23	115.93	133.78
<b>II. Total income</b>		<b>43859.66</b>	<b>39542.35</b>
<b>III. Expenses</b>			
Cost of materials consumed	24	25679.53	23984.96
Changes in inventories of finished goods and work-in-progress	25	7.51	(112.78)
Employee benefits expense	26	4941.65	4045.36
Finance costs	27	1018.83	708.47
Depreciation and amortization expense	28	1907.11	1473.57
Other expenses	29	5110.68	4296.35
<b>Total expenses</b>		<b>38665.31</b>	<b>34395.93</b>
<b>IV. Profit before exceptional items and tax (II - III)</b>		<b>5194.35</b>	<b>5146.42</b>
V. Exceptional items	30	286.10	1150.03
<b>VI. Profit before tax (IV - V)</b>		<b>4908.25</b>	<b>3996.39</b>
<b>VII. Tax expense:</b>			
(1) Current tax		1216.74	1356.02
(2) Earlier years' tax expense		1.50	(52.88)
(3) Deferred tax		(128.97)	282.84
<b>VIII. Profit for the year (VI-VII)</b>		<b>3818.98</b>	<b>2410.41</b>
<b>IX. Other comprehensive income</b>			
Items that will not be reclassified to Profit or Loss			
a) Remeasurement of defined benefit plans		(62.42)	(45.86)
b) Fair value changes in equity instruments		(238.18)	(59.28)
c) Income tax relating to items (a&b) above		15.71	16.03
<b>Other comprehensive income (net of tax)</b>		<b>(284.89)</b>	<b>(89.11)</b>
<b>X. Total comprehensive income for the year</b>		<b>3534.09</b>	<b>2321.30</b>
<b>XI. Earnings per equity share (Face Value ₹5 each)</b>			
(1) Basic	35	13.78	8.70
(2) Diluted		13.78	8.70
<b>Summary of significant accounting policies</b>	2		

**The accompanying notes form an integral part of the financial statements.**

As per our report of even date  
For **M.Anandam & Co.,**  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-

**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	As at						
		31 March, 2020	31 March, 2019					
<b>a. Equity share capital</b>								
<b>Balance at the beginning of the year</b>	11	1384.55	1384.55					
Add: Changes in equity share capital during the year		1.75	-					
<b>Balance at the end of the year</b>		1386.30	1384.55					
<b>b. Other equity</b>								
		<b>Reserves and surplus</b>						
<b>Particulars</b>	<b>Note</b>	<b>Securities premium</b>	<b>Capital reserve</b>	<b>General reserve</b>	<b>Share options outstanding account</b>	<b>Retained earnings</b>	<b>Other Comprehensive Income</b>	<b>Total</b>
<b>Balance as at 01 April, 2018</b>		7480.70	57.15	1914.39	-	6522.49	714.74	16689.47
Profit for the year		-	-	-	-	2410.41	-	2410.41
Dividends (including corporate dividend tax)		-	-	-	-	(1335.33)	-	(1335.33)
Other comprehensive income		-	-	-	-	(29.83)	(59.28)	(89.11)
<b>Balance as at 31 March, 2019</b>	12	7480.70	57.15	1914.39	-	7567.74	655.46	17675.44
Profit for the year		-	-	-	-	3818.98	-	3818.98
Dividends (including corporate dividend tax)		-	-	-	-	(3006.58)	-	(3006.58)
Share-based payments to employees		-	-	-	47.48	-	-	47.48
Exercise of employee stock options		15.11	-	-	(15.11)	-	-	-
Shares issued on exercise of employee stock options		74.03	-	-	-	-	-	74.03
Other comprehensive income		-	-	-	-	(46.71)	(238.18)	(284.89)
<b>Balance as at 31 March, 2020</b>		7569.84	57.15	1914.39	32.37	8333.43	417.28	18324.46

As per our report of even date  
For **M.Anandam & Co.**,  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-  
**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-  
**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-  
**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-  
**A. Seshu Kumari**  
Chief Financial Officer

Sd/-  
**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March, 2020	31 March, 2019
<b>Cash flow from operating activities</b>		
Profit before tax	4908.25	3996.39
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1942.61	1515.08
(Profit)/loss on disposal of property, plant and equipment (net)	1.50	1.89
Provision for bad and doubtful debts (net of reversals)	(87.60)	158.41
Amortisation of government grants	2.01	0.84
Finance costs	1018.83	708.47
Dividend income	(61.40)	(14.82)
Fair value changes on equity instruments	(238.18)	(59.28)
Provision for impairment of investment in subsidiary	-	(1003.20)
Provision for impairment of loan given to subsidiary	(395.77)	-
Remeasurement of defined employee benefit plans	(62.42)	(45.86)
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	926.64	1444.69
(Increase)/Decrease in financial assets other than trade receivables	668.33	(146.44)
(Increase)/Decrease in other assets	(1489.92)	(60.16)
(Increase)/Decrease in inventories	(614.92)	663.65
Increase/(Decrease) in trade payables	19.91	12.78
Increase/(Decrease) in other financial liabilities	(851.38)	1155.28
Increase/(Decrease) in provisions	(47.76)	129.98
Increase/(Decrease) in other liabilities	149.75	71.73
<b>Cash generated from operations</b>	<b>5788.48</b>	<b>8529.43</b>
Income taxes paid	(1253.05)	(1401.48)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>4535.43</b>	<b>7127.95</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment and intangible assets	(4020.20)	(8086.66)
Payment made for acquiring right-of-use assets	-	(349.02)
Loan given to subsidiary	(55.85)	(153.56)
(Increase)/Decrease in capital work-in-progress and intangible assets under development	448.92	(136.30)
Dividend income	61.40	14.82
Fair value changes in investments	238.18	1062.48
Provision for impairment of investment in subsidiary	-	1003.20
Provision for impairment of loan given to subsidiary	395.77	-
Proceeds from sale of property, plant & equipment	155.85	67.48
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(2775.93)</b>	<b>(6577.56)</b>
<b>Cash flow from financing activities</b>		
Proceeds from non-current borrowings (Refer note 20)	2080.93	2123.00
Repayment of non-current borrowings (Refer note 20)	(641.10)	(325.95)
Proceeds/(Repayment) from current borrowings (Refer note 20)	741.20	(305.95)
Dividend paid including corporate dividend tax	(3006.58)	(1335.33)
Increase in securities premium	89.14	-
Proceeds from issue of shares	1.75	-
Finance costs	(1018.83)	(708.47)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(1753.49)</b>	<b>(552.70)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6.01</b>	<b>(2.31)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13.55</b>	<b>15.86</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>19.56</b>	<b>13.55</b>

The Statement of cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
For **M.Anandam & Co.,**  
Chartered Accountants  
Firm Registration Number: 0001255

Sd/-

**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956



## NOTES TO THE FINANCIAL STATEMENTS

### 1 Company information:

Mold-Tek Packaging Limited ('the Company') is a public limited Company incorporated in India having its registered office at Hyderabad, Telangana, India. The Company is engaged in the manufacturing of injection-molded containers for lubes, paints, food and other products. The Company has its listings on BSE Limited and National Stock Exchange of India Limited.

### 2 Significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Statement of compliance:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read along with the Companies (Indian Accounting Standards) Rules as amended and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. The presentation of financial statements is based on Ind AS Schedule III of the Companies Act, 2013.

#### New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits

The amendments listed above did not have any material impact on the amounts recognised in prior periods and to the current period.

#### b) Basis of preparation:

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS. Fair value is the price that would be received to sell an asset or

paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c) Revenue recognition:

##### i) Revenue from contract with customers

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from the Company to the customer.

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

##### ii) Other income

Dividend income is recognised when the right to receive the income is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Rental income from investment properties is recognised on a straight line basis over the term of the relevant leases.

Export benefit under the duty free credit entitlements is recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme in respect of exports made and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

Sales tax incentives are recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

#### d) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of

## NOTES TO THE FINANCIAL STATEMENTS

qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

### e) **Employee benefits:**

#### (i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) **Other long-term employee benefit obligations**

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) **Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated

annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.

#### (iv) **Defined contribution plans**

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

#### (v) **Bonus plans**

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### f) **Income taxes:**

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in

## NOTES TO THE FINANCIAL STATEMENTS

accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**g) Property, Plant and Equipment (PPE):**

PPE is carried at cost less accumulated depreciation and impairment losses, if any.

The cost of PPE comprises of purchase price, applicable duties and taxes net of input tax credit, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of Property, Plant and Equipment comprises major components having different useful lives, these components are accounted for as separate items.

Leasehold improvements are stated at cost including taxes, freight and other incidental expenses incurred, net of input tax credits availed. The depreciation is provided over the life estimated by the management.

Self constructed assets (Moulds): The Company transfers all the directly attributable expenditure incurred towards construction of moulds including depreciation on actual cost basis.

PPE retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

**h) Expenditure during construction period and intangible assets under development:**

Expenditure during construction period (including finance cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Intangible Assets under development includes the expenditure incurred for acquisition of intangible assets.

**i) Depreciation:**

Depreciation is the systematic allocation of the

## NOTES TO THE FINANCIAL STATEMENTS

depreciable amount of PPE over its useful life and is provided on the straight line method over the useful lives as prescribed in Schedule II to the Act.

### j) **Intangible assets and amortization:**

Intangible assets acquired separately are measured on initial recognition cost and are amortized on straight line method based on the estimated useful lives.

The period of amortization and amortization method are reviewed at each financial year end.

Computer software is amortized over a period of five years.

### k) **Investment property:**

Investment property are the properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model which is in accordance with Ind AS 40. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised. Depreciation on building is provided over its useful life of 30 years using the Straight Line Method.

### l) **Impairment of assets:**

**Intangible assets and Property, Plant and Equipment (PPE):** Intangible assets and PPE are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated

recoverable amount of the asset. An impairment loss is reversed in the Statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### m) **Inventories:**

Inventories includes Raw materials, Work-in-progress, Finished goods, Stores & Spares, Packing materials and other consumables. These are valued at lower of cost and net realizable value (NRV). However, raw materials are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Further, cost is determined on weighted average basis.

#### **Material in transit**

Valuation of Inventories of Materials in Transit is done at Cost.

#### **Work-in-Progress (WIP) and Finished goods**

Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis. Finished goods includes sales in transit which is valued at lower of cost and NRV.

### n) **Provisions, Contingent liabilities and Contingent assets :**

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

## NOTES TO THE FINANCIAL STATEMENTS

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

### **o) Financial instruments:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **Financial assets**

### **(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal

and interest on the principal amount outstanding. Further, in case where the Company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

### **(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv)** The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

#### **Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### **Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and

## NOTES TO THE FINANCIAL STATEMENTS

unsecured loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

### **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **p) Earnings per share :**

The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during

the year are adjusted for the effects of all dilutive potential equity shares.

### **q) Cash and cash equivalents:**

Cash and cash equivalents include cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **r) Transactions in foreign currencies:**

The financial statements of the Company are presented in Indian rupees, which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

### **s) Segment reporting:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### **t) Government grants:**

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to

**NOTES TO THE FINANCIAL STATEMENTS**

compensate and presented within other income. Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income. The benefit of a government loan at below current market rate of interest is treated as a government grant.

**u) Leases:**

**As a lessee:**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) The Contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the

commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.”

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

**As Lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are utilised.

**v) Investments in subsidiaries:**

Investments in subsidiary companies are measured at cost less impairment, if any.

**w) Employee share based payments:**

Equity- settled share-based payments to employees



## NOTES TO THE FINANCIAL STATEMENTS

are measured at the fair value of the employee stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**x) Dividend distribution:**

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

**y) Rounding off amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest

lakhs as per the requirement of Schedule III, unless otherwise stated.

**z) Standards issued but not yet effective:**

There is no such notification which would have been applicable from 1 April, 2020.

**3 Use of estimates and critical accounting judgements:**

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**4.1(a) Property, plant and equipment**

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount
	As at 1 April, 2019	Additions	Deletions	As at 31 March, 2020	As at 1 April, 2019	For the Year	On disposals	
Freehold land	1097.92	-	-	1097.92	-	-	-	1097.92
Buildings	5280.46	247.05	-	5527.51	298.86	179.50	-	5049.15
Plant and equipment	9023.56	1842.93	59.09	10807.40	1965.08	1019.16	10.95	7834.11
Moulds	3893.11	1438.79	98.76	5233.14	861.15	457.08	2.93	3917.84
Electrical installations	697.33	99.96	9.02	788.27	120.57	77.65	4.05	594.10
Works equipment & instruments	500.89	77.40	5.63	572.66	65.20	59.36	4.32	452.42
Office equipment	81.79	42.64	22.78	101.65	38.00	16.83	19.74	66.56
Computers and data processing equipment	55.02	28.00	1.12	81.90	27.28	14.94	-	39.68
Furniture and fixtures	375.10	103.09	0.86	477.33	60.86	45.38	0.20	371.29
Vehicles	448.63	95.17	0.07	543.73	94.93	56.16	0.02	392.66
Leasehold improvements	9.05	-	9.05	-	5.45	1.36	6.81	-
<b>Total</b>	<b>21462.86</b>	<b>3975.03</b>	<b>206.37</b>	<b>25231.51</b>	<b>3537.38</b>	<b>1927.42</b>	<b>49.02</b>	<b>19815.73</b>

Land includes ₹220.40 lakhs paid under agreement for sale with Andhra Pradesh Industrial Infrastructure Corporation (APIIC) which is located at Pudi (Visakhapatnam) (Unit-IX) and the same is pending registration. Further, the Company has paid stamp duty for the purpose of registration.

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### 4.1(b) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation			Net
	As at 1 April, 2018	Additions	Deletions	As at 31 March, 2019	As at 1 April, 2018	For the Year disposals	As at 31 March, 2019	As at 31 March, 2019
Freehold land	868.41	229.51	-	1097.92	-	-	-	1097.92
Buildings	3321.50	1958.96	-	5280.46	178.83	120.03	-	4981.60
Plant and equipment	5744.44	3323.66	44.54	9023.56	1172.50	816.64	24.06	7058.48
Moulds	2275.85	1617.26	-	3893.11	504.77	356.38	-	3031.96
Electrical installations	421.45	284.87	8.99	697.33	70.48	53.39	3.30	576.76
Works equipment & instruments	221.69	279.20	-	500.89	34.50	30.70	-	435.69
Office equipment	61.50	20.29	-	81.79	25.03	12.97	-	43.79
Computers and data processing equipment	37.63	17.39	-	55.02	16.34	10.94	-	27.74
Furniture and fixtures	201.17	173.93	-	375.10	32.67	28.19	-	314.24
Vehicles	387.85	168.38	107.60	448.63	94.08	65.25	64.40	353.70
Leasehold improvements	9.05	-	-	9.05	3.63	1.82	-	3.60
<b>Total</b>	<b>13550.54</b>	<b>8073.45</b>	<b>161.13</b>	<b>21462.86</b>	<b>2132.83</b>	<b>1496.31</b>	<b>91.76</b>	<b>17925.48</b>

### 4.2(a) Capital work-in-progress as at 31 March, 2020: ₹1153.26 lakhs

Capital work-in-progress includes buildings of ₹164.02 lakhs, plant and equipment of ₹116.17 lakhs and moulds of ₹873.07 lakhs.

### 4.2(b) Capital work-in-progress as at 31 March, 2019: ₹1604.25 lakhs

Capital work-in-progress includes land & buildings of ₹57.18 lakhs, plant and equipment of ₹717.63 lakhs and moulds of ₹829.44 lakhs.



All amounts in ₹ lakhs, unless otherwise stated

**NOTES TO THE FINANCIAL STATEMENTS**

**4.3(a) Investment property**

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount		
	As at 1 April, 2019	Additions	Deletions	As at 31 March, 2020	As at 1 April, 2019	For the Year	On disposals	As at 31 March, 2020	As at 31 March, 2020
Freehold land	4.12	-	-	4.12	-	-	-	-	4.12
Buildings	1.63	-	-	1.63	0.39	0.13	-	0.52	1.11
<b>Total</b>	<b>5.75</b>	<b>-</b>	<b>-</b>	<b>5.75</b>	<b>0.39</b>	<b>0.13</b>	<b>-</b>	<b>0.52</b>	<b>5.23</b>

**4.3(b) Investment property**

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount		
	As at 1 April, 2018	Additions	Deletions	As at 31 March, 2019	As at 1 April, 2018	For the Year	On disposals	As at 31 March, 2019	As at 31 March, 2019
Freehold land	4.12	-	-	4.12	-	-	-	-	4.12
Buildings	1.63	-	-	1.63	0.26	0.13	-	0.39	1.24
<b>Total</b>	<b>5.75</b>	<b>-</b>	<b>-</b>	<b>5.75</b>	<b>0.26</b>	<b>0.13</b>	<b>-</b>	<b>0.39</b>	<b>5.36</b>

**4.3(c) Disclosures - Ind AS 40**

Particulars	2019-20	2018-19
Rental income from investment property	2.06	2.06
Direct operating expenses (including repairs and maintenance) generated rental income	0.76	-
<b>Income from investment property (net)</b>	<b>1.30</b>	<b>2.06</b>

Fair value of the investment property as at 31 March, 2020 ₹213.38 lakhs, (2019 - ₹213.38 lakhs)

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### 4.4(a) Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation			Net carrying amount	
	As at 1 April, 2019	Additions	Deletions	As at 31 March, 2020	For the Year	On disposals	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Computer software	65.87	45.17	-	111.04	11.53	-	46.91	64.13	64.13
<b>Total</b>	<b>65.87</b>	<b>45.17</b>	<b>-</b>	<b>111.04</b>	<b>11.53</b>	<b>-</b>	<b>46.91</b>	<b>64.13</b>	<b>64.13</b>

### 4.4(b) Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation			Net carrying amount	
	As at 1 April, 2018	Additions	Deletions	As at 31 March, 2019	For the Year	On disposals	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2019
Computer software	52.66	13.21	-	65.87	11.51	-	35.38	30.49	30.49
<b>Total</b>	<b>52.66</b>	<b>13.21</b>	<b>-</b>	<b>65.87</b>	<b>11.51</b>	<b>-</b>	<b>35.38</b>	<b>30.49</b>	<b>30.49</b>

### 4.5(a) Intangible assets under development as at 31 March, 2020: ₹21.24 lakhs

Intangible assets under development represents amount paid towards patents registration amounting to ₹21.24 lakhs.

### 4.5(b) Intangible assets under development as at 31 March, 2019: ₹19.17 lakhs

Intangible assets under development represents amount paid towards patents registration amounting to ₹19.17 lakhs.

### 4.6 Right-of-use assets

On transition, the Company has applied the IND AS 116 to its leases (viz., Leasehold land located at Mysore plant) retrospectively as per para C5(a) of Appendix C which resulted in recognition of 'Right-of-Use' (RoU) asset of ₹341.89 lakhs (P.Y ₹349.02 lakhs). There is no effect of adoption of this standard since there is no future liability on the Company except for nominal lease rent of ₹1,000 per acre for 4 acres.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	341.89	-
Add: Additions during the year	-	349.02
Less: Amortisation during the year	(3.53)	(7.13)
<b>Net carrying amount</b>	<b>338.36</b>	<b>341.89</b>

Rental expense recorded for short-term leases is ₹94.13 lakhs (P.Y ₹95.47 lakhs) for the year ended 31 March, 2020.



**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**5.1. Investments**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Designated at Fair value through Other Comprehensive Income (FVOCI)</b>		
<b>Investments in equity instruments (quoted - fully paid up)</b>		
Mold-Tek Technologies Limited	733.60	971.78
2,117,165 (2019 - 2,117,165) shares of ₹2 each		
<b>Measured at amortised cost</b>		
<b>Investment in equity instruments (Unquoted - at cost- fully paid up)</b>		
<b>Investment in wholly owned subsidiary</b>		
Mold-Tek Packaging FZE	1003.20	1003.20
5,458 (2019 - 5,458) shares of AED 1,000 each		
Less: Fully impaired	(1003.20)	(1003.20)
<b>Total</b>	<b>733.60</b>	<b>971.78</b>
Aggregate amount of quoted investments	733.60	971.78
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	1003.20	1003.20

5.1.1 During the year, the wholly owned subsidiary “Mold-Tek Packaging FZE”, UAE operations are shut down and property, plant and equipment are completely moved to India. The Company is not expecting to realize the investment made and accordingly the investment of ₹1003.20 lakhs is fully impaired.

**5.2. Other financial assets (non-current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Earmarked balances		
Margin money deposits with banks against guarantees	23.45	22.09
<b>Total</b>	<b>23.45</b>	<b>22.09</b>

**6. Other non-current assets**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Unsecured, considered good</b>		
Capital advances	1095.57	381.49
Deposits with government and others	227.75	234.38
<b>Total</b>	<b>1323.32</b>	<b>615.87</b>

Capital advances includes amounts paid towards aquisition of machinery ₹601.82 lakhs (P.Y ₹305.11 lakhs), towards construction of buildings ₹8.65 lakhs (P.Y ₹16.02 lakhs) and advance paid towards land ₹485.10 lakhs (P.Y ₹60.36 lakhs).

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**7. Inventories**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>(Valued at lower of cost and net realizable value)</b>		
Raw materials	1886.17	1366.98
Work-in-progress	881.84	734.03
Finished goods	717.58	872.90
{including material in transit of ₹36.06 lakhs (2019 - ₹176.81 lakhs)}		
Packing materials	63.59	72.61
Stores & spares	85.61	71.42
Consumables	1364.78	1266.71
<b>Total</b>	<b>4999.57</b>	<b>4384.65</b>

**8.1. Trade receivables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good	5856.10	6689.33
Less: Allowance for expected credit loss	(57.45)	(51.64)
Trade Receivables which have significant increase in Credit Risk - Dues from wholly owned subsidiary	37.16	146.83
Less: Allowance for expected credit loss on subsidiary receivables	(37.16)	(146.83)
<b>Total</b>	<b>5798.65</b>	<b>6637.69</b>

**8.2. Cash and cash equivalents**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Balances with banks		
- in current accounts	13.91	5.91
Cash on hand	5.65	7.64
<b>Total</b>	<b>19.56</b>	<b>13.55</b>

**8.3. Bank balances other than (Cash and cash equivalents) above**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Earmarked balances		
Unpaid dividend accounts	77.81	76.70
<b>Total</b>	<b>77.81</b>	<b>76.70</b>

**8.4. Loans (current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Unsecured, considered good</b>		
Employee advances	21.60	27.80
Loan receivables which have significant increase in credit risk - Loan to wholly owned subsidiary (Refer Note 8.4.2)	442.93	387.08
Less: Allowance for expected credit loss on loan given to subsidiary	(395.77)	-
<b>Total</b>	<b>68.76</b>	<b>414.88</b>



**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**8.4.1 Disclosure of loans and advances given to subsidiary as per Regulation 34(3) and 53(f) of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015:**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Amount outstanding	47.16	387.08
Maximum balance outstanding during the year ended	442.93	387.08

**8.4.2 Disclosure under Section 186 of the Companies Act, 2013:**

Particulars of loans and deposits as at the year end

Name of the entity	2019-20	2018-19	Nature of Loans/ Deposits	Purpose for which Loan/ Guarantee is proposed to be utilised by recipient
Mold-Tek Packaging FZE, UAE	47.16	387.08	Inter corporate loan	Working capital purposes

**8.5. Other financial assets (current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Sales tax incentive receivable*	300.64	235.92
Export benefits receivable**	6.77	16.06
Advance to wholly owned subsidiary	15.67	-
<b>Total</b>	<b>323.08</b>	<b>251.98</b>

\* During the year, the Company has received ₹16.23 lakhs against balance 15% of sales tax incentive from Maharashtra state government on account of “Package Scheme of Incentives 2008 & 2013”, pertaining to financial year 2013-14, 2014-15 & 2015-16. An amount of ₹93.53 lakhs (P.Y ₹109.08 lakhs) has been considered as incentive receivable for financial year 2019-20.

\*\* During the year, the Company has received ₹1.14 lakhs pertaining to financial year 2016-17, ₹5.91 lakhs pertaining to financial year 2017-18 and ₹2.24 lakhs pertaining to financial year 2018-19 against export incentive under “Merchandise Exports from India Scheme”.

**9. Current tax assets/(liabilities) (net)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	136.01	37.51
Add: Taxes paid pertaining to earlier years	2.40	0.16
Add: Advance tax and TDS of current year	1253.05	1401.48
Less: Provision for current tax	(1216.74)	(1303.14)
Less: Tax refunds received pertaining to earlier years	(42.80)	-
<b>Total</b>	<b>131.92</b>	<b>136.01</b>

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### 10. Other current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Prepaid expenses	79.09	26.05
Supplier advances	1083.17	306.42
Advance for CSR expenses	15.00	2.14
Advances to employees for expenses	11.71	17.58
Deposit with customs & GST input tax credit	174.56	529.89
<b>Total</b>	<b>1363.53</b>	<b>882.08</b>

### 11. Equity share capital

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Authorized:</b>		
29,000,000 (P.Y 29,000,000) equity shares of ₹5 each	1450.00	1450.00
<b>Total</b>	<b>1450.00</b>	<b>1450.00</b>
<b>Issued, subscribed &amp; paid-up capital</b>		
27,726,027 (P.Y 27,691,052) equity shares of ₹5 each fully paid up	1386.30	1384.55
<b>Total</b>	<b>1386.30</b>	<b>1384.55</b>

- 79,95,776 equity shares out of the issued, subscribed and paid up share capital were allotted in the financial year 2008-09 pursuant to the Scheme of arrangement without payments being received in cash.
- 46,625 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 6th July, 2011 by way of Employee Stock Option Scheme.
- 12,40,000 equity shares of ₹10 each issued at a premium of ₹30 per share on 7th September, 2011 by way of preferential offer.
- 9,125 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 19th December, 2011 by way of Employee Stock Option Scheme.
- 19,25,000 equity shares of ₹10 each issued at a premium of ₹35.80 per share on 4th February, 2012 by way of preferential offer.
- 37,800 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 5th July, 2012 by way of Employee Stock Option Scheme.
- 22,950 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 28th June, 2013 by way of Employee Stock Option Scheme.
- 25,100 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 13th June, 2014 by way of Employee Stock Option Scheme.
- 39,800 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 25th July, 2014 by way of Employee Stock Option Scheme.
- 24,98,350 equity shares of ₹10 each issued at a premium of ₹210.17 per share on 3rd February, 2015 by way of Qualified institutional placement.
- 5,000 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 9th April, 2015 by way of Employee Stock Option Scheme.
- Shareholders on 3<sup>rd</sup> February, 2016 approved the share split of ₹10 each, fully paid up into 2 (Two) equity shares of ₹5 each fully paid up. The Board of Directors fixed the record date as 18<sup>th</sup> February, 2016. On 17<sup>th</sup> February, 2016 the

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

Company has sub-divided the existing fully paid equity shares of 1,38,45,526 with face of ₹10 each into 2,76,91,052 fully paid up shares with face value of ₹5 each.

- m) 23,325 equity shares of ₹5 each issued at a premium of ₹254.85 per share on 18th October, 2019 by way of Employee Stock Option Scheme.
- n) 11,650 equity shares of ₹5 each issued at a premium of ₹254.85 per share on 27th October, 2019 by way of Employee Stock Option Scheme.

**(A) Movement in equity share capital:**

Particulars	Number of shares	Amount
<b>Balance at 01 April, 2018</b>	<b>27691052</b>	<b>1384.55</b>
Movement during the year	-	-
<b>Balance at 31 March, 2019</b>	<b>27691052</b>	<b>1384.55</b>
Movement during the year	34975	1.75
<b>Balance at 31 March, 2020</b>	<b>27726027</b>	<b>1386.30</b>

**(B) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	% holding	No. of Shares	% holding
J. Lakshmana Rao	2555445	9.22	2555445	9.23
A. Subramanyam	2029124	7.32	2029124	7.33
J. Sudha Rani	1506194	5.43	1491588	5.39
DSP Blackrock small cap fund	1808643	6.52	1808643	6.53

**(C) MTPL Employee Stock Option Scheme**

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

In respect of 95,100 Options granted to employees on 20 July, 2018 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹208 per option.

In respect of 54,900 Options granted to employees on 20 July, 2018 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹234 per option.

Pursuant to the shareholders approval dated 3 February, 2016, the Company's Equity shares of ₹10 each were split into Equity shares of ₹5 each fully paid up and consequently the above options with face value of ₹10 were converted to face value of ₹5 each.

Particulars	As at 31 March	
	2020	2019
Options outstanding, beginning of the year*	150000	150000
Add: Granted	-	-
Less: Exercised	(34,975)	-
Less: Forfeited/Lapsed	(2525)	-
<b>Options outstanding as at the end of year</b>	<b>112500</b>	<b>150000</b>

\* based on the split up of shares of ₹10 each to ₹5 each.

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### (d) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹5 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 12. Other equity

Particulars	As at 31 March, 2020	As at 31 March, 2019
Reserves and surplus		
Securities premium	7569.84	7480.70
Capital reserve	57.15	57.15
General reserve	1914.39	1914.39
Share options outstanding account	32.37	-
Retained earnings	8333.43	7567.74
Equity instruments through Other Comprehensive Income (OCI)	417.28	655.46
<b>Total</b>	<b>18324.46</b>	<b>17675.44</b>

#### (i) Securities premium

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	7480.70	7480.70
Movement during the year	89.14	-
<b>Closing balance</b>	<b>7569.84</b>	<b>7480.70</b>

#### (ii) Capital reserve

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	57.15	57.15
Movement during the year	-	-
<b>Closing balance</b>	<b>57.15</b>	<b>57.15</b>

#### (iii) General reserve

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	1914.39	1914.39
Movement during the year	-	-
<b>Closing balance</b>	<b>1914.39</b>	<b>1914.39</b>

#### (iv) Share options outstanding account

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	-	-
Add: On account of share-based payments to employees	47.48	-
Less: On account of exercise of employee stock options	(15.11)	-
<b>Closing balance</b>	<b>32.37</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**(v) Retained earnings**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	7567.74	6522.49
Add: Profit for the year	3818.98	2410.41
Less: Dividends including tax	(3006.58)	(1335.33)
Less: Remeasurements of post employment benefit obligation, net of tax (OCI)	(46.71)	(29.83)
<b>Closing balance</b>	<b>8333.43</b>	<b>7567.74</b>

**(vi) Equity instruments through Other Comprehensive Income (OCI)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	655.46	714.74
Less: Net changes in fair value of financial instruments	(238.18)	(59.28)
<b>Closing balance</b>	<b>417.28</b>	<b>655.46</b>

**Nature and purpose of other reserves**

**(i) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act.

**(ii) Capital reserve**

Capital reserve arised on account of amalgamation, transfer of forfeited shares amount, state subsidy and others. The reserve is utilised in accordance with the provision of the Companies Act.

**(iii) General reserve**

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

**(iv) Share options outstanding account**

The reserve represents the excess of the fair value of the options on the grant date over the exercise price which is accumulated by the Company in respect of all options that have been granted. The Company transfers the proportionate amounts, outstanding in this account, in relation to options exercised to securities premium account on the date of exercise of such options.

**(v) Retained earnings**

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations and can be utilized in accordance with the provisions of the Companies Act, 2013.

**(vi) Equity instruments through Other Comprehensive Income**

This reserve represents the cumulative gains/loss (net) arising on fair valuation of Equity Instruments, net of amounts reclassified, if any, to retained earnings when those instruments are disposed off.

**13. Borrowings (non-current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured loans</b>		
Term loans		
From banks	2218.48	833.33
Vehicle loans from banks & financial institutions	83.45	93.26
From others	166.67	500.00
<b>Unsecured loans</b>	-	-
Deferred payment liabilities- Sales tax deferment loan	49.64	60.03
<b>Total</b>	<b>2518.24</b>	<b>1486.62</b>

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### a) Secured loans

#### i. Term loans from banks & financial institutions

During the year, the Company has availed Term loan of ₹1995.19 lakhs from Citi Bank for the purpose of enhancing capacities at existing plants, which are repayable in 18 equal quarterly installments with 6 months moratorium.

As at the year end, the Company has a Total secured term borrowings of ₹3384.08 lakhs (P.Y ₹1833.33 lakhs) (Citicorp (India) Limited ₹500 lakhs (P.Y ₹833.33 lakhs) and Citi Bank ₹2884.08 lakhs (P.Y ₹1000 lakhs)). The same have been classified under non-current (₹2385.15 lakhs) and current liabilities (₹998.93 lakhs).

**The following assets of the Company are covered under the said securitization:**

- # Citicorp Finance (India) Limited has first exclusive charge by way of equitable mortgage on the factory land and building situated at Plot no.94, KIADB-Adakanhallu Industrial Area, Chikkaiahnachatra Hobli, Nanjangud Taluk, Mysore district, Karnataka belonging to the Company.
- # Citicorp Finance (India) Limited has first exclusive charge on plant equipment and other properties at Mysore Unit.
- # Citi Bank has first exclusive charge by way of equitable mortgage on the factory land & building situated at Plot no.2A, in Survey no. 251P, 255P, 256P, 261P, IC-PUDI village, Rambilli Mandal, Visakhapatnam district, belonging to the Company.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties at Pudi (Visakhapatnam) Unit.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties of Daman plant located at Survey no.160/A, 161/1 & 161/5, Bhimpore Village, Nani Daman, Daman District.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties of Satara plant located at Survey no.82/2A, Gat no.656, Mhavashi Village, Dhawad wadi, Khandala Taluq, Pune, Satara District.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties of Hyderabad unit located at Annaram Village, near air force academy, Sangareddy District, Telangana State.
- # Citi Bank has first exclusive charge by way of equitable mortgage on the factory Land & Building situated at Survey no.82/2A, Gat no.656, Mhavashi Village, Dhawad wadi, Khandala Taluq, Pune, Satara District.
- # Citi Bank has first exclusive charge by way of equitable mortgage on the factory Land & Building situated at Survey no.160/A, 161/1 & 161/5, Bhimpore Village, Nani Daman, Daman District.
- # Personal guarantees of J. Lakshmana Rao, A. Subramanyam and P. Venkateswara Rao directors of the Company.

#### Repayment schedule:

Bank/Financial institution	Rate of interest	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Citicorp Finance (India) Limited	8.73%	333.33	166.67	-	-	-
Citi Bank N.A	9.00%	222.22	222.22	222.22	222.22	-
Citi Bank N.A	8.85%	443.38	443.38	443.38	443.38	221.69
<b>Total</b>		<b>998.93</b>	<b>832.26</b>	<b>665.60</b>	<b>665.60</b>	<b>221.69</b>

#### ii. Vehicle loans from banks & financial institutions

The Company has availed vehicle loans from various banks and financial institutions with a tenor of 36 to 60 monthly installments. The said loans are secured by hypothecation of vehicles. As at the year end, the Company has Total amount outstanding of ₹160.23 lakhs (P.Y ₹178.22 lakhs) which is classified under non-current liabilities (₹83.46 lakhs) and current liabilities (₹76.77 lakhs).

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**Repayment schedule:**

<b>Bank/Financial Institution</b>	<b>Rate of interest</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
ICICI Bank Ltd	9.35%	4.14	1.94	-
ICICI Bank Ltd	8.75%	0.42	-	-
ICICI Bank Ltd	8.45%	0.99	-	-
ICICI Bank Ltd	8.55%	6.74	1.70	-
ICICI Bank Ltd	9.71%	2.45	2.70	0.48
ICICI Bank Ltd	9.00%	4.43	4.85	3.04
Kotak Mahindra Prime Ltd	8.74%	17.33	9.25	-
HDFC Bank Ltd	9.01%	17.79	16.10	-
Yes Bank Ltd	9.00%	15.24	-	-
Yes Bank Ltd	8.65%	1.06	0.57	-
Daimler Financial Services India Pvt Ltd	8.41%	6.18	6.72	36.11
<b>Total</b>		<b>76.77</b>	<b>43.83</b>	<b>39.63</b>

**b) Unsecured loans**

The State government has extended the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax payment attributable to the sales effected out of production is deferred (interest-free) for a period of 14 years. The Company has availed this scheme for production facility of its 2nd expansion at Annaram unit for ₹751.37 lakhs and production facility at Dommarapochampally unit for ₹421.91 lakhs. The Company has been repaying installments of the deferred sales tax in accordance with the scheme. The Total sales tax deferral amounts as on 31 March, 2020 stands at ₹96.69 lakhs (31 March, 2019 ₹187.61 lakhs).

Sales tax deferment loan granted under State Investment Promotion Scheme has been considered as a government grant and the difference between the fair value and nominal value as on date is recognized as an expenses. Accordingly, an amount of ₹2.01 lakhs (31 March, 2019: ₹0.84 lakhs) has been recognized as an expense. Every year charge in fair value is accounted for as an interest expense.

**Repayment schedule:**

<b>Particulars</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Sales tax deferment loan</b>			
Value added tax	8.78	32.23	24.59
Central sales tax	21.11	6.85	7.34
<b>Total</b>	<b>29.89</b>	<b>39.08</b>	<b>31.93</b>

**14. Provisions (non-current)**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>For employee benefits</b>		
Leave encashment	48.52	106.74
Gratuity	213.22	96.54
<b>Total</b>	<b>261.74</b>	<b>203.28</b>



**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**15. Deferred tax liabilities (net)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Deferred tax assets</b>		
On account of employee benefits	89.72	105.60
<b>Deferred tax liabilities</b>		
On account of depreciation and amortisation	1251.09	1411.65
<b>Deferred tax liabilities (net)</b>	<b>1161.37</b>	<b>1306.05</b>

**Movement in deferred tax liabilities (net)**

Particulars	WDV of depreciable PPE/ Investment properties/ intangible assets	Employee benefits payable	Total
Balance as at 1 April, 2019	1411.65	(105.60)	<b>1306.05</b>
(Charged)/Credited during the year			
to Statement of profit and loss	(160.56)	31.59	(128.97)
to Other comprehensive income	-	(15.71)	(15.71)
<b>Balance as at 31 March, 2020</b>	<b>1251.09</b>	<b>(89.72)</b>	<b>1161.37</b>

**16. Other non-current liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Deferred income - Sales tax deferment loan	8.53	17.16
<b>Total</b>	<b>8.53</b>	<b>17.16</b>

**17.1. Borrowings (Current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured loans</b>		
<b>Loans repayable on demand</b>		
Working capital loans from banks	8146.00	7404.80
<b>Total</b>	<b>8146.00</b>	<b>7404.80</b>

The Company has availed its fund based working capital requirements from multiple banks viz., ICICI Bank Ltd, Citi Bank N.A, Yes Bank Ltd and HSBC Ltd. Cash credit limits utilised as at the year end from the respective banks are as per the above table, while the Total working capital limits sanctioned by the participating banks are in the table given below:

Bank	Nature of Borrowing	Limits as at 31 March,		Balances as on 31 March,	
		2020	2019	2020	2019
ICICI Bank Ltd	Cash Credit	1500.00	1500.00	1373.70	1142.92
Yes Bank Ltd	Cash Credit	-	1000.00	-	793.18
HSBC Ltd	Cash Credit	4000.00	3000.00	3787.51	2690.30
HSBC Ltd	Credit card	10.00	10.00	5.12	2.40
CITI Bank N.A	Cash Credit	3000.00	3000.00	2979.67	2776.00
<b>Total</b>		<b>8510.00</b>	<b>8510.00</b>	<b>8146.00</b>	<b>7404.80</b>

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

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

- i) First Pari passu charge to the above banks by way of hypothecation of the borrower's entire current assets which inter-alia include stocks of raw material, work in process, finished goods, consumables, stores & spares and such other movables including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- ii) First Pari passu charge to the above banks by way of hypothecation of the borrower's movable properties of the Company (Except those specifically charged to term loan lenders).
- iii) First Pari passu charge to the above banks by way of equitable mortgage on the following Immovable properties of the Company:-
  - I. First Charge by way of equitable mortgage of land measuring 6.5125 acres & building in Sy.No 54,55/A,70, 71&72 of Annaram Village, Near Air Force Academy, Gummadidala Mandal, Sangareddy District, Telangana belonging to the Company.
  - II. First Charge by way of equitable mortgage of land measuring 6413 Sq. Yards and building in Sy.No. 164 part, Dammarapochampally Village, Gandimaisamma Dundigal Mandal, Medchal District, Telangana belonging to the Company.
  - III. First charge by way of equitable mortgage of land measuring 1066.63 Sq. Yards & Building in Plot No. D-177 phase III, IDA, Jeedimetla, Qutballapur Mandal, Medchal District, Telangana belonging to the Company.
  - IV. First charge by way of equitable mortgage of ground floor, Cellar area of building bearing Municipal No. 8-2-293/82/A/700&700/1 on Plot No. 700 forming part of S.Y. No. 120(New) of Shaikpet Village and S.Y. No 102/1 of Hakim pet Village admeasuring 3653 SFT of the office space presently occupied by the vendee 50% or 930 SFT of reception area of 1860 SFT all in relevance to the ground Floor 400 Sq.Yards out of 1955 Sq.Yards situated within the approved layout of the Jubilee Hills Co-operative House Building Ltd at Road No. 36 Jubilee hills, belonging to the Company.
  - V. First charge by way of equitable mortgage of land & building in Shed No. D-17 & D-18, phase III, IDA, Jeedimetla, Qutballapur Mandal, Medchal District, Telangana belonging to the Company.
  - VI. Personal guarantees of J. Lakshmana Rao, A. Subramanyam and P. Venkateswara Rao, directors of the Company.

**17.2. Trade payables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Dues to micro and small enterprises (Refer Note below)	10.57	27.18
Dues to creditors other than micro and small enterprises	1792.60	1756.08
<b>Total</b>	<b>1803.17</b>	<b>1783.26</b>

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2020	As at 31 March, 2019
(i) Principal amount remaining unpaid as at the end of the accounting year	10.57	27.18
(ii) Interest due thereon remaining unpaid as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

### 17.3. Other financial liabilities (current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long term debts (Refer note 13)	1105.60	677.89
Interest accrued but not due	39.84	34.23
Unpaid dividend	77.81	76.70
Employee benefits payable	284.66	280.36
Outstanding Expenses payable	308.44	268.77
Expenses payable to related parties	32.16	20.41
Capital creditors		
Dues to wholly owned subsidiary	-	619.99
Dues to others	356.93	655.62
Security deposits	29.72	24.55
CSR expenses payable	5.57	6.15
Others	1.47	1.20
<b>Total</b>	<b>2242.20</b>	<b>2665.87</b>

### 18. Other current liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Advances from customers	159.06	85.76
Deferred revenue grant - sales tax deferment loan	8.63	17.49
Statutory dues payable	191.25	147.17
<b>Total</b>	<b>358.94</b>	<b>250.42</b>

### 19. Provisions (Current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>For employee benefits</b>		
Leave encashment	20.56	67.78
Gratuity	29.69	88.69
<b>Total</b>	<b>50.25</b>	<b>156.47</b>

NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

20. Net debt reconciliation

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance of borrowings	9603.97	8112.03
Add: Proceeds from non-current borrowings	2080.93	2123.00
Less: Repayment of non-current borrowings	(641.10)	(325.95)
Proceeds/(Repayment) from current borrowings	741.20	(305.95)
Fair value adjustments	2.01	0.84
<b>Closing balance of borrowings</b>	<b>11787.01</b>	<b>9603.97</b>

21. Employee benefits

(i) Leave obligations

The leave obligation covers the Company's liability for earned leave which is unfunded.

(ii) Defined contribution plan

The Company has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is as follows:

Particulars	31 March, 2020	31 March, 2019
Company's contribution to provident fund	103.88	87.31

(iii) Post-employment obligations

a) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	398.18	299.30
Current service cost	49.34	35.31
Interest cost	30.93	23.33
Remeasurement (gains)/losses	59.69	45.20
Past service cost	-	-
Benefits paid	(54.23)	(4.96)
<b>Obligation at the end of the year</b>	<b>483.91</b>	<b>398.18</b>
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	212.95	202.76
Investment income	16.54	15.80
Employer's contributions	24.50	-

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended	
	31 March, 2020	31 March, 2019
Benefits paid	(10.27)	(4.96)
Return on plan assets , excluding amount recognised in net interest expense	(2.72)	(0.65)
<b>Fair value of plan assets at the end of the year</b>	<b>241.00</b>	<b>212.95</b>
<b>Expenses recognised in the statement of profit and loss consists of:</b>		
<b>Employee benefits expense:</b>		
Current service costs	49.34	35.31
Past service cost	-	-
Net interest expenses	14.39	7.52
	<b>63.73</b>	<b>42.83</b>
<b>Other comprehensive income:</b>		
Actuarial (gains)/losses	59.69	45.20
Return on plan assets, excluding amount recognised in net interest expense	2.73	0.66
Remeasurement (or actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	<b>62.42</b>	<b>45.86</b>
<b>Expenses recognised in the Statement of profit and loss</b>	<b>126.15</b>	<b>88.69</b>
<b>Amounts recognised in the Balance sheet consists of:</b>		
Particulars	As at	
	31 March, 2020	31 March, 2019
Fair value of plan assets at the end of the year	241.00	212.95
Present value of obligation at the end of the year	483.91	398.18
Recognised as		
Retirement benefit liability - Non-current	213.22	96.54
- current	29.69	88.69

**Fair value of plan assets --- 100% with LIC of India**

Expected contribution to post-employment benefit plan of gratuity for the year ending 31 March, 2021 is ₹10.00 lakhs.

**iv) Significant estimates and sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	31 March, 2020	31 March, 2019	Rate	31 March, 2020	31 March, 2019	Rate	31 March, 2020	31 March, 2019
Discount rate	6.85%	7.75%	1%	424.82	349.14	1%	555.64	457.79
Salary growth rate	7.00%	8.00%	1%	550.43	452.61	1%	427.06	351.60
Attrition rate	1%/2%/3%	1%/2%/3%	0.5%/1%/1.5%	482.74	397.09	0.5%/1%/1.5%	485.17	399.39

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**v) Risk exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Interest rate risk:**

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary inflation risk:**

Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk:**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**22. Revenue from operations**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Revenue from contract with customers</b>		
Sale of products	43616.40	39259.13
<b>Other operating revenue</b>		
Export incentives	-	8.52
Sales tax incentives	80.94	109.08
Sale of scrap	46.39	31.84
<b>Total</b>	<b>43743.73</b>	<b>39408.57</b>

**23. Other income**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Rental income from Investment property	2.06	2.06
Dividend income	61.40	14.82
Amortisation of Deferred government grant	17.49	25.93
Interest income	34.98	46.19
Foreign exchange fluctuation gain (net)	-	44.78
<b>Total</b>	<b>115.93</b>	<b>133.78</b>

**24. Cost of materials consumed**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Raw materials	20402.03	19564.58
Pigments	750.39	651.54
Handles	917.85	883.19
Printing materials	2655.96	1910.60
Packing materials	700.94	756.02
Other consumables	252.36	219.03
<b>Total</b>	<b>25679.53</b>	<b>23984.96</b>

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**25. Changes in inventories of finished goods and work-in-progress**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Opening inventories</b>		
Finished goods	872.90	826.06
Work-in-progress	734.03	668.09
<b>(A)</b>	<b>1606.93</b>	<b>1494.15</b>
<b>Closing inventories</b>		
Finished goods	717.58	872.90
Work-in-progress	881.84	734.03
<b>(B)</b>	<b>1599.42</b>	<b>1606.93</b>
<b>Total (A-B)</b>	<b>7.51</b>	<b>(112.78)</b>

**26. Employee benefits expense**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Salaries, wages and bonus	4516.08	3684.95
Contribution to provident and other funds	116.71	105.31
Gratuity	63.73	17.93
Leave encashment	6.75	74.25
Staff welfare expenses	190.90	162.92
Share-based payments to employees	47.48	-
<b>Total</b>	<b>4941.65</b>	<b>4045.36</b>

**27. Finance costs**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Interest on borrowings	1018.00	683.32
Other borrowing costs	0.83	25.15
<b>Total</b>	<b>1018.83</b>	<b>708.47</b>

**28. Depreciation and amortization expense**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Depreciation on property, plant and equipment	1927.42	1496.31
Depreciation on investment property	0.13	0.13
Amortisation of intangible assets	11.53	11.51
Amortisation of right-of-use assets	3.53	7.13
Less: Capitalized	(35.50)	(41.51)
<b>Total</b>	<b>1907.11</b>	<b>1473.57</b>



**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**29. Other expenses**

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
Power and fuel	1595.44	1309.46
Repairs and maintenance		
Buildings	73.88	19.94
Plant and equipment	302.87	228.41
Moulds	180.14	98.26
Others	158.43	134.13
Insurance	47.57	30.51
Rates & taxes	59.75	49.14
Rent	94.13	95.47
Jobwork charges	223.49	231.13
Travelling & conveyance	206.46	149.60
Communication expenses	48.14	45.99
Printing & stationery	28.84	28.59
Professional & consultancy charges	81.99	57.88
Freight outwards	1716.99	1611.35
Advertisement expenses	2.45	1.93
Tax paid on assessment - Commercial taxes	3.55	16.83
Sales promotion expenses	75.67	42.75
Payments to auditors (Refer note 29(a) below)	11.40	10.31
Directors' sitting fee	4.00	3.80
Provision for doubtful debts	22.07	10.09
Corporate social responsibility expenditure (Refer note 29 (b) below)	75.88	33.93
Net Loss on disposal of property, plant and equipment	1.50	1.89
Property, plant, equipment written off	29.33	-
Foreign exchange fluctuation loss (net)	5.69	-
MEIS claim receivable written off	-	15.97
Bank charges	4.19	4.23
Miscellaneous expenses	56.83	64.76
<b>Total</b>	<b>5110.68</b>	<b>4296.35</b>

**29(a) Payment to auditors:**

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
<b>Statutory auditors</b>		
Statutory audit fee	8.50	7.50
For other services (including fees for quarterly reviews)	2.50	2.00
Certification charges	0.40	0.81
<b>Total</b>	<b>11.40</b>	<b>10.31</b>

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### 29(b) Corporate social responsibility expenditure:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Amount required to be spent as per Section 135 of the Act	93.95	84.33
Amount spent during the year on :		
1. Construction/acquisition of any assets	27.29	18.43
2. On purposes other than (1) above	48.59	15.50

### 30. Exceptional items

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Provision for impairment loss on investment in wholly owned subsidiary	-	1003.20
Allowance for expected credit loss on subsidiary loan	395.77	-
Allowance for/(reversal of) expected credit loss on subsidiary receivables	(109.67)	146.83
<b>Total</b>	<b>286.10</b>	<b>1150.03</b>

30.1 The management has closed down the operations of the wholly owned subsidiary, Mold-Tek Packaging FZE, UAE pending winding up formalities. The entire machinery was withdrawn from subsidiary and installed in Indian facilities and added production capacities to meet increased demand in India. The Company is not expecting to realize the Total investment made and accordingly the investment of ₹1003.20 lakhs is impaired and fully provided for during the FY 2018-19. Further, an additional provision of ₹286.10 lakhs is made towards expected loss on the realization of loan given to subsidiary.

### 31. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before income tax expense	5194.35	5146.42
Tax at the Indian tax rate of 25.63% (2018-19: 34.944%)	1307.31	1798.36
Effect of non-deductible expense	579.37	592.63
Effect of allowances for tax purpose	(669.95)	(1034.97)
Effect of deferred tax	(128.97)	282.84
<b>Tax expense</b>	<b>1087.76</b>	<b>1638.86</b>

### 32. Contingent liabilities

Particulars	31 March, 2020	31 March, 2019
Income tax	105.83	43.45
VAT/CST	9.09	9.09
<b>Total</b>	<b>114.92</b>	<b>52.54</b>

The liability includes ₹41.58 lakhs (2019 - ₹5.16 lakhs) paid under protest.

### Export Obligations

The Company has fulfilled the entire export obligation to the tune of \$18.17 lakhs (₹933.99 lakhs) as on 31 March, 2020 the particulars of which are as below:

Of the Total obligation \$9.02 lakhs (₹406.96 lakhs) was against the licenses utilized against import of machinery by erstwhile Mold-Tek Technologies Limited. The Company has fulfilled the export obligations against these licenses by 31 March, 2011.

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

The details have been submitted to customs department for redemption of licenses. Including the licenses amounting to \$6.36 lakhs have been redeemed up to 31 March, 2017, and redemption licenses for the balance \$2.66 lakhs is awaited.

Further, Licenses granted under EPCG Scheme for import of machinery for which guarantee bonds valuing ₹96.00 lakhs were issued to customs department. The Company has fulfilled the export obligation of \$9.15 lakhs (₹527.03 lakhs) against these licenses utilized for imports.

**33. Commitments**

**Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March, 2020	31 March, 2019
Property, plant and equipment	574.00	1400.00
<b>Total</b>	<b>574.00</b>	<b>1400.00</b>

**34. Related party transactions**

**Names of related parties and nature of relationships:**

Names of the related parties	Nature of relationship
<b>i) Key Management Personnel (KMP):</b>	
J. Lakshmana Rao	Chairman & Managing Director
A. Subramanyam	Deputy Managing Director
P. Venkateswara Rao	Deputy Managing Director
M. Srinivas	Whole-time Director
A. Seshu Kumari	Chief Financial Officer
Thakur Vishal Singh	Company Secretary
<b>ii) Non-Whole-time Directors</b>	
J. Mytraeyi	Director
Kotagiri Venkata Appa Rao	Director
T.Venkateswara Rao	Director
Immaneni Eswara Rao	Director
Dhanraj Tirumala	Director
Dr.N.V.N. Varma	Director
Vasu Prakash Chitturi	Director
<b>iii) Relatives of key management personnel:</b>	
J. Navya Mythri	Assistant Finance Controller
J. Rana Pratap	Vice President of New Business Development
S. Kavya	Chief Manager of New Business Development
A. Durga Sundeep	Vice President of New Business Development (from 1 October, 2019)
J. Sudha Rani	Spouse of Chairman & Managing Director
P.S.N.Vamsi Prasad	Son-in-law of Chairman & Managing Director
J. Sathya Sravya	Daughter of Chairman & Managing Director
J. Bhujanga Rao	Brother of Chairman & Managing Director
N. Padmavathi	Sister of Chairman & Managing Director

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

A. Lakshmi Mythri	Daughter of A. Subramanyam
Jandhyala V.S.N. Krishna	Son-in-law of A. Subramanyam
Y. Manasa	Daughter-in-law of A. Subramanyam
P. Sai Lakshmi	Spouse of P. Venkateswara Rao
P. Appa Rao	Brother of P. Venkateswara Rao
M. Hyma	Spouse of M. Srinivas
M. Koteswara Rao	Brother of M. Srinivas
K. Srinivasa Vengala Rao	Son of Kotagiri Venkata Appa Rao
T. Vimala	Spouse of T. Venkateswara Rao
<b>iv) Moldtek Packaging FZE, UAE</b>	Wholly owned susidiary
<b>v) Enterprises in which key management personnel and/or their relatives have control:</b>	
Mold-Tek Technologies Limited	
Friends Packaging Industries	
Capricorn Industries	
Dynamic Metal Industries Pvt Ltd	
J.S. Sundaram & Co	

All amounts in ₹ lakhs, unless otherwise stated

**NOTES TO THE FINANCIAL STATEMENTS**

Details of transactions during the year where related party relationship existed:

Particulars	Enterprises in which key management personnel and/or their relatives have control				Relatives of key management personnel		Key Management Personnel		Wholly owned subsidiary	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Cost of materials consumed</b>										
Friends Packaging Industries	278.05	238.74								
Capricorn Industries	317.21	327.43								
Dynamic Metal Industries Pvt Ltd	146.97	-								
Mold-tek Packaging FZE, UAE									132.08	-
<b>Property, Plant and Equipment</b>										
Mold-tek Packaging FZE, UAE									807.97	1,100.86
<b>Professional &amp; consultancy charges</b>										
J.S. Sundaram & Co	42.01	23.00								
<b>Loans (current)</b>										
Mold-tek Packaging FZE, UAE									69.78	140.03
<b>Revenue from operations</b>										
Mold-tek Packaging FZE, UAE									0.29	143.54
<b>Employee benefits expense</b>										
J. Lakshmana Rao								142.70	152.31	
A. Subramanyam								194.88	193.70	
P. Venkateswara Rao								137.28	143.79	
M. Srinivas								86.14	67.80	
A. Seshu Kumari								43.65	34.80	
Thakur Vishal Singh								6.44	5.43	
J. Navya Mythri			19.89	19.24						
J. Rana Pratap			48.10	19.86						
S. Kavya			24.58	34.20						
A. Durga Sundeep			18.54	-						
<b>Dividend</b>										
J. Lakshmana Rao								229.99	102.22	
A. Subramanyam								182.62	81.16	
P. Venkateswara Rao								21.14	9.40	
A. Seshu Kumari								44.46	21.74	

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Enterprises in which key management personnel and/or their relatives have control						Key Management Personnel			Wholly owned subsidiary		
	2019-20		2018-19		Relatives of key management personnel		2019-20		2018-19		2018-19	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
M. Srinivas								39.33	17.48			
J. Navya Mythri			12.44	5.53								
J. Rana Pratap			13.13	5.84								
S. Kavya			9.00	2.00								
J.Mytraeyi							7.80	3.47				
A. Durga Sundeep			21.40	9.46								
Kotagiri Venkata Appa Rao							0.02	0.03				
T.Venkateswara Rao							1.80	0.80				
Immaneni Eswara Rao							0.77	-				
J.Sudha Rani			132.30	62.38								
P.S.N.Vamsi Prasad			1.80	0.80								
J.Sathya Sravya			12.97	5.76								
J.Bhujanga Rao			16.55	7.35								
N. Padmavathi			35.72	18.65								
A.Lakshmi Mythri			21.60	9.60								
Jandhyala V.S.N. Krishna			3.91	1.61								
Y.Manasa			8.10	3.60								
P.Sai Lakshmi			14.49	6.95								
P.Appa Rao			0.03	0.01								
M.Hyma			2.49	1.11								
M.Koteswara Rao			2.72	1.21								
K.Srinivasa Vengala Rao			1.67	0.75								
T.Vimala			4.57	2.74								
<b>Sitting Fee</b>												
J. Mytraeyi							0.60	0.60				
Kotagiri Venkata Appa Rao							0.60	0.20				
T.Venkateswara Rao							1.40	1.20				
Immaneni Eswara Rao							1.40	1.00				
Dhanraj Tirumala							0.20	-				

All amounts in ₹ lakhs, unless otherwise stated

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Enterprises in which key management personnel and/or their relatives have control				Relatives of key management personnel		Key Management Personnel		Wholly owned subsidiary	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Dr.N.V.N. Varma					-	0.60			
Vasu Prakash Chitturi					(0.20)	0.20				
<b>Rental income from Investment property</b>										
Friends Packaging Industries	2.06	2.06								
<b>Corporate Guarantee given to Bank</b>										
Mold-tek Packaging FZE									-	2000.00
<b>Personal Guarantee given to Bank</b>										
J. Lakshmana Rao					5609.00	5609.00				
A. Subramanyam					4746.00	4746.00				
P. Venkateswara Rao					655.70	655.70				
<b>Other Transactions</b>										
Mold-Tek Technologies Limited	19.15		7.64							
<b>Outstanding Payable/(Receivable) as at 31 March, 2020</b>										
<b>Trade payables</b>										
Friends Packaging Industries	41.54		31.03							
Capricon Industries	5.38		23.90							
Dynamic Metal Industries Pvt Ltd	9.65		-							
J.S. Sundaram & Co	6.31		1.63							
<b>Other financial liabilities (current)</b>										
Mold-Tek Technologies Limited	32.16		20.41							
Mold-tek Packaging FZE									-	619.99
<b>Loans (current)</b>										
Mold-tek Packaging FZE									(47.16)	(387.08)
<b>Other financial assets (current)</b>										
Mold-tek Packaging FZE									(15.67)	-



## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### 35. Earnings per share (EPS)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit after tax	3818.98	2410.41
Weighted average number of equity shares in calculating Basic EPS	277.07	276.91
Weighted average number of equity shares in calculating Diluted EPS	277.07	276.91
Face value per share (₹)	5.00	5.00
Basic Earnings per Share (BEPS) (₹)	13.78	8.70
Diluted Earnings per Share (DEPS) (₹)	13.78	8.70

### 36. Segment Information

- a) The Company's Chairman & Managing Director, Deputy Managing Directors and Chief Financial officer examine the Company's performance from a product prospective and have identified one operating segment viz Packaging Containers. Hence segment reporting is not given.

#### b) Information about products:

Revenue from external customers - Sale of Packaging Containers ₹43616.40 lakhs (P.Y ₹39259.13 lakhs)

The Company has made external sales to the following customers meeting the criteria of 10% or more of the entity revenue

Customer 1 - ₹18160.01 lakhs

### 37. Financial instruments and risk management

#### Fair values

- a) The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- b) The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

**NOTES TO THE FINANCIAL STATEMENTS**

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**(i) Categories of financial instruments**

Particulars	Level	31 March, 2020		31 March, 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
<b>Non-current</b>					
<b>Financial assets measured at fair value through other comprehensive income</b>					
Investments	1	733.60	733.60	971.78	971.78
<b>Financial assets measured at amortised cost</b>					
Other financial assets	3	23.45	23.45	22.09	22.09
<b>Current</b>					
Trade receivables	3	5798.65	5798.65	6637.69	6637.69
Cash and cash equivalents	3	19.56	19.56	13.55	13.55
Other bank balances	3	77.81	77.81	76.70	76.70
Loans	3	68.76	68.76	414.88	414.88
Other financial assets	3	323.08	323.08	251.98	251.98
<b>Total</b>		<b>7044.91</b>	<b>7044.91</b>	<b>8388.67</b>	<b>8388.67</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
<b>Non-current</b>					
Borrowings	3				
- Banks		2468.60	2468.60	1426.59	1426.59
- Sales tax deferment loan		96.69	79.53	187.61	152.96
<b>Current</b>					
Borrowings	3	8146.00	8146.00	7404.80	7404.80
Trade payables	3	1803.17	1803.17	1783.26	1783.26
Other financial liabilities	3	2242.20	2242.20	2665.87	2665.87
<b>Total</b>		<b>14756.66</b>	<b>14739.50</b>	<b>13468.13</b>	<b>13433.48</b>

\*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized

## NOTES TO THE FINANCIAL STATEMENTS

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or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

### 38. Financial risk management

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### (A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at 31 March, 2020 and 31 March, 2019. The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March, 2020 and 31 March, 2019

#### (i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar, AED against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars and AED exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

#### (ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Particulars	Foreign currency exposure			
	As at 31 March, 2020		As at 31 March, 2019	
	AED	USD	AED	USD
Loans and advances	2,444,849	-	2,189,397	-
Trade receivables	745,416	(7,443)	800,461	33,979
Trade payables	-	295,882	3,286,479	420,316
<b>Net exposure to foreign currency risk</b>	<b>3,190,265</b>	<b>(303,325)</b>	<b>(296,621)</b>	<b>(386,337)</b>

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All amounts in ₹ lakhs, unless otherwise stated

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
<b>Change in AED</b>				
1% increase	6.55	0.56	4.90	0.36
1% decrease	(6.55)	(0.56)	(4.90)	(0.36)
<b>Change in USD</b>				
1% increase	(2.29)	(2.68)	(1.71)	(1.74)
1% decrease	2.29	2.68	1.71	1.74

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars and AED, where the functional currency of the entity is a currency other than US dollars and AED.

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
<b>Change in interest rate</b>				
increase by 100 basis points	(103.40)	(75.91)	(77.38)	(49.38)
decrease by 100 basis points	103.40	75.91	77.38	49.38

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment

**(B) Credit Risk**

Financial assets of the Company include trade receivables, loans to wholly owned subsidiary, employee advances, security deposits held with government authorities and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to its wholly owned

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

subsidiary and employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:

**a) Expected credit loss for trade receivable under simplified approach:**

Particulars	31 March, 2020	31 March, 2019
Gross carrying amount	5893.26	6836.16
Expected credit losses (Loss allowance provision)	(94.61)	(198.47)
<b>Carrying amount of trade receivables</b>	<b>5798.65</b>	<b>6637.69</b>

**b) Expected credit loss for financial assets where general model is applied**

The financial assets which are exposed to credit are loan to Wholly owned subsidiary Company and employee advances.

Particulars	31 March, 2020	31 March, 2019
<b>Asset group</b>	<b>Estimated gross carrying amount at default</b>	<b>Estimated gross carrying amount at default</b>
<b>Gross carrying amount</b>		
Loans	442.93	387.08
Employee advances	21.60	27.80
	<b>464.53</b>	<b>414.88</b>
Expected credit losses	(395.77)	-
<b>Net carrying amount</b>		
Loans	47.16	387.08
Employee advances	21.60	27.80
<b>Total</b>	<b>68.76</b>	<b>414.88</b>

**(c) Reconciliation of loss allowance provision on Trade receivables**

Particulars	2019-20	2018-19
<b>Loss allowance at the beginning of the year</b>	<b>198.47</b>	<b>41.03</b>
Changes in loss allowance during the year	(103.86)	157.44
<b>Loss allowance at the end of the year</b>	<b>94.61</b>	<b>198.47</b>

**(d) Significant estimates and judgements**

**Impairment of financial assets:**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(C) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. The Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

**NOTES TO THE FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

Management monitors cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements:**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at	
	31 March, 2020	31 March, 2019
Expiring within one year (bank overdraft and other facilities)	359.12	1097.60

**(ii) Maturities of Financial liabilities**

**Contractual maturities of financial liabilities as at :**

Particulars	31 March, 2020		31 March, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	8146.00	2518.24	7404.80	1486.62
Trade Payables	1803.17	-	1783.26	-
Other Financial Liabilities	2242.20	-	2665.87	-
<b>Total</b>	<b>12191.37</b>	<b>2518.24</b>	<b>11853.93</b>	<b>1486.62</b>

(iii) Management expects finance cost to be incurred for the year ending 31 March, 2021 is ₹1071.35 lakhs.

**39. Capital management**

**A. Capital management and Gearing Ratio**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by Total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	31 March, 2020	31 March, 2019
<b>Borrowings</b>		
Current	8146.00	7404.80
Non current	2518.24	1486.62
Current maturities of non- current borrowings	1105.60	677.89
Sales tax deferment loan	17.16	34.65
<b>Debt</b>	<b>11787.00</b>	<b>9603.96</b>
<b>Equity</b>		
Equity share capital	1386.30	1384.55
Other equity	18324.46	17675.44
<b>Total capital</b>	<b>19710.76</b>	<b>19059.99</b>
<b>Gearing ratio in % (Debt/capital)</b>	<b>59.80%</b>	<b>50.39%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2020 and 31 March, 2019.

### B. Dividends

Particulars	31 March, 2020	31 March, 2019
<b>Dividends recognised</b>		
Final dividend for the year ended 31 March, 2019 of ₹2 (31 March, 2018 - ₹2) per fully paid share	553.82	553.82
Interim dividend for the year ended 31 March, 2019 of ₹2 (31 March, 2018 - ₹2) per fully paid share	553.82	553.82
Interim dividend for the year ended 31 March, 2020 of ₹5 per fully paid share	1386.30	-
Dividend distribution tax on the above	512.64	227.68
<b>Dividends not recognised</b>		
Interim dividend for the year ended 31 March, 2019 of ₹2 per fully paid share. This dividend is declared on 2 May, 2019,	-	553.82
For the year ended the directors have recommended the payment of final dividend of ₹Nil (P.Y ₹2) per fully paid up equity share . This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	-	553.82
Dividend distribution tax on the above	-	227.68

#### 40. Impact assessment of the global health pandemic – COVID 19 and related estimation uncertainty:

During the last few months, the spread of Covid 19 has affected the business which culminated into scaling down of the Company's operations. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, closing of 6 out of 9 manufacturing facilities in April 2020, and adopting work from home policy wherever possible for employees across the locations.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The negative impact on sales is expected to continue in FY 2020-21. The Company is trying to reduce the fixed overheads to the best possible extent to sail through the difficult times to ahead. Although it is difficult to estimate the impact of COVID-19 on future operations at this point of time, the Company believes the sales for discretionary products like paints would significantly be impacted in short term. In view of lock down, the performance of the Company may be adversely affected in 1st Quarter in FY 2020-21 by around 40%.

The Company's net cash position as on 31 March, 2020 is sufficient to meet the requirements in case of any emergency and do not foresee any liquidity crunch. The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfilment of obligations would lead to material financial claim against the Company. The Company endeavours to ensure that all contractual commitments shall be honoured.

#### 41. Previous year figures have been recasted/restated wherever necessary.

The accompanying notes form an integral part of the financial statements.

As per our report of even date.

For **M.Anandam & Co.,**

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

**B V Suresh Kumar**

Partner

Membership No. 212187

Place: Hyderabad

Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-

**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956



## INDEPENDENT AUDITORS' REPORT

### To the Members of Mold-Tek Packaging Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Mold-Tek Packaging Limited (hereinafter referred to as “the Holding Company”) and its wholly owned subsidiary Mold-Tek Packaging FZE, UAE, (the Holding Company and its wholly owned subsidiary together referred to as ‘the Group’) which comprise the Consolidated Balance Sheet as at 31 March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2020, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraphs (a) and (b) of other matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as “Revenue”) is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred.</p> <p>Refer Note 2 to the consolidated financial statements – Significant Accounting Policies.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of tests of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of Group's revenue recognition in line with Ind AS 115 – Revenue from Contracts with Customers.</li> <li>• Evaluating the design and implementation of Group's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over revenue cut off the year end.</li> </ul> <p>Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</p>

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information included in the annual report does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Emphasis of Matter

The management of the Holding Company has closed down the operations of the wholly owned subsidiary, Mold-Tek Packaging FZE, UAE pending winding up formalities. The entire machinery was withdrawn from the subsidiary and installed in Indian facilities of the Company. The Company has made an additional provision of ₹286.10 lakhs towards loan given (Refer Note 30 of the standalone financial statements). Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Mold-Tek Packaging Limited**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other matters**

- a) We did not audit the financial statements in respect of the wholly owned subsidiary whose financial statements reflect Total assets of ₹119.99 lakhs as at 31 March, 2020, Total revenue of ₹225.55 lakhs and net cash (outflows)/inflows amounting to ₹12.89 lakhs for the year ended on that date as considered in the consolidated financial statements, which have been audited by other independent auditor up to the period ended 31 December, 2019 and are unaudited for the period from 1 January, 2020 to 31 March, 2020. These financial statements have been audited for the period ended 31 December, 2019 since the wholly owned subsidiary follows a different accounting period from that of the Holding Company. Unaudited financial statements for the period from 1 January, 2020 to 31 March, 2020 have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of the wholly owned subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid wholly owned subsidiary is based solely on the report of the other auditor/ unaudited financial statements/financial information as the case may be. In our opinion and according to the information and explanations given to us by the management, these unaudited financial statements/financial information are not material to the Group.

- b) The financial statements of the wholly owned subsidiary, located outside India, have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Management has converted the financial statements from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the report of other auditor and the conversion adjustments prepared by the Management and audited by us. Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiary, as referred to in 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and returns and reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (Refer Note 31 of the consolidated financial statements);
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

**For M. Anandam & Co.,**  
Chartered Accountants  
(Firm's Registration No. 000125S)

Sd/-

**B.V.Suresh Kumar**  
Partner

Place: Hyderabad  
Date: 6<sup>th</sup> June, 2020

Membership No. 212187  
UDIN: 20212187AAAABX9797

## **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Mold-Tek Packaging Limited** ("the Holding Company") as of 31 March, 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M. Anandam & Co.,**  
Chartered Accountants  
(Firm's Registration No. 000125S)

Sd/-

**B.V. Suresh Kumar**  
Partner

Membership No. 212187  
UDIN: 20212187AAAABX9797

Place: Hyderabad  
Date: 6<sup>th</sup> June, 2020

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	As at 31 March, 2020	As at 31 March, 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4.1	19836.33	18745.53
(b) Capital work-in-progress	4.2	1153.26	1604.25
(c) Investment property	4.3	5.23	5.36
(d) Intangible assets	4.4	64.12	30.87
(e) Intangible assets under development	4.5	21.24	19.17
(f) Right-of-use assets	4.6	338.36	341.89
(g) Financial assets			
(i) Investments	5.1	733.60	971.78
(ii) Other financial assets	5.2	23.45	22.09
(h) Other non-current assets	6	1325.43	647.91
<b>Current assets</b>			
(a) Inventories	7	4999.57	4593.67
(b) Financial assets			
(i) Trade receivables	8.1	5890.59	7036.99
(ii) Cash and cash equivalents	8.2	36.72	17.82
(iii) Bank balances other than (ii) above	8.3	77.81	76.70
(iv) Loans	8.4	21.61	33.64
(v) Other financial assets	8.5	307.41	251.98
(c) Current tax assets (net)	9	131.92	136.01
(d) Other current assets	10	1363.53	995.51
<b>TOTAL ASSETS</b>		<b>36330.18</b>	<b>35531.17</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1386.30	1384.55
(b) Other equity	12	18359.06	17781.98
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	13	2518.24	1894.68
(b) Provisions	14	261.74	203.28
(c) Deferred tax liabilities (net)	15	1161.37	1306.05
(d) Other non-current liabilities	16	8.53	17.16
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17.1	8146.00	8397.84
(ii) Trade payables	17.2		
A. Dues to micro and small enterprises		10.57	27.18
B. Dues to creditors other than micro and small enterprises		1794.38	1793.29
(iii) Other financial liabilities	17.3	2243.22	2318.27
(b) Other current liabilities	18	390.52	250.42
(c) Provisions	19	50.25	156.47
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36330.18</b>	<b>35531.17</b>

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For **M.Anandam & Co.,**

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

**B V Suresh Kumar**

Partner

Membership No. 212187

Place : Hyderabad

Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**

Chairman & Managing Director

DIN: 00649702

Sd/-

**A. Subramanyam**

Deputy Managing Director

DIN: 00654046

Sd/-

**A. Seshu Kumari**

Chief Financial Officer

Sd/-

**Thakur Vishal Singh**

Company Secretary

M.No.A41956





## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>I. Income</b>			
Revenue from operations	22	43820.22	40571.88
Other income	23	115.93	112.79
<b>II. Total income</b>		<b>43936.15</b>	<b>40684.67</b>
<b>III. Expenses</b>			
Cost of materials consumed	24	25671.80	24621.50
Changes in inventories of finished goods and work-in-progress	25	80.59	(128.57)
Employee benefits expense	26	4999.83	4327.18
Finance costs	27	1039.81	756.89
Depreciation and amortization expense	28	1921.60	1610.50
Other expenses	29	5389.50	4719.38
<b>Total expenses</b>		<b>39103.13</b>	<b>35906.88</b>
<b>IV. Profit before tax (II - III)</b>		<b>4833.02</b>	<b>4777.79</b>
<b>V. Tax expense:</b>			
(1) Current tax		1216.74	1356.02
(2) Previous years tax expense		1.50	(52.88)
(3) Deferred tax		(128.97)	282.84
<b>VI. Profit for the period (IV-V)</b>		<b>3743.75</b>	<b>3191.81</b>
<b>VII. Other comprehensive income</b>			
a) Items that will not be reclassified to Profit or Loss			
i) Remeasurement of defined benefit plans		(62.42)	(45.86)
ii) Fair value changes in equity instruments		(238.18)	(59.28)
iii) Income tax relating to items (i & ii) above		15.71	16.03
b) Items that will be reclassified to profit or loss			
i) Exchange differences in translating the financial statements of a foreign operation		3.29	19.80
<b>Other comprehensive income (net of tax)</b>		<b>(281.60)</b>	<b>(69.31)</b>
<b>VIII. Total comprehensive income for the year</b>		<b>3462.15</b>	<b>3122.50</b>
Profit for the year			
Attributable to:			
Owners of the parent		<b>3743.75</b>	<b>3191.81</b>
Non-controlling interests		-	-
Total comprehensive income for the year			
Attributable to:			
Owners of the parent		<b>3462.15</b>	<b>3122.50</b>
Non-controlling interests		-	-
<b>IX. Earnings per equity share (Face Value ₹5 each)</b>			
(1) Basic	34	13.51	11.53
(2) Diluted		13.51	11.53
<b>Summary of significant accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
For **M.Anandam & Co.,**  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-

**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020**

All amounts in ₹ lakhs, unless otherwise stated

a. Equity share capital		Note	As at 31 March, 2020	As at 31 March, 2019					
Particulars			1,384.55	1,384.55					
<b>Balance at the beginning of the year</b>		11	1,384.55	1,384.55					
Add: Changes in equity share capital during the year			1.75	-					
<b>Balance at the end of the year</b>			<b>1,386.30</b>	<b>1,384.55</b>					
b. Other equity									
Particulars	Note	Reserves and Surplus			Total				
		Securities premium	Capital reserve	Share options outstanding account		Exchange differences in translating the financial statements of foreign operations			
<b>Balance as at 1 April, 2018</b>		7480.70	57.15	1914.39	(37.59)	714.74	15994.81		
Profit for the year	12	-	-	-	-	-	3191.81		
Dividends (including corporate dividend tax)		-	-	-	(1335.33)	-	(1335.33)		
Other comprehensive income		-	-	-	(29.83)	19.80	(59.28)		
<b>Balance as at 31 March, 2019</b>		7480.70	57.15	1914.39	-	7692.07	(17.79)	655.46	17781.98
Profit for the year		-	-	-	-	3743.75	-	-	3743.75
Dividends (including corporate dividend tax)		-	-	-	-	(3006.58)	-	-	(3006.58)
Share-based payments to employees		-	-	-	47.48	-	-	-	47.48
Exercise of employee stock options		15.11	-	-	(15.11)	-	-	-	-
Shares issued on exercise of employee stock options		74.03	-	-	-	-	-	-	74.03
Other comprehensive income		-	-	-	-	(46.71)	3.29	(238.18)	(281.60)
<b>Balance as at 31 March, 2020</b>		7569.84	57.15	1914.39	32.37	8382.53	(14.50)	417.28	18359.06

As per our report of even date  
For **M.Anandam & Co.**,  
Chartered Accountants  
Firm Registration Number: 000125S  
Sd/-  
**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-  
**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-  
**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-  
**A. Seshu Kumari**  
Chief Financial Officer

Sd/-  
**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March, 2020	31 March, 2019
<b>Cash flow from operating activities</b>		
Profit before tax	4833.02	4777.79
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1958.28	1650.95
Loss on disposal of property, plant and equipment (net)	12.52	1.89
Provision for bad and doubtful debts (net of reversals)	30.35	34.57
Fair value adjustments & translation differences	5.30	56.10
Finance costs	1039.81	756.89
Dividend income	(61.40)	(14.82)
Fair value changes on equity instruments	(238.18)	(59.28)
Remeasurement of defined employee benefit plans	(62.42)	(45.86)
<b>Change in Operating assets and liabilities</b>		
(Increase)/Decrease in Trade receivables	1116.05	1376.37
(Increase)/Decrease in financial assets other than trade receivables	(45.87)	(20.60)
(Increase)/Decrease in other assets	(1006.63)	(169.15)
(Increase)/Decrease in Inventories	(405.90)	638.75
Increase/(Decrease) in trade payables	(15.52)	37.34
Increase/(Decrease) in other financial liabilities	(245.05)	531.48
Increase/(Decrease) in provisions	(47.76)	129.98
Increase/(Decrease) in other liabilities	181.33	67.21
<b>Cash generated from operations</b>	<b>7047.93</b>	<b>9749.61</b>
Income taxes paid	(1253.05)	(1401.48)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>5794.88</b>	<b>8348.13</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment and intangible assets	(4100.08)	(8288.68)
Payment for acquiring right-of-use assets	-	(349.02)
(Increase)/decrease in capital work-in-progress and intangible assets under development	448.92	(133.47)
Dividend income	61.40	14.82
Fair value changes in investments	238.18	59.28
Proceeds from sale of property, plant & equipment	1008.88	1138.76
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(2342.70)</b>	<b>(7558.31)</b>
<b>Cash flow from financing activities</b>		
Proceeds from non-current borrowings (Refer note 20)	2080.93	2123.00
Repayment of non-current borrowings (Refer note 20)	(1306.87)	(583.66)
Proceeds/(repayment) from current borrowings (Refer note 20)	(251.84)	(237.76)
Dividend paid including corporate dividend tax	(3006.58)	(1335.33)
Increase in securities premium	89.14	-
Proceeds from issue of shares	1.75	-
Finance costs	(1039.81)	(756.89)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(3433.28)</b>	<b>(790.64)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18.90</b>	<b>(0.82)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17.82</b>	<b>18.64</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>36.72</b>	<b>17.82</b>

The Statement of Cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
For **M.Anandam & Co.,**  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-

**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Group information:

Mold-Tek Packaging Limited ('the Parent') is a public limited group incorporated in India having its registered office at Hyderabad, Telangana, India. The Group is involved in the manufacturing of injection-molded containers. Mold-Tek Packaging FZE is the wholly owned subsidiary incorporated in UAE (together referred to as Group).

### 2 Significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Statement of compliance:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

#### New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April, 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits

The amendments listed above did not have any material impact on the amounts recognised in prior periods and to the current period.

#### b) Basis of preparation:

The Consolidated Financial Statements (CFS) include the financial statements of the group and its wholly owned subsidiary.

The assets, liabilities, income and expenses of the wholly owned subsidiary is aggregated and consolidated line by line. Profit or loss and each component of other comprehensive income are attributed to the owners. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c) Revenue recognition:

##### i) Revenue from contract with customers

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from the Group to the customer.

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

##### ii) Other income

Dividend income is recognised when the right to receive the income is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Rental income from investment properties is recognised on a straight line basis over the term of the relevant leases.

Export benefit under the duty free credit entitlements is recognized in the statement of profit and loss, when right to receive such

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

entitlement is established as per terms of the relevant scheme in respect of exports made and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

Sales tax incentives are recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

### d) **Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

### e) **Employee benefits:**

#### (i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) **Other long-term employee benefit obligations**

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting

period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) **Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Statement of Profit and Loss.

**(iv) Defined contribution plans**

The Group pays provident fund contributions to publicly administered funds as per local regulations wherever applicable. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

**(v) Bonus plans**

The Group recognizes a liability and an expense for bonuses wherever applicable. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**f) Income taxes**

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is

reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**g) Property, Plant and Equipment (PPE):**

PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises of purchase price, applicable duties and taxes net of input tax credit, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use.

All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of PPE comprises major components having different useful lives, these components are accounted for as separate items.

Leasehold improvements are stated at cost including taxes, freight and other incidental expenses incurred, net of input tax credits availed. The depreciation is provided over the life estimated by the management.

Self constructed assets (Moulds): The Group transfers all the directly attributable expenditure incurred towards construction of moulds including depreciation on actual cost basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PPE retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### h) **Expenditure during construction period and intangible assets under development:**

Expenditure during construction period (including finance cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Intangible Assets under development includes the expenditure incurred for acquisition of intangible assets.

### i) **Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on the straight line method over the useful lives as prescribed in Schedule II to the Act.

### j) **Intangible assets and amortization:**

Intangible assets acquired separately are measured on initial recognition cost and are amortized on straight line method based on the estimated useful lives.

The amortization period and amortization method are reviewed at each financial year end.

Computer Software is amortized over a period of five years.

### k) **Investment property:**

Investment property is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model which is in accordance with Ind AS 40.

An investment property is derecognised upon

disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

Depreciation on building is provided over its useful life of 30 years using the Straight Line Method.

### l) **Impairment of assets:**

**Intangible assets and Property, plant and equipment:** Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### m) **Inventories:**

Inventories includes Raw materials, Work-in-progress, Finished goods, Stores & Spares, Packing materials and other consumables. These are valued at lower of cost and net realizable value (NRV). However, raw materials are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Further, cost is determined on weighted average basis.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### **Materials in transit**

Valuation of Inventories of Materials in Transit is done at Cost.

### **Work-in-Progress (WIP) and Finished goods**

Valued at lower of cost and NRV. Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

### **n) Provisions, Contingent liabilities and Contingent assets :**

The Group recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to the reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

### **o) Financial instruments:**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or

issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial assets**

#### **(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the Group has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

#### **(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv)** The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets,

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

### Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and unsecured loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial

liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### p) Earnings per share :

The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### q) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**r) Transactions in foreign currencies**

The presentation currency of the Group is Indian Rupee.

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

**s) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**t) Government grants**

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at below current market rate of interest is treated as a government grant.

**u) Leases**

**As a lessee:**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (1) The Contract involves the use of an identified asset;
- (2) The Group has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

### **As Lessor:**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are utilised.

### **v) Employee share based payments:**

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Group's estimate of

equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### **w) Dividend distribution**

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

### **x) Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### **y) Standards issued but not yet effective**

There is no such notification which would have been applicable from 1 April, 2020.

## **3 Use of estimates and critical accounting judgements:**

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**4.1(a) Property, Plant and Equipment**

Particulars	Gross carrying amount					Accumulated depreciation			Net carrying amount			
	As at 1 April, 2019	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2020	As at 1 April, 2019	For the Year		On disposals	Adjustment	As at 31 March, 2020
Freehold land	1097.92	-	-	-	-	1097.92	-	-	-	-	-	1097.92
Buildings	5280.46	247.05	-	-	-	5527.51	298.86	179.50	-	-	478.36	5049.15
Plant and equipment	9601.71	1842.93	685.17	(83.80)	50.56	10893.83	2044.05	1025.19	102.88	6.94	2973.30	7920.53
Moulds	4110.72	1438.79	434.92	23.97	27.15	5117.77	899.46	458.77	46.31	3.37	1315.29	3802.48
Electrical installations	788.03	99.96	107.69	(15.40)	7.97	803.67	139.29	80.14	26.90	1.64	194.17	609.50
Works equipment & instruments	527.21	77.40	34.27	(14.69)	2.31	587.34	69.99	60.02	10.20	0.42	120.23	467.11
Office equipment	96.35	42.64	38.61	(5.84)	1.28	107.50	43.69	17.64	26.73	0.50	35.10	72.40
Computers and Data processing equipment	58.07	28.00	4.44	1.24	0.27	80.66	29.44	15.33	2.74	0.19	42.22	38.44
Furniture and fixtures	384.51	103.09	11.10	(6.07)	0.83	483.40	62.62	45.64	2.37	0.15	106.04	377.36
Vehicles	479.33	95.17	18.12	-	2.70	559.08	104.62	58.40	6.23	0.85	157.64	401.44
Leasehold improvements	22.88	-	24.09	-	1.21	-	9.65	2.42	12.44	0.37	-	-
<b>Total</b>	<b>22447.19</b>	<b>3975.03</b>	<b>1358.41</b>	<b>(100.59)</b>	<b>94.28</b>	<b>25258.68</b>	<b>3701.66</b>	<b>1943.05</b>	<b>236.80</b>	<b>14.43</b>	<b>5422.35</b>	<b>19836.33</b>

Land includes ₹220.40 lakhs paid under agreement for sale with Andhra Pradesh Industrial Infrastructure Corporation (APIIC) which is located at Pudi (Visakhapatnam) (Unit-IX) and the same is pending registration. Further the group has paid stamp duty for the purpose of registration.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Gross carrying amount						Accumulated depreciation			Net carrying amount		
	As at 1 April, 2018	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2019	As at 1 April, 2018	For the Year	On disposals	As at 31 March, 2019	As at 31 March, 2019	
Freehold land	868.41	229.51	-	-	-	1097.92	-	-	-	-	1097.92	
Buildings	3321.50	1958.96	-	-	-	5280.46	178.83	120.03	-	298.86	4981.60	
Plant and equipment	6964.54	3395.36	850.28	(13.72)	78.37	9601.71	1274.77	889.12	126.35	2044.05	7557.66	
Moulds	2881.73	1617.25	427.94	4.42	44.10	4110.72	548.83	398.62	50.80	899.46	3211.26	
Electrical installations	505.67	285.99	8.99	-	5.36	788.03	80.01	61.98	3.31	139.29	648.74	
Works equipment & instruments	241.72	284.22	-	-	1.27	527.21	36.85	32.99	-	69.99	457.22	
Office equipment	75.00	20.49	-	-	0.86	96.35	27.79	15.73	-	43.69	52.66	
Computers and Data processing equipment	40.18	17.73	-	-	0.16	58.07	17.49	11.87	-	29.44	28.63	
Furniture and fixtures	208.88	175.14	-	-	0.49	384.51	33.52	29.05	-	62.62	321.89	
Vehicles	416.71	168.38	107.60	-	1.84	479.33	99.76	68.90	64.40	104.62	374.71	
Leasehold improvements	22.05	-	-	-	0.83	22.88	5.75	3.76	-	9.65	13.23	
<b>Total</b>	<b>15546.39</b>	<b>8153.03</b>	<b>1394.81</b>	<b>(9.30)</b>	<b>133.28</b>	<b>22447.19</b>	<b>2303.60</b>	<b>1632.05</b>	<b>244.86</b>	<b>10.87</b>	<b>3701.66</b>	<b>18745.53</b>

### 4.2(a) Capital work-in-progress as at 31 March, 2020: ₹1153.26 lakhs

Capital work-in-progress includes buildings of ₹164.02 lakhs, plant and equipment of ₹116.17 lakhs and moulds of ₹873.07 lakhs.

### 4.2(b) Capital work-in-progress as at 31 March, 2019: ₹1604.25 lakhs

Capital work-in-progress includes land & buildings of ₹57.18 lakhs, plant and equipment of ₹717.63 lakhs and moulds of ₹829.44 lakhs.

All amounts in ₹ lakhs, unless otherwise stated

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4.3(a) Investment Property**

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount				
	As at 1 April, 2019	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2020	As at 1 April, 2019	For the Year	On disposals	Adjustment	As at 31 March, 2020	As at 31 March, 2020
Freehold land	4.12	-	-	-	-	4.12	-	-	-	-	-	4.12
Buildings	1.63	-	-	-	-	1.63	0.39	0.13	-	-	0.52	1.11
<b>Total</b>	<b>5.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.75</b>	<b>0.39</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.52</b>	<b>5.23</b>

**4.3(b) Investment Property**

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount				
	As at 1 April, 2018	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2019	As at 1 April, 2018	For the Year	On disposals	Adjustment	As at 31 March, 2019	As at 31 March, 2019
Freehold land	4.12	-	-	-	-	4.12	-	-	-	-	-	4.12
Buildings	1.63	-	-	-	-	1.63	0.26	0.13	-	-	0.39	1.24
<b>Total</b>	<b>5.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.75</b>	<b>0.26</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.39</b>	<b>5.36</b>

**4.3(d) Disclosures - Ind AS 40**

Particulars	2019-20	2018-19
Rental income from investment property	2.06	2.06
Direct operating expenses (including repairs and maintenance) generated rental income	0.76	-
<b>Income from investment property (net)</b>	<b>1.30</b>	<b>2.06</b>

Fair value of the investment property as at 31 March, 2020 ₹213.38 lakhs, (2019 - ₹213.38 lakhs )



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

### 4.4(a) Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation			Net carrying amount	
	As at 1 April, 2019	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2020	As at 1 April, 2019	For the Year	As at 31 March, 2020
Computer software	66.54	45.17	0.73	-	0.06	111.04	35.67	11.57	46.92
<b>Total</b>	<b>66.54</b>	<b>45.17</b>	<b>0.73</b>	<b>-</b>	<b>0.06</b>	<b>111.04</b>	<b>35.67</b>	<b>11.57</b>	<b>46.92</b>

### 4.4(b) Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation			Net carrying amount	
	As at 1 April, 2018	Additions	Deletions	Eliminations	Adjustments	As at 31 March, 2019	As at 1 April, 2018	For the Year	As at 31 March, 2019
Computer software	53.29	13.21	-	-	0.04	66.54	24.02	11.64	35.67
<b>Total</b>	<b>53.29</b>	<b>13.21</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>66.54</b>	<b>24.02</b>	<b>11.64</b>	<b>35.67</b>

### 4.5(a) Intangible assets under development as at 31 March, 2020: ₹21.24 lakhs

Intangible assets under development represents amount paid towards patents registration amounting to ₹21.24 lakhs.

### 4.5(b) Intangible assets under development as at 31 March, 2019: ₹19.17 lakhs

Intangible assets under development represents amount paid towards patents registration amounting to ₹19.17 lakhs.

### 4.6 Right-of-use assets

On transition, the Group has applied the IND AS 116 to its leases (viz., Leasehold land located at Mysore plant) retrospectively as per para C5(a) of Appendix C which resulted in recognition of "Right-of-Use" (RoU) asset of ₹341.89 lakhs (P.Y ₹349.02 lakhs). There is no effect of adoption of this standard since there is no future liability on the Group except for nominal lease rent of ₹1,000 per acre for 4 acres.

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Opening balance	341.89
Add: Additions during the year	-	349.02
Less: Amortisation during the year	(3.53)	(7.13)
<b>Net carrying amount</b>	<b>338.36</b>	<b>341.89</b>

Rental expense recorded for short-term leases is ₹189.55 lakhs (P.Y ₹245.21 lakhs) for the year ended 31 March, 2020.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

5.1. Investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Designated at Fair value through Other Comprehensive Income (FVOCI)</b>		
<b>Investments in Equity Instruments (quoted - fully paid up)</b>		
Mold-Tek Technologies Limited	733.60	971.78
2,117,165 (2019 - 2,117,165) shares of ₹2 each		
<b>Total</b>	<b>733.60</b>	<b>971.78</b>
Aggregate amount of quoted investments	733.60	971.78
Aggregate amount of impairment in value of investments	-	-

5.2. Other financial assets (non-current)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Earmarked balances		
Margin money deposits with banks against guarantees	23.45	22.09
<b>Total</b>	<b>23.45</b>	<b>22.09</b>

6. Other non-current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Unsecured, considered good</b>		
Capital advances	1095.57	381.49
Deposits with government and others	229.86	266.42
<b>Total</b>	<b>1325.43</b>	<b>647.91</b>

Capital advances includes amounts paid towards aquisition of machinery ₹601.82 lakhs (P.Y ₹305.11 lakhs), towards construction of buildings ₹8.65 lakhs (P.Y ₹16.02 lakhs) and advance paid towards land ₹485.10 lakhs (P.Y ₹60.36 lakhs).

7. Inventories

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>(Valued at lower of cost and net realizable value)</b>		
Raw material	1886.17	1389.63
Work-in-progress	881.84	805.99
Finished goods	717.58	872.91
{including material in transit of ₹36.06 lakhs (2019 - ₹176.81 lakhs)}		
Packing Materials	63.59	72.61
Stores & spares	85.61	71.41
Consumables	1364.78	1381.12
<b>Total</b>	<b>4999.57</b>	<b>4593.67</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**8.1. Trade receivables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good	5971.25	7112.74
Less: Allowance for expected credit loss	(80.66)	(75.75)
<b>Total</b>	<b>5890.59</b>	<b>7036.99</b>

**8.2. Cash and Cash equivalents**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Balances with banks		
- in current accounts	30.91	5.91
Cash on hand	5.81	11.91
<b>Total</b>	<b>36.72</b>	<b>17.82</b>

**8.3. Bank balances other than (Cash and Cash equivalents) above**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Ear marked balances		
Unpaid dividend bank accounts	77.81	76.70
<b>Total</b>	<b>77.81</b>	<b>76.70</b>

**8.4. Loans (current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Unsecured, considered good</b>		
Employee advances	21.61	33.64
<b>Total</b>	<b>21.61</b>	<b>33.64</b>

**8.5. Other financial assets (current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Sales tax incentive receivable*	300.64	235.92
Export benefits receivables**	6.77	16.06
<b>Total</b>	<b>307.41</b>	<b>251.98</b>

\*During the year the group has received ₹16.23 lakhs against balance 15% of sales tax incentive from Maharashtra state government on account of "Package Scheme of Incentives 2008 & 2013", pertaining to financial year 2013-14, 2014-15 & 2015-16. An amount of ₹93.53 lakhs (P.Y ₹109.08 lakhs) has been considered as incentive receivable for financial year 2019-20.

\*\*During the year the group has received ₹1.14 lakhs pertaining to financial year 2016-17, ₹5.91 lakhs pertaining to financial year 2017-18 and ₹2.24 lakhs pertaining to financial year 2018-19 against export incentive under "Merchandise Exports from India Scheme".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**9. Current tax assets/(liabilities) (net)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	136.01	37.51
Add: Taxes paid pertaining to previous years	2.40	0.16
Add: Advance tax and TDS of current year	1253.05	1401.48
Less: Provision for current tax	(1216.74)	(1303.14)
Less: Tax refunds received pertaining to earlier years	(42.80)	-
<b>Total</b>	<b>131.92</b>	<b>136.01</b>

**10. Other current assets**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Prepaid expenses	79.09	40.09
Supplier advances	1083.17	306.43
Advance for CSR expenses	15.00	2.14
Advances for expenses to employees	11.71	17.58
Deposit with customs, GST input tax credit & Value added tax credit	174.56	629.27
<b>Total</b>	<b>1363.53</b>	<b>995.51</b>

**11. Equity share capital**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Authorized:</b>		
29,000,000 (P.Y 29,000,000) Equity Shares of ₹5 each	1450.00	1450.00
<b>Total</b>	<b>1450.00</b>	<b>1450.00</b>
<b>Issued, Subscribed &amp; Paid-Up Capital:</b>		
27,726,027 (P.Y 27,691,052) equity shares of ₹5 each fully paid up	1386.30	1384.55
<b>Total</b>	<b>1386.30</b>	<b>1384.55</b>

- a) 79,95,776 equity shares out of the issued, subscribed and paid up share capital were allotted in the financial year 2008-09 pursuant to the Scheme of arrangement without payments being received in cash.
- b) 46,625 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 6th July, 2011 by way of Employee Stock Option Scheme.
- c) 12,40,000 equity shares of ₹10 each issued at a premium of ₹30 per share on 7th September, 2011 by way of preferential offer.
- d) 9,125 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 19th December, 2011 by way of Employee Stock Option Scheme.
- e) 19,25,000 equity shares of ₹10 each issued at a premium of ₹35.80 per share on 4th February, 2012 by way of preferential offer.
- f) 37,800 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 5th July, 2012 by way of Employee Stock Option Scheme.
- g) 22,950 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 28th June, 2013 by way of Employee Stock Option Scheme.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

- h) 25,100 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 13th June, 2014 by way of Employee Stock Option Scheme.
- i) 39,800 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 25th July, 2014 by way of Employee Stock Option Scheme.
- j) 24,98,350 equity shares of ₹10 each issued at a premium of ₹210.17 per share on 3rd February, 2015 by way of Qualified institutional placement.
- k) 5,000 equity shares of ₹10 each issued at a premium of ₹52.95 per share on 9th April, 2015 by way of Employee Stock Option Scheme.
- l) Shareholders on 3rd February, 2016 approved the share split of ₹10 each, fully paid up into 2 (Two) equity shares of ₹5 each fully paid up. The Board of Directors fixed the record date as 18th February, 2016. On 17th February, 2016 the group has sub-divided the existing fully paid Equity Shares of 1,38,45,526 with face of ₹10 each into 2,76,91,052 fully paid up shares with face value of ₹5 each.
- m) 23,325 equity shares of ₹5 each issued at a premium of ₹254.85 per share on 18th October, 2019 by way of Employee Stock Option Scheme.
- n) 11,650 equity shares of ₹5 each issued at a premium of ₹254.85 per share on 27th October, 2019 by way of Employee Stock Option Scheme.

**(A) Movement in equity share capital:**

Particulars	Number of shares	Amount
<b>Balance at 01 April, 2018</b>	<b>27691052</b>	<b>1384.55</b>
Movement during the year	-	-
<b>Balance at 31 March, 2019</b>	<b>27691052</b>	<b>1384.55</b>
Movement during the year	34975	1.75
<b>Balance at 31 March, 2020</b>	<b>27726027</b>	<b>1386.30</b>

**(B) Details of shareholders holding more than 5% shares in the group**

Name of the shareholder	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	% holding	No. of Shares	% holding
J. Lakshmana Rao	2555445	9.22	2555445	9.23
A. Subramanyam	2029124	7.32	2029124	7.33
J. Sudha Rani	1506194	5.43	1491588	5.39
DSP Blackrock small cap fund	1808643	6.52	1808643	6.53

**(C) MTPL Employee Stock Option Scheme**

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

In respect of 95,100 Options granted to employees on 20 July, 2018 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹208 per option.

In respect of 54,900 Options granted to employees on 20 July, 2018 under the Employees Stock Option scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹234 per option.

Pursuant to the shareholders approval dated 3 February, 2016, the group's Equity shares of ₹10 each were split into Equity shares of ₹5 each fully paid up and consequently the above options with face value of ₹10 were converted to face value of ₹5 each.

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Particulars	As at 31 March	
	2020	2019
Options outstanding at the beginning of the year*	150000	150000
Add: Granted	-	-
Less: Exercised	(34975)	-
Less: Forfeited/Lapsed	(2525)	-
<b>Options outstanding as at the end of year</b>	<b>112500</b>	<b>150000</b>

\* based on the split up of shares of ₹10 each to ₹5 each.

(C) Terms/Rights attached to equity shares

The Group has only one class of equity shares having a face value of ₹5 each. Each holder of equity share is entitled to one vote per share. The group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the group, the equity shareholders will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12. Other equity

Particulars	As at 31 March, 2020	As at 31 March, 2019
Reserves and surplus		
Securities premium	7569.84	7480.70
Capital reserve	57.15	57.15
General reserve	1914.39	1914.39
Share options outstanding account	32.37	-
Retained earnings	8382.53	7692.07
Exchange differences in translating the financial statements of foreign operations	(14.50)	(17.79)
Equity instruments through Other Comprehensive Income	417.28	655.46
<b>Total</b>	<b>18359.06</b>	<b>17781.98</b>

(i) Securities premium

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	7480.70	7480.70
Movement during the year	89.14	-
<b>Closing balance</b>	<b>7569.84</b>	<b>7480.70</b>

(ii) Capital reserve

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	57.15	57.15
Movement during the year	-	-
<b>Closing balance</b>	<b>57.15</b>	<b>57.15</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**(iii) General reserve**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	1914.39	1914.39
Movement during the year	-	-
<b>Closing balance</b>	<b>1914.39</b>	<b>1914.39</b>

**(iv) Share options outstanding account**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	-	-
Add: On account of Share-based payments to employees	47.48	-
Less: On account of exercise of employee stock options	(15.11)	-
<b>Closing balance</b>	<b>32.37</b>	<b>-</b>

**(v) Retained earnings**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	7692.07	5865.42
Add: Profit for the year	3743.75	3191.81
Less: Dividends including tax	(3006.58)	(1335.33)
Less: Remeasurements of post employment benefit obligation, net of tax (OCI)	(46.71)	(29.83)
<b>Closing balance</b>	<b>8382.53</b>	<b>7692.07</b>

**(vi) Exchange differences in translating the financial statements of foreign operations**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	(17.79)	(37.59)
Other comprehensive income	3.29	19.80
<b>Closing balance</b>	<b>(14.50)</b>	<b>(17.79)</b>

**(vii) Equity instruments through Other Comprehensive Income**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	655.46	714.74
Less: Net changes in fair value of financial instruments	(238.18)	(59.28)
<b>Closing balance</b>	<b>417.28</b>	<b>655.46</b>

**Nature and purpose of other reserves**
**(i) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act.



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**(ii) Capital reserve**

Capital reserve arised on account of amalgamation, transfer of forfeited shares amount, state subsidy and others. The reserve is utilised in accordance with the provision of the Companies Act.

**(iii) General reserve**

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

**(iv) Share options outstanding account**

The reserve represents the excess of the fair value of the options on the grant date over the exercise price which is accumulated by the group in respect of all options that have been granted. The group transfers the proportionate amounts, outstanding in this account, in relation to options exercised to securities premium account on the date of exercise of such options.

**(v) Retained earnings**

This reserve represents the cumulative profits of the group and effects of remeasurement of defined benefit obligations and can be utilized in accordance with the provisions of the Companies Act, 2013.

**(vi) Exchange differences in translating the financial statements of foreign operations**

This reserve represents the cumulative gains/loss (net) arising on fair valuation of Equity Instruments, net of amounts reclassified, if any, to retained earnings when those instruments are disposed off.

**(vii) Equity instruments through Other Comprehensive Income**

This reserve represents the cumulative gains (net) arising on fair valuation of Equity instruments, net of amounts reclassified, if any, to Retained earnings when those instruments are disposed off.

**13. Borrowings (non-current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured loans</b>		
Term loans		
From banks	2218.48	1241.39
Vehicle loans from banks & financial institutions	83.45	93.26
From others	166.67	500.00
<b>Unsecured loans</b>		
Deferred payment liabilities- Sales tax deferment loan	49.64	60.03
<b>Total</b>	<b>2518.24</b>	<b>1894.68</b>

**a) Secured loans**

**i. Term loans from banks & financial institutions**

During the year, the group has availed Term loan of ₹1995.19 lakhs from Citi Bank for the purpose of enhancing capacities at existing plants, which are repayable in 18 equal quarterly installments with 6 months moratorium.

As at the year end, the group has a Total secured term borrowings of ₹3384.08 lakhs (P.Y ₹2499.10 lakhs) (Citicorp (India) Limited ₹500 lakhs (P.Y ₹833.33 lakhs) and Citi Bank ₹2884.08 lakhs (P.Y ₹1665.77 lakhs)). The same have been classified under non-current ₹ 2385.15 lakhs) and current liabilities (₹998.93 lakhs).

The following assets of the group are covered under the said securitization:

# Citicorp Finance (India) Limited has first exclusive charge by way of equitable mortgage on the factory land and building situated at Plot no.94, KIADB-Adakanhallu Industrial Area, Chikkaiahnachatra Hobli, Nanjangud Taluk, Mysore district, Karnataka belonging to the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

- # Citicorp Finance (India) Limited has first exclusive charge on plant equipment and other properties at Mysore Unit.
- # Citi Bank has first exclusive charge by way of equitable mortgage on the factory land & building situated at Plot no.2A, in Survey no. 251P, 255P, 256P, 261P, IC-PUDI village, Rambilli Mandal, Visakhapatnam district, belonging to the Group.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties at Pudi (Visakhapatnam) Unit.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties of Daman plant located at Survey no.160/A, 161/1 & 161/5, Bhimpore Village, Nani Daman, Daman District.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties of Satara plant located at Survey no.82/2A, Gat no.656, Mhavashi Village, Dhawad wadi, Khandala Taluq, Pune, Satara District.
- # Citi Bank has first exclusive charge on Plant & equipment and other properties of Hyderabad unit located at Annaram Village, near air force academy, Sangareddy District, Telangana State.
- # Citi Bank has first exclusive charge by way of equitable mortgage on the factory Land & Building situated at Survey no.82/2A, Gat no.656, Mhavashi Village, Dhawad wadi, Khandala Taluq, Pune, Satara District.
- # Citi Bank has first exclusive charge by way of equitable mortgage on the factory Land & Building situated at Survey no.160/A, 161/1 & 161/5, Bhimpore Village, Nani Daman, Daman District.
- # Personal guarantees of J. Lakshmana Rao, A. Subramanyam and P. Venkateswara Rao directors of the Parent Company.

**Repayment schedule:**

Bank/Financial institution	Rate of interest	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Citicorp Finance (India) Limited	8.73%	333.33	166.67	-	-	-
Citi Bank N.A	9.00%	222.22	222.22	222.22	222.22	-
Citi Bank N.A	8.85%	443.38	443.38	443.38	443.38	221.69
<b>Total</b>		<b>998.93</b>	<b>832.26</b>	<b>665.60</b>	<b>665.60</b>	<b>221.69</b>

**ii. Vehicle loans from banks & financial institutions**

The group has availed vehicle loans from various banks and financial institutions with a tenor of 36 to 60 monthly installments. The said loans are secured by hypothecation of vehicles. As at the year end, the group has Total amount outstanding of ₹160.23 lakhs (P.Y ₹178.22 lakhs) which is classified under non-current liabilities (₹83.46 lakhs) and current liabilities (₹76.77 lakhs).

**Repayment schedule:**

Bank/Financial Institutions	Rate of interest	FY 2020-21	FY 2021-22	FY 2022-23
ICICI Bank Ltd	9.35%	4.14	1.94	-
ICICI Bank	8.75%	0.42	-	-
ICICI Bank Ltd	8.45%	0.99	-	-
ICICI Bank Ltd	8.55%	6.74	1.70	-
ICICI Bank Ltd	9.71%	2.45	2.70	0.48
ICICI Bank Ltd	9.00%	4.43	4.85	3.04
Kotak Mahindra Prime Ltd	8.74%	17.33	9.25	-
HDFC Bank Ltd	9.01%	17.79	16.10	-
Yes Bank Ltd	9.00%	15.24	-	-
Yes Bank Ltd	8.65%	1.06	0.57	-
Daimler Financial Services India Pvt Ltd	8.41%	6.18	6.72	36.11
<b>Total</b>		<b>76.77</b>	<b>43.83</b>	<b>39.63</b>

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**b) Unsecured loans**

The State government has extended the Parent Company, the incentive of sales tax deferral scheme pursuant to which the sales tax payment attributable to the sales effected out of production is deferred (interest-free) for a period of 14 years. The Parent Company has availed this scheme for production facility of its 2nd expansion at Annaram unit for ₹751.37 lakhs and production facility at Dommarapochampally unit for ₹421.91 lakhs. The Parent Company has been repaying installments of the deferred sales tax in accordance with the scheme. The Total sales tax deferral amounts as on 31 March, 2020 stands at ₹96.69 lakhs (31 March, 2019 ₹187.61 lakhs).

Sales tax deferment loan granted under State Investment Promotion Scheme has been considered as a government grant and the difference between the fair value and nominal value as on date is recognized as an expenses. Accordingly, an amount of ₹2.01 lakhs (31 March, 2019: ₹0.84 lakhs) has been recognized as an expense. Every year charge in fair value is accounted for as an interest expense.

**Repayment schedule:**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23
<b>Sales tax deferment loan</b>			
Value added tax	8.78	32.23	24.59
Central sales tax	21.11	6.85	7.34
<b>Total</b>	<b>29.89</b>	<b>39.08</b>	<b>31.93</b>

**14. Provisions (non-current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>For employee benefits</b>		
Leave encashment	48.52	106.74
Gratuity	213.22	96.54
<b>Total</b>	<b>261.74</b>	<b>203.28</b>

**15. Deferred tax liabilities (net)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Deferred tax assets</b>		
On account of employee benefits	89.72	105.60
<b>Deferred tax liabilities</b>		
On account of depreciation and amortisation	1251.09	1411.65
<b>Deferred tax liabilities (net)</b>	<b>1161.37</b>	<b>1306.05</b>

**Movement in deferred tax liabilities (net)**

Particulars	WDV of depreciable PPE/Investment properties/intangible assets	Employee benefits payable	Total
Balance as at 1 April, 2019	1411.65	(105.60)	1306.05
(Charged)/Credited during the year			
to Statement of profit and loss	(160.56)	31.59	(128.97)
to Other comprehensive income	-	(15.71)	(15.71)
<b>Balance as at 31 March, 2020</b>	<b>1251.09</b>	<b>(89.72)</b>	<b>1161.37</b>

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**16. Other non-current liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2018
Deferred income - Sales tax deferment loan	8.53	17.16
<b>Total</b>	<b>8.53</b>	<b>17.16</b>

**17.1. Borrowings (Current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured loans</b>		
<b>Loans repayable on demand</b>		
Working capital loans from banks	8146.00	8397.84
<b>Total</b>	<b>8146.00</b>	<b>8397.84</b>

The group has availed its fund based working capital requirements from multiple banks viz., ICICI Bank Ltd, Citi Bank N.A, Yes Bank Ltd and HSBC Ltd. Cash credit limits utilised as at the year end from the respective banks are as per the above table, while the Total working capital limits sanctioned by the participating banks are in the table given below:

Bank	Nature of Borrowing	Limits as at 31st March		Balances as on 31st March	
		2020	2019	2020	2019
ICICI Bank Ltd	Cash Credit	1500.00	1500.00	1373.70	1142.92
Yes Bank Ltd	Cash Credit	-	1000.00	-	793.18
HSBC Ltd	Cash Credit	4000.00	3000.00	3787.51	2690.30
HSBC Ltd	Credit card	10.00	10.00	5.12	2.40
CITI Bank N.A	Cash Credit	3000.00	3000.00	2979.67	2776.00
CITI Bank Dubai	Cash Credit	-	1000.00	-	993.04
<b>Total</b>		<b>8510.00</b>	<b>9510.00</b>	<b>8146.00</b>	<b>8397.84</b>

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

- i) First Pari passu charge to the above four banks by way of hypothecation of the borrower's entire current assets which inter-alia include stocks of raw material, work in process, finished goods, consumables, stores & spares and such other movables including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- ii) First Pari passu charge to the above banks by way of hypothecation of the borrower's movable properties of the Group (Except those specifically charged to term loan lenders).
- iii) First Pari passu charge to the above banks by way of Equitable Mortgage on the following Immovable Fixed Assets of the group:-
  - I. First Charge by way of equitable mortgage of land measuring 6.5125 acres & building in Sy.No. 54,55/A,70, 71&72 of Annaram Village Near Air Force Academy, Jinnaram Mandal, Sangareddy District, Telangana belonging to the group.
  - II. First Charge by way of Equitable Mortgage of Land Measuring 6413 Sq. Yards and building in Sy.No. 164 part, Dammarapochampally Village, Qutubullapur Mandal, Medchal District, Telangana belonging to the group.
  - III. 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, Medchal District, Telangana belonging to the group.
  - IV. First charge by way of equitable mortgage of ground floor, Cellar area of building bearing Municipal No. 8-2-293/82/A/700&700/1 on Plot No. 700 forming part of S.Y. No. 120(New) of Shaikpet Village and S.Y. No 102/1 of Hakim pet Village admeasuring 3653 SFT of the office space presently occupied by the vendee 50% or 930 SFT

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of reception area of 1860 SFT all in relevance to the ground Floor 400 Sq.Yards out of 1955 Sq.Yds situated within the approved layout of the Jubilee Hills Co-operative House Building Ltd at Road No. 36 Jubilee hills, belonging to the group.

- V. First charge by way of equitable mortgage of land & building in Shed No. D-17 & D-18, phase III, IDA, Jeedimetla, Qutballapur Mandal, Medchal District, Telangana belonging to the Group.
- VI. Personal guarantees of J. Lakshmana Rao, A. Subramanyam and P.Venkateswara Rao, directors of the Parent Company.

**17.2. Trade payables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Dues to micro enterprises and small enterprises (Refer Note below)	10.57	27.18
Dues to creditors other than micro enterprises and small enterprises	1794.38	1793.29
<b>Total</b>	<b>1804.95</b>	<b>1820.47</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(i) Principal amount remaining unpaid as at the end of the accounting year	10.57	27.18
(ii) Interest due thereon remaining unpaid as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the group.

**17.3. Other financial liabilities (current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long term debts (Refer note 13)	1105.60	935.60
Interest accrued but not due	39.84	34.23
Unpaid dividend	77.81	76.70
Employee benefits payable	285.68	289.29
Outstanding expenses payable	308.44	274.52
Expenses payable to related parties	32.16	20.41
Capital creditors		
Dues to others	356.93	655.62
Security deposits	29.72	24.55
CSR expenses payable	5.57	6.15
Others	1.47	1.20
<b>Total</b>	<b>2243.22</b>	<b>2318.27</b>

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**18. Other current liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Advances from customers	159.06	85.76
Deferred revenue grant - sales tax deferment loan	8.63	17.49
Statutory dues payable	222.83	147.17
<b>Total</b>	<b>390.52</b>	<b>250.42</b>

**19. Provisions (Current)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>For employee benefits</b>		
Leave encashment	20.56	67.78
Gratuity	29.69	88.69
<b>Total</b>	<b>50.25</b>	<b>156.47</b>

**20. Net debt reconciliation**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance of borrowings	11262.77	9905.09
Add: Proceeds from non-current borrowings	2080.93	2123.00
Less: Repayment of non-current borrowings	(1306.87)	(583.66)
Proceeds/(Repayment) from current borrowings	(251.84)	(237.76)
Fair value adjustments	2.01	56.10
<b>Closing balance of borrowings</b>	<b>11787.00</b>	<b>11262.77</b>

**21. Employee benefits**
**(i) Leave obligations**

The leave obligation covers the Group's liability for earned leave which is unfunded.

**(ii) Defined contribution plan**

The Group has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is as follows:

Particulars	31 March, 2020	31 March, 2019
Group's contribution to provident fund	103.88	87.31

**(iii) Post-employment obligations**
**a) Gratuity**

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Group operates post retirement gratuity plan

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with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**The following table sets out the amounts recognised in the financial statements in respect of gratuity plan**

<b>Particulars</b>	<b>Year ended 31, March, 2020</b>	<b>Year ended 31 March, 2019</b>
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	398.18	299.30
Current service cost	49.34	35.31
Interest cost	30.93	23.33
Remeasurement (gains)/losses	59.69	45.20
Past service cost	-	-
Benefits paid	(54.23)	(4.96)
<b>Obligation at the end of the year</b>	<b>483.91</b>	<b>398.18</b>
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	212.95	202.76
Investment income	16.54	15.80
Employer's contributions	24.50	-
Benefits paid	(10.27)	(4.96)
Return on plan assets , excluding amount recognised in net interest expense	(2.72)	(0.65)
<b>Fair value of plan assets at the end of the year</b>	<b>241.00</b>	<b>212.95</b>
<b>Expenses recognised in the statement of profit and loss consists of:</b>		
<b>Employee benefits expense:</b>		
Current service costs	49.34	35.31
Past service cost	-	-
Net interest expenses	14.39	7.52
	<b>63.73</b>	<b>42.83</b>
<b>Other comprehensive income:</b>		
Actuarial (gains)/losses	59.69	45.20
Return on plan assets, excluding amount recognised in net interest expense	2.73	0.66
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	<b>62.42</b>	<b>45.86</b>
<b>Expenses recognised in the statement of profit and loss</b>	<b>126.15</b>	<b>88.69</b>



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**Amounts recognised in the Balance sheet consists of:**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Fair value of plan assets at the end of the year	241.00	212.95
Present value of obligation at the end of the year	483.91	398.18
Recognised as		
Retirement benefit liability - Non-current	213.22	96.54
- current	29.69	88.69

**Fair value of plan assets - 100% with LIC of India**

Expected contribution to post-employment benefit plan of gratuity for the year ending 31 March, 2021 are ₹10.00 lakhs.

**iv) Significant estimates and sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	31 March, 2020	31 March, 2019	Rate	31 March, 2020	31 March, 2019	Rate	31 March, 2020	31 March, 2019
Discount rate	6.85%	7.75%	1%	424.82	349.14	1%	555.64	457.79
Salary growth rate	7.00%	8.00%	1%	550.43	452.61	1%	427.06	351.60
Attrition rate	1%/2%/3%	1%/2%/3%	0.5%/1%/1.5%	482.74	397.09	0.5%/1%/1.5%	485.17	393.39

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**v) Risk exposure**

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Interest rate risk:**

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary inflation risk:**

Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk:**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

22. Revenue from operations

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Revenue from contract with customers</b>		
Sale of products	43692.89	40422.44
<b>Other operating revenue</b>		
Export incentives	-	8.52
Sales tax incentives	80.94	109.08
Sale of scrap	46.39	31.84
<b>Total</b>	<b>43820.22</b>	<b>40571.88</b>

23. Other income

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Rental income from Investment property	2.06	2.06
Dividend income	61.40	14.82
Amortisation of Deferred government grant	17.49	25.93
Interest income	34.98	25.20
Foreign exchange fluctuation gain (net)	-	44.78
<b>Total</b>	<b>115.93</b>	<b>112.79</b>

24. Cost of materials consumed

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Raw Materials	20390.73	20131.64
Pigments	751.29	677.56
Handles	917.64	902.62
Printing Materials	2653.88	1891.32
Packing Materials	704.36	795.74
Other Consumables	253.90	222.62
<b>Total</b>	<b>25671.80</b>	<b>24621.50</b>

25. Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Opening inventories</b>		
Finished goods	872.90	826.06
Work-in-progress	807.11	725.38
	<b>(A)</b>	<b>1551.44</b>
<b>Closing inventories</b>		
Finished goods	717.58	872.90
Work-in-progress	881.84	807.11
	<b>(B)</b>	<b>1680.01</b>
<b>Total (A-B)</b>	<b>80.59</b>	<b>(128.57)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**26. Employee benefits expense**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Salaries, wages and bonus	4559.08	3932.35
Contribution to provident and other funds	116.71	105.31
Gratuity	71.32	20.74
Leave encashment	6.75	82.91
Staff welfare expenses	198.49	185.87
Share-based payments to employees	47.48	-
<b>Total</b>	<b>4999.83</b>	<b>4327.18</b>

**27. Finance costs**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Interest on borrowings	1038.98	714.65
Other borrowing costs	0.83	42.24
<b>Total</b>	<b>1039.81</b>	<b>756.89</b>

**28. Depreciation and amortization expense**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Depreciation on property, plant and equipment	1941.87	1633.24
Depreciation on investment property	0.13	0.13
Amortisation of intangible assets	11.57	11.51
Amortisation of right-of-use assets	3.53	7.13
Less: Capitalized	35.50	41.51
<b>Total</b>	<b>1921.60</b>	<b>1610.50</b>

**29. Other expenses**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Power and fuel	1600.77	1388.01
Repairs and maintenance		
Buildings	73.88	19.94
Plant and equipment	310.89	247.29
Moulds	180.16	99.45
Others	160.73	143.20
Insurance	50.21	37.75
Rates & taxes	64.27	52.58
Rent	189.55	245.21
Jobwork charges	223.49	231.13
Travelling & conveyance	225.92	171.71

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
Communication expenses	51.16	60.00
Printing & stationery	28.99	29.21
Professional & consultancy charges	101.25	64.37
Freight outwards	1741.37	1652.04
Advertisement expenses	2.45	1.93
Tax paid - Commercial taxes	76.90	73.42
Sales promotion expenses	76.15	42.85
Payments to auditors (Refer note 29(a) below)	11.40	11.45
Net loss on disposal of property, plant and equipment	12.52	1.89
Property, plant, equipment written off	29.33	-
Directors' sitting fee	4.00	3.80
Provision for doubtful debts	30.35	34.57
Foreign exchange fluctuation loss (net)	5.69	-
Corporate social responsibility expenditure (Refer note 29 (b) below)	75.88	33.93
MEIS claim receivable write-off	-	15.97
Bank charges	5.36	6.85
Miscellaneous expenses	56.83	50.83
<b>Total</b>	<b>5389.50</b>	<b>4719.38</b>

**29(a) Payment to Auditors:**

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
<b>Statutory auditors</b>		
Statutory audit fee	8.50	7.50
For other services (including fees for quarterly reviews)	2.50	2.00
Certification charges	0.40	0.81
<b>Total</b>	<b>11.40</b>	<b>10.31</b>

**29(b) Corporate social responsibility expenditure:**

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
Amount required to be spent as per Section 135 of the Act	93.95	84.33
Amount spent during the year on :		
1. Construction/ acquisition of any assets	27.29	18.43
2. On purposes other than (1) above	48.59	15.50

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**30. Reconciliation of tax expenses and the accounting profit multiplied by tax rate**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before income tax expense	5194.35	5146.42
Tax at the Indian tax rate of 25.63% (2018-19: 34.944%)	1307.31	1798.36
Effect of non-deductible expense	579.37	592.63
Effect of allowances for tax purpose	(669.95)	(1034.97)
Effect of deferred tax	(128.97)	282.84
<b>Tax expense</b>	<b>1087.76</b>	<b>1638.86</b>

**31. Contingent liabilities**

Particulars	31 March, 2020	31 March, 2019
Income tax	105.83	43.45
VAT/CST	9.09	9.09
<b>Total</b>	<b>114.92</b>	<b>52.54</b>

The liability Includes ₹41.58 lakhs (2019 - ₹5.16 lakhs) paid under protest.

**Export Obligations**

The Group has fulfilled the entire export obligation to the tune of \$18.17 lakhs (₹933.99 lakhs) as on 31 March, 2020 the particulars of which are as below:

Of the Total obligation \$9.02 lakhs (₹406.96 lakhs) was against the licenses utilized against import of machinery by erstwhile Mold-Tek Technologies Limited. The Group has fulfilled the export obligations against these licenses by 31 March, 2011. The details have been submitted to customs department for redemption of licenses. Including the licenses amounting to \$6.36 lakhs have been redeemed up to 31 March, 2017, and redemption licenses for the balance \$2.66 lakhs is awaited.

Further, Licenses granted under EPCG Scheme for import of machinery for which guarantee bonds valuing ₹96.00 lakhs were issued to customs department. The Group has fulfilled the export obligation of \$9.15 lakhs (₹527.03 lakhs) against these licenses utilized for imports.

**32. Commitments**
**Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March, 2020	31 March, 2019
Property, plant and equipment	574.00	1400.00
<b>Total</b>	<b>574.00</b>	<b>1400.00</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** All amounts in ₹ lakhs, unless otherwise stated

**33. Related party transactions**

**Names of related parties and nature of relationships:**

<b>Names of the related parties</b>	<b>Nature of relationship</b>
<b>i) Key Management Personnel (KMP):</b>	
J. Lakshmana Rao	Chairman & Managing Director
A. Subramanyam	Deputy Managing Director
P. Venkateswara Rao	Deputy Managing Director
M. Srinivas	Whole-time Director
A. Seshu Kumari	Chief Financial Officer
Thakur Vishal Singh	Group Company Secretary
<b>ii) Non-whole-time Directors</b>	
J. Mytraeyi	Director
Kotagiri Venkata Appa Rao	Director
T.Venkateswara Rao	Director
Immaneni Esvara Rao	Director
Dhanraj Tirumala	Director
Dr.N.V.N. Varma	Director
Vasu Prakash Chitturi	Director
<b>iii) Relatives of key management personnel:</b>	
J. Navya Mythri	Assistant Finance Controller
J. Rana Pratap	Vice President of New Business Development
S. Kavya	Chief Manager of New Business Development
A. Durga Sundeep	Vice President of New Business Development (from 1 October, 2019)
J.Sudha Rani	Spouse of Chairman & Managing Director
P.S.N.Vamsi Prasad	Son-in-law of Chairman & Managing Director
J.Sathya Sravya	Daughter of Chairman & Managing Director
J.Bhujanga Rao	Brother of Chairman & Managing Director
N. Padmavathi	Sister of Chairman & Managing Director
A.Lakshmi Mythri	Daughter of A. Subramanyam
Jandhyala V.S.N. Krishna	Son-in-law of A. Subramanyam
Y.Manasa	Daughter-in-law of A. Subramanyam
P.Sai Lakshmi	Spouse of P. Venkateswara Rao
P.Appa Rao	Brother of P. Venkateswara Rao
M.Hyma	Spouse of M. Srinivas
M.Koteshwara Rao	Brother of M. Srinivas
K.Srinivasa Vengala Rao	Son of Kotagiri Venkata Appa Rao
T.Vimala	Spouse of T.Venkateswara Rao
<b>iv) Enterprises in which key management personnel and/or their relatives have control:</b>	
Mold-Tek Technologies Limited	
Friends Packaging Industries	
Capricorn Industries	
Dynamic Metal Industries Pvt Ltd	
J.S. Sundaram & Co	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

Details of transactions during the year where related party relationship existed:

Particulars	Enterprises in which key managerial personnel and/or their relatives have control		Relatives of key management personnel		Key Management Personnel	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Cost of materials consumed</b>						
Friends Packaging Industries	278.05	238.74				
Capricorn Industries	317.21	327.43				
Dynamic Metal Industries Pvt Ltd	146.97	-				
<b>Professional &amp; consultancy charges</b>						
J.S. Sundaram & Co	42.01	23.00				
<b>Employee benefits expense</b>						
J. Lakshmana Rao			142.70		152.31	
A. Subramanyam			194.88		193.70	
P. Venkateswara Rao			137.28		143.79	
M. Srinivas			86.14		67.80	
A. Seshu Kumari			43.65		34.80	
Thakur Vishal Singh			6.44		5.43	
J. Navya Mythri			19.89	19.24		
J. Rana Pratap			48.10	19.86		
S. Kavya			24.58	34.20		
A. Durga Sundeep			18.54	-		
<b>Dividend</b>						
J. Lakshmana Rao					229.99	102.22
A. Subramanyam					182.62	81.16
P. Venkateswara Rao					21.14	9.40
A. Seshu Kumari					44.46	21.74
M. Srinivas					39.33	17.48
J. Navya Mythri			12.44	5.53		
J. Rana Pratap			13.13	5.84		
S. Kavya			9.00	2.00		



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Enterprises in which key managerial personnel and/or their relatives have control		Relatives of key management personnel		Key Management Personnel	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	J.Mytraeyi					7.80
A. Durga Sundeep			21.40	9.46		
Kotagiri Venkata Appa Rao					0.02	0.03
T.Venkateswara Rao					1.80	0.80
Immaneni Eswara Rao					0.77	-
J.Sudha Rani			132.30	62.38		
P.S.N.Vamsi Prasad			1.80	0.80		
J.Sathya Sravya			12.97	5.76		
J.Bhujanga Rao			16.55	7.35		
N. Padmavathi			35.72	18.65		
A.Lakshmi Mythri			21.60	9.60		
Jandhyala V.S.N. Krishna			3.91	1.61		
Y.Manasa			8.10	3.60		
P.Sai Lakshmi			14.49	6.95		
P.Appa Rao			0.03	0.01		
M.Hyma			2.49	1.11		
M.Koteshwara Rao			2.72	1.21		
K.Srinivasa Vengala Rao			1.67	0.75		
T.Vimala			4.57	2.74		
<b>Sitting Fee</b>						
J. Mytraeyi					0.60	0.60
Kotagiri Venkata Appa Rao					0.60	0.20
T.Venkateswara Rao					1.40	1.20
Immaneni Eswara Rao					1.40	1.00
Dhanraj Tirumala					0.20	-
Dr.N.V.N. Varma					-	0.60
Vasu Prakash Chitturi					(0.20)	0.20

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Enterprises in which key management personnel and/or their relatives have control		Relatives of key management personnel			Key Management Personnel	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2018-19
<b>Rental income from Investment property</b>							
Friends Packaging Industries	2.06	2.06					
<b>Personal Guarantee given to Bank</b>							
J. Lakshmana Rao					5609.00		5609.00
A. Subramanyam					4746.00		4746.00
P. Venkateswara Rao					655.70		655.70
<b>Other Transactions</b>							
Mold-Tek Technologies Limited	19.15	7.64					
<b>Outstanding Payable/(Receivable) as at 31 March, 2020</b>							
<b>Trade payables</b>							
Friends Packaging Industries	41.54	31.03					
Capricon Industries	5.38	23.90					
Dynamic Metal Industries Pvt Ltd	9.65	-					
J.S. Sundaram & Co	6.31	1.63					
<b>Other financial liabilities (current)</b>							
Mold-Tek Technologies Limited	32.16	20.41					

### 34. Earnings per share (EPS)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit after tax	3743.75	3191.81
Weighted average number of equity shares in calculating Basic EPS	277.07	276.91
Weighted average number of equity shares in calculating Diluted EPS	277.07	276.91
Face value per share (₹)	5.00	5.00
Basic Earnings per Share (BEPS) (₹)	13.51	11.53
Diluted Earnings per Share (DEPS) (₹)	13.51	11.53



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**35. Segment Information**

a) The Group's Chairman & Managing Director, Deputy Managing Directors and Chief Financial officer examine the group's performance from a product prospective and have identified one operating segment viz Packaging Containers. Hence segment reporting is not given.

**b) Information about products:**

Revenue from external customers - Sale of Packaging Containers ₹43692.89 lakhs (P.Y ₹40422.44 lakhs)

The Group has made external sales to the following customers meeting the criteria of 10% or more of the entity revenue  
Customer 1 - ₹18160.01 lakhs

**36. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY:**

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	₹lakhs	As % of consolidated Profit or Loss	₹lakhs	As % of consolidated Other Comprehensive Income	₹lakhs	As % of consolidated Total Comprehensive Income	₹lakhs
<b>Parent</b>								
Mold-Tek Packaging Limited	99.82	19710.76	102.01	3818.98	101.17	(284.89)	102.08	3534.09
<b>Subsidiary</b>								
<b>Foreign</b>								
Mold-Tek Packaging FZE	0.18	34.60	(2.01)	(75.23)	(1.17)	3.29	(2.08)	(71.94)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**37. Financial instruments and risk management**
**Fair values**

- a) The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- b) The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

Set out below, is a comparison by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

**(i) Categories of financial instruments**

Particulars	Level	31 March, 2020		31 March, 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
<b>Financial assets measured at fair value through other comprehensive income</b>					
Investments	1	733.60	733.60	971.78	971.78
<b>Financial assets measured at amortised cost</b>					
Other financial assets	3	23.45	23.45	22.09	22.09
<b>Current</b>					
Trade receivables	3	5890.59	5890.59	7036.99	7036.99
Cash and cash equivalents	3	36.72	36.72	17.82	17.82
Other bank balances	3	77.81	77.81	76.70	76.70
Loans	3	21.61	21.61	33.64	33.64
Other financial assets	3	307.41	307.41	251.98	251.98
<b>Total</b>		<b>6357.59</b>	<b>6357.59</b>	<b>7439.22</b>	<b>7439.22</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
<b>Non-current</b>					
Borrowings	3				
- Banks		2468.60	2468.60	1834.65	1834.65
- Sales tax deferment loan		96.69	79.53	187.61	152.96
<b>Current</b>					
Borrowings	3	8146.00	8146.00	8397.84	8397.84
Trade payables	3	1804.95	1804.95	1820.47	1820.47
Other financial liabilities	3	2243.22	2243.22	2318.27	2318.27
<b>Total</b>		<b>14759.46</b>	<b>14742.30</b>	<b>14558.84</b>	<b>14524.19</b>

\*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

There has been no change in the valuation methodology for Level 3 inputs during the year. The group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the group could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the group has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

**38. Financial risk management**

The group is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the group.

**(A) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at 31 March, 2020 and 31 March, 2019. The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March, 2020 and 31 March, 2019.

**(i) Foreign currency exchange rate risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US dollar, AED against the functional currencies of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars and AED exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**(ii) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

<b>Foreign currency exposure</b>				
<b>Particulars</b>	<b>As at 31 March, 2020</b>		<b>As at 31 March, 2019</b>	
	<b>AED</b>	<b>USD</b>	<b>AED</b>	<b>USD</b>
Loans and advances	2,444,849	-	2,189,397	-
Trade receivables	745,416	(7,443)	800,461	33,979
Trade payables	-	295,882	3,286,479	420,316
<b>Net exposure to foreign currency risk</b>	<b>3,190,265</b>	<b>(303,325)</b>	<b>(296,621)</b>	<b>(386,337)</b>

<b>Particulars</b>	<b>Increase/(decrease) in profit before tax</b>		<b>Increase/(decrease) in other components of equity</b>	
	<b>31 March, 2020</b>	<b>31 March, 2019</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>
<b>Change in AED</b>				
1% increase	6.55	0.56	4.90	0.36
1% decrease	(6.55)	(0.56)	(4.90)	(0.36)
<b>Change in USD</b>				
1% increase	(2.29)	(2.68)	(1.71)	(1.74)
1% decrease	2.29	2.68	1.71	1.74

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars and AED, where the functional currency of the entity is a currency other than US dollars and AED.

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

<b>Particulars</b>	<b>Increase/(decrease) in profit before tax</b>		<b>Increase/(decrease) in other components of equity</b>	
	<b>31 March, 2020</b>	<b>31 March, 2019</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>
Change in interest rate				
increase by 100 basis points	(109.62)	(93.73)	(82.03)	(60.98)
decrease by 100 basis points	109.62	93.73	82.03	60.98

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

**(B) Credit Risk**

Financial assets of the group include trade receivables, loans to wholly owned subsidiary, employee advances, security deposits held with government authorities and bank deposits which represents group's maximum exposure to the credit risk.

With respect to credit exposure from customers, the group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to its wholly owned subsidiary and employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:

**a) Expected credit loss for trade receivable under simplified approach:**

Particulars	31 March, 2020	31 March, 2019
Gross carrying amount	5971.25	7112.74
Expected credit losses (Loss allowance provision)	(80.66)	(75.75)
<b>Carrying amount of trade receivables</b>	<b>5890.59</b>	<b>7036.99</b>

**b) Expected credit loss for financial assets where general model is applied**

The financial assets which are exposed to credit are loan to Wholly owned subsidiary company and employee advances.

Particulars	31 March, 2020	31 March, 2019
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
<b>Gross carrying amount</b>		
Loans	-	-
Employee advances	21.61	33.64
	<b>21.61</b>	<b>33.64</b>
Expected credit losses	-	-
<b>Net carrying amount</b>		
Loans	-	-
Employee advances	21.61	33.64
<b>Total</b>	<b>21.61</b>	<b>33.64</b>

**Reconciliation of loss allowance provision**

Particulars	2019-20	2018-19
<b>Loss allowance at the beginning of the year</b>	<b>75.75</b>	<b>41.03</b>
Changes in loss allowance during the year	4.91	34.72
<b>Loss allowance at the end of the year</b>	<b>80.66</b>	<b>75.75</b>

**(c) Significant estimates and judgements**
**Impairment of financial assets:**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(C) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. The group's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements:**

The group had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at	
	31 March, 2020	31 March, 2019
Expiring within one year (bank overdraft and other facilities)	359.12	1104.56

**(ii) Maturities of Financial liabilities**
**Contractual maturities of financial liabilities as at :**

Particulars	31 March, 2020		31 March, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	8146.00	2518.24	8397.84	1894.68
Trade payables	1804.95	-	1820.47	-
Other financial liabilities	2243.22	-	2318.27	-
<b>Total</b>	<b>12194.17</b>	<b>2518.24</b>	<b>12536.58</b>	<b>1894.68</b>

(iii) Management expects finance cost to be incurred for the year ending 31 March, 2021 is ₹1071.35 lakhs.

**39. Capital management**
**A. Capital management and Gearing Ratio**

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The group monitors capital using a gearing ratio, which is debt divided by Total capital. The group includes within debt, interest bearing loans and borrowings.

Particulars	31 March, 2020	31 March, 2019
<b>Borrowings</b>		
Current	8146.00	8397.84
Non current	2518.24	1894.68
Current maturities of non-current borrowings	1105.60	935.60
Sales tax deferment loan	17.16	34.65



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

All amounts in ₹ lakhs, unless otherwise stated

<b>Particulars</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>
<b>Debt</b>	<b>11787.00</b>	<b>11262.77</b>
<b>Equity</b>		
Equity share capital	1386.30	1384.55
Other equity	18359.06	17781.98
<b>Total capital</b>	<b>19745.36</b>	<b>19166.53</b>
<b>Gearing ratio in % (Debt/capital)</b>	<b>59.70%</b>	<b>58.76%</b>

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2020 and 31 March, 2019.

**B. Dividends**

<b>Particulars</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>
<b>Dividends recognised</b>		
Final dividend for the year ended 31 March, 2019 of ₹2 (31 March, 2018 - ₹2) per fully paid share	553.82	553.82
Interim dividend for the year ended 31 March, 2019 of ₹2 (31 March, 2018 - ₹2) per fully paid share	553.82	553.82
Interim dividend for the year ended 31 March, 2020 of ₹5 per fully paid share	1386.30	-
Dividend distribution tax on the above	512.64	227.68
<b>Dividends not recognised</b>		
Interim dividend for the year ended 31 March, 2019 of ₹2 per fully paid share. This dividend is declared on 2 May, 2019,	-	553.82
For the year ended the directors have recommended the payment of final dividend of ₹Nil (P.Y ₹2) per fully paid up equity share . This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	-	553.82
Dividend distribution tax on the above	-	227.68

**40. Impact assessment of the global health pandemic – COVID 19 and related estimation uncertainty:**

During the last few months, the spread of Covid 19 has affected the business which culminated into scaling down of the Group's operations. The group has taken various measures in consonance with Central and State Government advisories to contain the pandemic, closing of 6 out of 9 manufacturing facilities in April 2020, and adopting work from home policy wherever possible for employees across the locations.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The negative impact on sales is expected to continue in FY 2020-21. The group is trying to reduce the fixed overheads to the best possible extent to sail through the difficult times to ahead. Although it is difficult to estimate the impact of COVID-19 on future operations at this point of time, the group believes the sales for discretionary products like paints would significantly be impacted in short term. In view of lock down, the performance of the group may be adversely affected in 1st Quarter in FY 2020-21 by around 40%.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ₹ lakhs, unless otherwise stated

The Group's net cash position as on 31 March, 2020 is sufficient to meet the requirements in case of any emergency and do not foresee any liquidity crunch. The group does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfilment of obligations would lead to material financial claim against the group. The group endeavours to ensure that all contractual commitments shall be honoured.

41. Previous year figures have been recasted/restated wherever necessary.

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
For **M.Anandam & Co.,**  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-

**B V Suresh Kumar**  
Partner  
Membership No. 212187

Place : Hyderabad  
Date : 6<sup>th</sup> June, 2020

For and on behalf of Board

Sd/-

**J. Lakshmana Rao**  
Chairman & Managing Director  
DIN: 00649702

Sd/-

**A. Seshu Kumari**  
Chief Financial Officer

Sd/-

**A. Subramanyam**  
Deputy Managing Director  
DIN: 00654046

Sd/-

**Thakur Vishal Singh**  
Company Secretary  
M.No.A41956

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