

# ADDING LIFE<sub>TO</sub> PACKAGING

**Manjushree Technopack Limited**



## BOARD OF DIRECTORS

Vimal Kedia	Managing Director
Surendra Kedia	Executive Director & Compliance Officer
Rajat Kedia	Director
Ankit Kedia	Director
G. Vamanacharya	Director
J.K. Singhania	Director
N.K. Sarawgi	Director

## AUDITORS

### Messers Singhvi Dev & Unni

6<sup>th</sup> Floor, Trade Centre, #29/4

Race Course Road, Bangalore – 560 001

## PRINCIPAL BANKERS

### State Bank of India, Industrial Finance Branch

#61, Residency Plaza, Residency Road,

Bangalore-560 025

## REGISTRARS & SHARE TRANSFER AGENTS

### Integrated Enterprises (India) Limited

# 30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road,  
Malleswaram, Bangalore – 560 003

Tel: (080) 2346 0815 / 818 Fax: (080) 2346 0819

Email: [irg@integratedindia.in](mailto:irg@integratedindia.in)

## REGISTERED OFFICE

#60E & 60F, Bommasandra industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)

## Works at:

#143, C5, Bommasandra Industrial Area,  
Hosur Road, Bangalore – 560 099

#60E & 60F, Bommasandra industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)

71-72, Bidadi Ind. Area, Phase 2, Sector 2, Bidadi,  
Bangalore 562109.

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## ***My Dear Shareholders,***

It gives me immense pleasure to inform you that we have ended fiscal 2013 with a turnover of Rs.361.22 Crores with a growth of 16.60%. The profit after tax increased to Rs.24.14Crores, a year-on-year growth of 17.76%.

In my last address, I had mentioned that we were the largest converter of PET in India with a capacity of 50000 MTPA – you will now be proud to know that, with the commissioning of our new greenfield plant in Bidadi, Bangalore - your Company has now elevated itself to become the largest in South Asia with an annual capacity of 80000 MTPA.

Your Company commenced commercial production of PET Preforms in its 3<sup>rd</sup> Manufacturing facility over an area of 3lacs sq. ft. at Bidadi Industrial Area, Bangalore which is also strategically located near one of our most important customers. It is a Leeds certified green facility and is equipped with the latest technologies and infrastructure, including 100% automation with limited human interference. Your Company engaged the best consultants and specialists in lean manufacturing to make it one of the fastest yet greenest factories in the world. We are cognizant of the fact that, this is the need of the hour as well as the future – wherein customers would source their requirements from a facility, which holds good manufacturing practices and food safety in the highest priority. The plant was built at a cost of about Rs125 Crores which was met through bank loans and internal accruals.

Over the last fiscal, we received several prestigious awards and recognitions – with Outlook Business naming your Company as one of the 30 fastest growing companies in India. In addition your Company was also listed amongst top 500 mid-sized companies by Inc. Magazine. We have also received ASIA Star 2012 award from the Asian Packaging Federation, for some of the innovations done for customers i.e. Nestle and GSK Consumer care. Your Company was also instrumental in the coveted DuPont award for Innovation for ideation and execution of a project that helped a customer gain new markets by way of functional improvements along with massive cost savings. The entry has been widely publicized around the world and has put your Company alongside some on the other packaging greats on the globe.

Our exports climbed to Rs.30.25 Crores, a growth of 55%. We will continue to expand and focus on export opportunities in existing as well as new markets. Some of the Asian markets too have opened up like Bangladesh, Sri Lanka, Myanmar and we are geared up to tap new avenues in these countries too. The challenge here is to compete with local competition by factoring in the duty structure, which sometimes is quite high. Yet, we will put our full force behind growing this part of the business, which is a part of our plan to have at least 15% of our revenues from exports.

As your Company grows, we are aware that we need to bring in professionals in the respective areas of operations to aid growth and decision making; your Company is working towards

bringing in fresh new talent and also developing an in-house human resource development program.

The just-concluded financial year marks the completion of almost 30 years of our journey in the packaging industry. In these three decades, we have, as an organization, crossed frontiers we had never imagined were possible. We have set benchmarks that were never before achieved in the industry. Most importantly, we have proven beyond doubt that it is possible to build a world-class organization by operating legally, ethically and with fairness, transparency and integrity.

However, there continues to be challenges which we face including competition from unorganized players, rising costs of capital equipment and adverse impact of weakening rupee on our imports. Other factors, which are beyond our control like change in regulations, policy changes, caused slowdowns, but we have managed to steer through and come out as winners. In order to face these obstacles, we had to respond by tweaking our business strategy and also mitigate our risks by forward booking of our exposure meticulously, irrespective of prevailing conditions at that time.

We continue to do well in our focus markets and also gave the industry, some of the best innovations in the packaging industry, some of them being game changers for our customers and elevating them as market leaders in their respective categories. The consumption of beverages and packaged drinking water in India has seen multifold growth in the past 5-7 years and we expect it to grow further, as disposable income of the middle class population continue to swell up each year. Our confidence to invest and grow comes from that fact our customers are setting up bigger factories, investing in high speed lines and continue to believe in India shining story.

Your Company's Windmill project of 3.4MW has generated 58.82 lacs units of "green power" as a part of its CSR along with the advantage of insulating itself from rising power costs. The power generation is on track as per our estimates and we hope to have another fantastic year in 2013-14. This apart, we partnered with one of our customers to work on a project to build safe sanitation facilities for school going children in villages.

I would also like to share with you that Indian Institute of Packaging is setting up its 6th institute in the country with a new chapter in Bangalore, for which work has already started and will begin courses from 2014. I have also taken up the responsibility as the Regional Chairperson for Bangalore Chapter and will put in my best to make the institute one of the best in the country.

With this, I would like to sign off with the hope of yet another eventful FY 2013-14 and look forward to your continued support and faith, also place on record our deep appreciation and gratitude to all the shareholders, vendors, customers, bankers and team Manjushree for their relentless support.

Warmest Regards,  
**VIMAL KEDIA**

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have the pleasure of presenting the **Twenty Sixth Annual Report** of the Company together with the Audited Annual Accounts for the year ended March 31, 2013.

### RESULTS OF OUR OPERATIONS

**(Rs. In lacs)**

Particulars	FY 2013	FY 2012
<b>Turnover</b> - Domestic	40,676.60	34,120.87
- Exports	3,025.38	1,957.49
<b>Total Turnover</b>	<b>43,701.98</b>	<b>36,078.36</b>
<b>Less- Cost of Sales</b>		
Excise Duty	7,579.95	5,100.44
(Increase)/Decrease in Stocks	(1,220.40)	752.31
Materials Consumed	22,987.67	18,930.85
Other Expenditure	5,106.09	4,007.84
<b>Sub Total</b>	<b>34,453.31</b>	<b>28,791.44</b>
<b>Gross Profit</b>	<b>9,248.67</b>	<b>7,286.92</b>
Administrative and Selling Expenses	1,353.99	1,186.92
<b>Operating Profit</b>	<b>7,894.68</b>	<b>6,100.00</b>
Interest and Financial Charges	1,204.10	1,102.36
Depreciation / Write Offs	3,193.49	2,130.22
<b>Profit after Interest and Depreciation</b>	<b>3,497.09</b>	<b>2,867.42</b>
Other income	284.11	165.60
<b>Profit before tax</b>	<b>3,781.20</b>	<b>3,033.02</b>
Provision for Taxation	877.96	731.35
Deferred Tax (Provision )/Write Back	488.92	251.23
<b>Net Profit after Tax</b>	<b>2,414.32</b>	<b>2,050.44</b>
Proposed Dividend for the year (including taxes)	157.45	157.46
<b>Retained Surplus</b>	<b>2,256.87</b>	<b>1,892.98</b>
Add: Surplus brought forward from previous year	4,651.52	2,758.52
Less: Transfer to General Reserve	-	-
<b>Net Surplus carried to Balance Sheet</b>	<b>6,908.39</b>	<b>4,651.50</b>
Paid-up Equity Share capital (FV Rs.10 per Equity Share)	1,354.77	1,354.77
Reserves and Surplus (excluding revaluation reserves)	10,943.70	8,686.82
<b>Weighted Average EPS(Rs.)</b>	<b>17.82</b>	<b>15.13</b>
<b>Book Value per share (Rs.)</b>	<b>90.91</b>	<b>74.25</b>

Your Company had one more year of splendid performance and maintained its record of increasing growth and profits year after year. The gross turnover for FY 2013 was higher at Rs 43,702 lacs (2012 – Rs 36,078 lacs) registering an increase of 21%. The gross profit during FY 2013 was Rs 9,249 lacs (2012 – Rs 7,287 lacs) reflecting an increase of 27%, while the operating profit showed a jump of 29% to Rs 7,895 lacs (2012 – 6,100 lacs). The profit before tax during FY 2013 was also higher at Rs 3,781 lacs (2012 – Rs 3,033 lacs) recording an increase of 25%. After provision for taxation, the net surplus amounted to Rs 2,414 lacs (2012 - Rs 2,050 lacs) resulting in a fully diluted EPS of Rs 17.82 (2012 – Rs 15.13).

The notes on account referred to in Auditors' Report are self-explanatory and do not call for any further comments.

## **DIVIDEND**

Your Directors recommend a dividend @ Re 1 per Equity Share of Rs 10/- each, being 10% (involving an outflow of Rs. 157.45 lacs including dividend tax) which will be paid subject to approval by Shareholders in the Annual General Meeting, to the members whose names appear in the register of members on 2nd August, 2013.

The dividend payout for the year under review has been formulated in accordance with the Company's policy of striving to pay stable dividend linked to long term performance, ongoing expansion programs and need to plough back profits for future growth.

## **OPERATIONS**

The Company had a production of containers and preforms during the year of 53,240 MT (2012 – 34,518 MT) in line with increased production, the sales also increased to 48,477 MT (2012 – 39,212 MT). The Company continues to have a strong focus on innovation, research and development for sustained growth while enjoying a preferred supplier status with most of its esteemed clientele in FMCG, Pharma and allied sectors. It has a dedicated team of technically qualified / trained personnel and professionals controlling different operational segments in a decentralized environment.

As stated earlier, during the year your Company commissioned its Greenfield factory in Bidadi near Bangalore. With this additional facility the Overall installed capacity of your Company has increased to 80,000 MT making your Company one of the largest in South East Asia. With this increased capacity the Company is well positioned to serve its customers in time competitively.

## **FINANCE**

During the year under review, the Company continued to avail financial assistance from State Bank of India, its esteemed Bankers, by way of Rupee Term Loans and Cash Credit limits on extremely competitive terms for operational and capital expenditure requirements. The Company has availed term/buyer's credit loan of Rs 8148 Lacs (sanctioned limit Rs 10,923 Lacs) for the expansion project, out of which Rs 2,775 Lacs has since been repaid. The Directors confirm that the funds obtained by the Company by way of term loans / working capital borrowings have been duly utilized for the purposes for which the same are meant. The Company has not issued any Debentures.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

An Annexure to this Report contains a detailed Management Discussion Analysis, which, *inter-alia* covers, the following aspects of Company's operations and prospects:

- Industry Structure and Development;
- Opportunities and threats, risks and concerns;
- Internal Control Systems and their adequacy;
- Human Resources and Industrial Relations;
- Discussion on financial performance with respect to operational performance;
- Outlook for the future.

## **CORPORATE GOVERNANCE**

Your Directors reaffirm their commitment to the Corporate Governance standards as prescribed by the Securities and Exchange Board of India (SEBI). A separate section on Corporate Governance together with a certificate from the Auditors of the Company regarding full compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) is attached to this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- ii) The Directors have selected such accounting policies and applied them consistently (except change in accounting policy as referred in Part A, Para VII of Notes to account) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs at the end of financial year and of the profit or loss for the period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a 'going concern basis'.

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

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 is annexed.

## **EMPLOYEES**

None of the employees of the Company is covered under the reporting requirements of Section 217(2A) of the Companies Act, 1956.

## **DIRECTORS**

In accordance with the Articles of Association and Companies Act, 1956 Mr. Rajat Kedia and Mr. Ankit Kedia retire from office by rotation and being eligible, offer themselves for reappointment.

Your Board deeply regrets to inform you that the Company's senior most Director and member of Audit / Remuneration Committee Mr. R.P. Agarwal left for heavenly abode on 6th April 2013. The Board places on record its heartfelt condolences as also deep appreciation for the valuable services rendered by Mr. Agarwal during the tenure of his service and pray to Almighty that his departed soul rests in peace.

## **AUDIT COMMITTEE**

The Audit Committee constituted continued to discharge its function during the year under report.

## **AUDITORS**

Messers Singhvi, Dev& Unni, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, having confirmed the same in the prescribed manner, offer themselves for reappointment.

## **ACKNOWLEDGEMENTS**

The Directors wish to place on record their sincere gratitude for the co-operation, guidance, support and assistance provided during the year by its Bankers, Registrars and Industries Dept. of Govt. of Karnataka, Local Authorities, Suppliers, Contractors, Customers and Vendors. Your Directors also wish to express their deep sense of appreciation for the dedicated services rendered by the staff at all levels towards its successful operations. The Directors also thank the shareholders of the Company for reposing their faith in the Company and for giving their dedicated and ever-willing support towards taking the Company forward on the path of progress and growth.

For and on behalf of the Board

Bangalore,  
May 28, 2013

**Vimal Kedia**  
Managing Director

**Surendra Kedia**  
Executive Director

**Information pursuant to Section 217(1) (e) of the Companies Act, 1956, to the extent applicable,  
 in accordance with Companies (Disclosure of Particulars in the  
 Report of Board of Directors) Rules, 1988 for the year ended March 31, 2013**

**A. CONSERVATION OF ENERGY:**

- (a) Energy conservation measures taken : 1. The Company is closely monitoring its energy consumption levels through in-house system as well as external agencies.  
 2. The Company has taken initiative to invest Rs.20crores in establishment of 3.4MW Wind Mill and generated 52lacs units of electricity during the year.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. : No significant investment / proposal are envisaged in respect of reduction of present consumption levels of energy.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. : Not possible to identify specifically.
- (d) Total energy consumption and energy consumption per unit of production : **As per Form 'A' hereunder.**

**FORM – A**

**Form for disclosure of particulars with respect to conservation of energy**

<b>I. POWER AND FUEL CONSUMPTION</b>				
<b>1. Electricity</b>		<b>31.03.2013</b>	<b>31.03.2012</b>	
<b>(a) Purchased</b>				
No. of Units in lacs (KWH)		393.44		312.33
Total Amount ₹ in lacs		2,209.31		1,693.47
Rate / Unit (KWH) (₹.)		5.62		5.42
<b>(b) Own Generation through Diesel Generator</b>				
No. of Units (KWH) Generated in lacs		2.48		3.48
Units Per Litre of diesel oil		2.82		3.20
Cost / Unit in ₹.		18.67		12.31
2.	Coal	-		-
3.	Furnace Oil	-		-
4.	Others	-		-
<b>II. CONSUMPTION PER UNIT OF PRODUCTION (to the extent applicable)</b>				
<b>Particulars</b>	<b>Standard</b>	<b>Unit</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Production (Containers & Preforms)	N.A.	MT	22,208	17,996
Production (Conversion)	N.A.	MT	31,032	16,522
Consumption of Electricity per ton (incl. own generation)	None	KWH	743	905
Consumption of Diesel Oil per ton	None	Kilo Litres	1.65	3.15

**B. TECHNOLOGY ABSORPTION:**

- (e) Efforts made in technology absorption as per Form – B is detailed hereunder:

**FORM – B****Form for disclosure of particulars with respect to absorption****I. RESEARCH AND DEVELOPMENT (R & D)**

1. Specific areas in which R & D carried out by the Company. : The Company is making in-house R & D efforts for introduction/development of value added products.
2. Benefits derived as a result of the above R & D : New products have been introduced giving an edge to the Company in present day competitive market.
3. Further Plan of action : The Company intends to continue its R & D efforts.
4. Expenditure on R & D
  - (a) Capital : Not possible to identify.
  - (b) Recurring : - do -
  - (c) Total : - do -
  - (d) Total R & D expenditure as % of total turnover : - do -

**II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts in brief made towards technology absorption, adaptation and innovation. : Does not arise.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. : Does not arise.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:
  - (a) Technology imported : None
  - (b) Year of Import : N.A.
  - (c) Has technology been fully absorbed? : N.A.
  - (d) If not fully absorbed, area where this has not taken place reason thereof and future plan of action : N.A.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- (f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; export plans. : The Company does exports and is continuing to make efforts on an ongoing basis to explore suitable export opportunities, as and when it arises for any particular application.

(₹. in lakhs)

(g) Total foreign exchange used and earned:	31.03.2013	31.03.2012
<b>A. FOREIGN EXCHANGE EARNINGS:-</b>		
Export Sales (including exchange difference & excluding Rupee exports)	2,351.56	1,506.63
Rental Income	NIL	2.82
<b>B. FOREIGN EXCHANGE OUTGO:-</b>		
- Capital Equipment	3,246.07	3,113.32
- Raw Materials	3,249.88	2,288.81
- Spares & Consumables	6.92	30.71
- Travelling Expenses	6.38	4.17
- Bank Charges (Import and FBC)	6.78	3.21
- Interest on FCNRB and PCFC Loans	351.70	162.02
- Membership and Subscription	1.42	0.52
- Others	5.20	14.91
<b>Total (B)</b>	<b>6,874.35</b>	<b>5,617.67</b>



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In line with best in class practices, Manjushree Technopack Limited (referred to hereinafter as Manjushree or your Company) now reports the financial results and other Corporate Market Developments during the period April 2012 to March 2013 with respect to your Company.

### INDUSTRY STRUCTURE AND DEVELOPMENT:

Today the Indian Economy has transformed into a vibrant rapidly selling consumer market comprising of over 300 million strategic middle class populations with increased purchasing power. India provides a large market with Fast Moving Consumer Goods and has also got potential to increase 10 folds over the next Ten years. The Packaging Industry is considered to be one of the world's largest diversified sector and is ranked 9<sup>th</sup> amongst the top 10 industry sectors in the world. The total size of the Indian packaging industry is about \$ 25 Billion with an annual growth rate of about 13 – 15% per annum.

India stands at the 12<sup>th</sup> position in the Global Packaging Market. Although the average growth rate of the Indian packaging industry is about 15%, this growth varies from material to material i.e. the total market for Flexible Laminates comprising of Specialized Laminates, Monolayer and Multilayer Films, Woven Sacks etc. is about 670 Million with a growth rate of 20% – 25% per annum, but with reference to rigid packing materials, the growth in blow molded plastic containers is about 15% per annum with an exception to the PET conversion industry, which is experiencing a growth rate of 20% and above due to its huge consumption and well acceptance in the Mineral Water and Sparkling Beverage Industry.

Keeping in tune with the recent trends in the packaging industry, your Company is today one of the largest producer / converter of PET not only in India, but perhaps in the whole of South Asia. The estimated PET consumption last year stands at about 6,00,000 tons, of which your Company converted about 53,240 tons, roughly converting about 9% of India's PET consumption. Your Company's business model is strategically aligned to the growth story in India and also of the world in general. This precisely the reason why your Company keeps growing **"By Leaps and Bounds Year over Year"**.

### EXPANSION OF FACILITIES AT BIDADI INDUSTRIAL AREA FOR THE PRODUCTION OF PET PREFORMS:

In line with our growth strategy, your Company has commissioned its brand new facility for the production of PET Preforms at Bidadi Industrial Area during the month of February, 2013. This state of art production facility will catapult your Company into the Global Arena of Plastics Packaging and will make India and the Indian Packaging Industry proud. The facility has been designed to increase the capacity to 1 Lac tons of PET per annum with a present installed capacity of 80,000 tons as of today. It is the best in class including Clean Room Operation, Robotics and Automation, Automated Building Management Systems and a Lean Management. Your Company is looking to certify this facility as India's **"First Leed Platinum Certified PET Preforms Production Facility"** and is confident of achieving the same in this year.

This one of its kind facility will bring your Company in sync with the requirements of Multinational Food and Beverage Giants such as Coca Cola and PepsiCo and in turn, will bring greater profits and values to its Shareholders.

### AWARDS AND RECOGNITIONS:

Keeping up with its best track record, your Company has again been awarded the **"Gold Standard Supplier"** by Coca Cola for the 3<sup>rd</sup> year in succession.

PET Raw material Suppliers Reliance Industries Limited has also bestowed the **"Most Valued Customer Award"** to your Company for FY 12-13. In addition, the Inc 500 Magazine has also featured your Company as one amongst the **top 500 Best Mid-sized Companies** of 2012.

Apart from the above, the Company has won numerous industry specific awards such as **"World Star & India Star"** for **"Packaging Excellence"**. Your Company has also been covered by **Outlook Business** journal dated May 25, 2013 as the 14<sup>th</sup> fastest growing Company amongst the 30 fastest growing Companies in India.

### OPPORTUNITIES AND THREATS:

India is the new land of opportunities and your Company is quick to realize the latest happenings and trends in the industry and has been in sync with the latest in the market. This is, perhaps, the reason why your Company continues to grow at double digit growth figures and maintain its leadership in the market. Your Company has aligned its strategy to cater to many other markets such as Pharma, Liquor and Agro Chemicals in this year along with developing a complete range of stock and custom made bottles for the Food and Personal Care Industry.

Threats include the challenges to ward off new competition and, of course, to deal with external factors such as Forex fluctuations, high volatility in raw material prices and unavailability of Skilled Manpower. Your Company and its management is very well aware of these threats and is pro-actively working on all of such problems to insulate itself from it. Your Company has centralized its operations and made use of best in class ERP Systems to automate processes within the Company and work with a lean staff. The only way to fight competition is to innovate and upgrade the product offering, which your Company has done successfully in the past years and will continue to do so in the years to come.

#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

Your Company has put in place an independent internal audit system conducted by a professional firm that conducts regular audits to ensure adequacy of internal control system, adherence to Company policies and compliance. The Company has in place effective internal control system to ensure accurate, reliable and timely compilation of financial statements while safeguarding the assets and interests of the Company and ensuring compliance with the policies and regulations. The leadership team has vast experience in corporate affairs which is evident from their vision, guidance and control. The Finance Department is well staffed with experienced personnel who play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements. The Audit Committee is well equipped to address significant issues and challenges faced by the Company.

#### **RISKS AND CONCERNS:**

Your Company has a well-structured risk management system. An efficient management team identifies various risks and takes necessary mitigation action against the same. The inventories of risk affecting your Company are:

- Volatility of raw materials prices and influence of currency fluctuations on them is an area of concern. Moreover, changes in statutory legislation also have a bearing on business performance.
- Macro-economic factors like general economic slowdown, and sluggish demand conditions, unforeseen political and social upheavals, natural calamities etc. are likely to affect the business prospects of your Company as also the industry at large.
- With competition intensifying in all segments of the industry, increasing the market share and consumer base is a continuing challenge. Developments in the technology - both 'hard' as also 'soft' are also other critical areas.
- The use of plastic products on various issues is being discouraged in the country by various government / non-government organisations, which is an area of concern.

Your Company has, however, not been significantly impacted by these risk / concern factors due to the market equally commanded by the Company through patronisation of its institutional customers, continuous introduction of technologically superior value added products and a strong marketing network backed by a technically strong management team midst of continuous growing demand for the product which has no substitute compels the consumers to buy our products..

#### **CORPORATE SOCIAL RESPONSIBILITY:**

As a part of its Corporate Social Responsibility Plan and Vision 2020, your Company has commissioned a windmill project of 3.4MW in Belgaum, Karnataka to use natural resources to generate power. Along with this, the Manjushree Scholarship Foundation also continues to fund students' education in the plastic-related courses. Your Company has emphasized on eco-friendly packaging solutions, that is, packaging keeping in mind the economy as well as the environmental friendliness. At the same time your Company also contributes to a healthy corporate culture in our country.

#### **HUMAN RESOURCES / INDUSTRIAL RELATIONS:**

Your Company has taken several measures to optimize the Company structure and its people, forming a robust performance based appraisal system where performance is rewarded and opportunity is made available to employees to realise their potential. It continued to invest in continuous training at all the levels to enhance competencies in technical and management domain, processes to address changing business demands. Your Company believes that competent and motivated manpower is an important factor for achieving goals. Manjushree recognizes that nurturing, recruiting and retaining the best talent is vital to long term success of the enterprise.

#### **FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE:**

The turnover for FY 2013 was higher at Rs.43,702 lacs (2012- Rs.36,078 lacs) reflecting an increase of 21%. The gross profit during FY 2013 was higher at Rs.9,249 lacs (2012-Rs.7,287 lacs) reflecting an increase of 27%, while the operating

profit showed a jump of 29% to Rs.7,895 lacs (2012 – Rs.6,100 lacs). The profit before tax during FY 2013 was also higher at Rs. 3,781 lacs (2012 - Rs.3,033 lacs) reflecting an increase of 25%. After provision for taxation, the net surplus amounted to Rs.2,414 lacs (2012 - Rs.2,050 lacs) resulting in a fully diluted EPS of Rs.17.82 (2012 – Rs.15.13).

#### OPERATIONS:

Overall installed capacity of plant has increased to 71,075 MTPA in view of expansion project completed during the year, as compared to 48,505 MTPA as at the end of the previous year. The major expansion is for the manufacture of PET Preforms to the tune of 20,400 MTPA by adding new Preform machines and the balance of 2,170 MTPA capacities have been added for the manufacture of containers. The actual production of containers and preforms during the year is 53,240 MT (2012 – 34,518 MT) resulting in a capacity utilisation of 75% of year-end installed capacity. The turnover was 48,477 MT (2012 – 39,212 MT).

COST STRUCTURE	% to Turnover	
	31.03.2013	31.03.2012
Material Consumed (%)	61.56	62.63
Manufacturing Expenses (%)	14.14	12.94
Depreciation (%)	8.84	6.88
Administrative and Selling Expenses (%)	3.75	3.83
Interest and Financial Expenses (%)	3.33	3.56
Taxes (Income tax and Deferred Tax) (%)	3.78	3.17
Net Operating Margin (PBIT) (%)	13.01	13.34
Cash Operating Margin (PBDIT) (%)	22.64	20.23
Return on Capital Employed (%)	30.70	30.15
Return on Net Worth	19.60	20.38
Receivable Turnover Ratio(Days)	55	46
inventory Turnover Ratio (Days)	35	25
Net Working Capital Turnover Ratio (Days)	117	82

#### SEGMENTAL PERFORMANCE

The Company has only a single reportable segment, i.e. Manufacture of Plastics Containers in terms of AS - 17 issued by the Institute of Chartered Accountants of India.

#### OUTLOOK:

The overall macro-economic scenario in the country is bleak. The rupee - dollar volatility is adding to the discomfort and as such times are going to be difficult. The Raw material prices are at its highest today and is expected to remain firm over this year. However, the company has chalked out plans to invest in better R&D, develop more innovative packaging and thus leverage itself, ahead of competition and economic sluggishness to post double digit growth figures, yet again. Barring any unforeseen circumstances which are beyond its control, your company is expected to deliver better sales and profits thereof.

#### CAUTIONARY STATEMENT:

Some statements in the report describing the projections, estimates, expectations or outlook may be “forward looking” that set forth anticipated results based on management plan and assumptions. These statements are likely to address the Company’s growth strategy, financial results, product approvals, product potential and development programs. Actual results may differ materially from those stated on account of internal factors affecting the Company’s operations as well as external factors such as changes in government regulations, tax regimes, economic developments within India and the countries with which your Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply.

For and on behalf of the Board

Bangalore,  
 May 28, 2013

**Vimal Kedia**  
 Managing Director

**Surendra Kedia**  
 Executive Director

## REPORT ON CORPORATE GOVERNANCE

In compliance to the requirement of Listing Agreement with the Bombay and National Stock Exchanges, the Board of Manjushree Technopack Limited (Manjushree) is pleased to present the report on Corporate Governance hereunder:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy on corporate governance is based on fair and transparent governance practices. The corporate governance philosophy is aimed at enhancing long term interests of the stakeholders by continuous adherence and enforcement of the principles of good corporate governance and upholding sound business standards in conducting its business. Your Company is committed to achieve excellence in all its activities and maximize the stakeholders wealth. The Company is compliant with the provisions of Clause 49 of the Listing Agreement as amended from time to time.

The primary responsibility towards sustained high standards of Corporate Governance within the Company lies with the Board of Directors, which has put in place appropriate policies relating to its membership, deliberations etc. The policies are set in a way that ensures full collaboration of everyone associated with the Company towards Corporate Governance. The Directors of Manjushree strive hard relentlessly to lead by example with high level of expertise and experience, active and regular participation in Company's affairs and full adherence to all the requirements that may lead to maximization of interests of the Company and its stakeholders. Manjushree is committed to continually evolving and adopting appropriate Corporate Governance practices.

### 2. BOARD OF DIRECTORS:

#### A. Composition and Category of Directors

The Board is structured with adequate blend of Executive, Non-Executive and Independent Directors, which is imperative for a vital balanced perspective of the organization. The Board had 4 Professional, Independent Directors. However, the senior most Director Mr. RP Agarwal passed away on 6<sup>th</sup> April 2013 and, as such, as on date there are 3 Professional (Independent) Directors. Out of 7 Directors on the Board of Manjushree, 4 are Promoter (Non-Independent) Directors and the remaining 3 are Professional (Independent) Directors. The Board has 4 Executive Directors and the rest 3 are Non-Executive Directors. None of the Non-Executive Directors is responsible for day-to-day affairs of the Company. The Board meets regularly and is responsible for proper direction and management of the Company. The composition of the Board satisfies the condition of the Listing Agreement executed with the Stock Exchanges.

#### B. Board's Functioning and Procedure

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibilities and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the management towards the set goals and also sets accountability with a view to ensure that the corporate philosophy and the mission, i.e., to create long term sustainable growth that translate itself into progress, prosperity and the fulfilment of stakeholders, are fully achieved.

#### C. Meetings and Attendance

During the financial year ended 31<sup>st</sup> March 2013, Five Board Meetings were held on 21/05/2012, 08/08/2012, 07/09/2012, 10/11/2012 and 04/02/2013. The maximum gap between any two meetings was not more than four calendar months.

The details of Board composition, Director's attendance at Board Meetings and at previous Annual General Meeting, directorships in other companies and membership in other committees are as follows:

Name and Designation	Category*	No. of Shares held as on 31st March, 2013	Board Meeting		Attendance at last AGM on 08.08.2012	No. of other directorships	Membership in the Committees of other Companies	
			Held	Attended			Member	Chairman
Mr. Vimal Kedia, Managing Director	NI & WTD	543,972	5	5	Yes	4	Nil	Nil
Mr. Surendra Kedia Executive Director	NI & WTD	591,544	5	4	Yes	4	Nil	Nil
Mr. R.P. Agarwal Director**	I & NED	Nil	5	4	No	5	Nil	Nil
Mr. J. K. Singhania Director	I & NED	Nil	5	0	No	2	Nil	Nil
Mr. N. K. Sarawgi Director	I & NED	Nil	5	5	Yes	3	Nil	Nil
Mr. G. Vamanacharya Director	I & NED	Nil	5	5	Yes	0	Nil	Nil
Mr. Rajat Kedia Director	NI & WTD	64,177	5	4	No	3	Nil	Nil
Mr. Ankit Kedia Director	NI & WTD	70,500	5	4	Yes	1	Nil	Nil

Note - \* NI – Non Independent, I – Independent, WTD – Whole Time Director, NED – Non Executive Director.\*\* Ceased to be by demise on April 6, 2013.

### 3. COMMITTEES OF THE BOARD:

Presently, the Board has three committees; Audit Committee, Remuneration Committee and Investor Grievance Committee. Members of Audit cum Monitoring Committee and that of Remuneration Committee consist of three Independent Non-Executive Directors. The Investor Grievance Committee consists of two promoters Directors and one independent Director. The Company Secretary holding office at the relevant time is the ex-officio Secretary for all committees.

**A. Audit cum Monitoring Committee:**

Composition, details of meetings and attendance during the year.

Sl No.	Name of Director and Designation	Category	No. of Meetings	
			Held	Attended
1	Mr. G. Vamanacharya, Chairman	I & NED	4	4
2	Mr. N. K. Sarawgi, Member	I & NED	4	4
3	Mr. R. P. Agarwal, Member**	I & NED	4	3

The Chairman of the Audit cum Monitoring Committee, Mr. G. Vamanacharya, was present at the Annual General Meeting of Company held on 8<sup>th</sup> August 2012.

**Terms of Reference:**

- Overview of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of Statutory Auditors including Cost auditors and fixation of audit fees.
- Review of Quarterly, Half Yearly, Annual Financial Statements.
- Review of Internal Control Systems and Internal Audit Function.
- Discussion with Statutory Auditors regarding nature and scope of audit, before and after to ascertain areas of concern, Compliance of Accounting Standards, Stock Exchanges, Legal requirements etc.
- Review and Scrutiny of Related Party transactions if any.
- Review of the Company's Financial and Risk Management Policies.
- Such other function as may be covered in the Listing Agreement with Stock Exchanges or as may be required pursuant to section 292A of the Companies Act, 1956 or any other amendment thereof, from time to time over and above any specific functions that may be requested by the Board of Directors.

**B. Remuneration Committee:**

Composition, details of meetings and attendance during the year.

Sl No.	Name of Director and Designation	Category	No. of Meetings	
			Held	Attended
1	Mr. G. Vamanacharya, Chairman	I & NED	3	3
2	Mr. N. K. Sarawgi, Member	I & NED	3	3
3	Mr. R. P. Agarwal, Member*	I & NED	3	2

**Terms of reference:**

The Remuneration Committee has been constituted to recommend/review remuneration of the Managing Director, whole time Directors and senior employees of the Company, based on their performance and defined assessment criteria.

The remuneration policy of the Company is directed towards rewarding performance. The remuneration policy is in consonance with the existing industry practice.

Details of Remuneration paid to all the directors during 2012-13 are as follows:

(₹. in lakhs)

Name of the Director	Service Contract / notice period	Remuneration	
		Sitting Fees	Salary & Perquisites
Mr. Vimal Kedia	Agreement dated 21-05-2012 - terms of appointment modified from 01-08-2012 valid till 31-03-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	149.68
Mr. Surendra Kedia	Agreement dated 21-05-2012 - terms of appointment modified from 01-08-2012 valid till 31-03-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	102.45
Mr. Rajat Kedia	Agreement dated 21-05-2012 - terms of appointment modified from 01-08-2012 valid till 31-03-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	54.56
Mr. Ankit Kedia	Agreement dated 21-05-2012 - terms of appointment modified from 01-08-2012 valid till 31-03-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	54.56
Mr. R.P. Agarwal	Retirement by Rotation	0.30	-
Mr. J. K. Singhania	Retirement by Rotation	-	-
Mr. N. K. Sarawgi	Retirement by Rotation	0.40	-
Mr. G.Vamanacharya	Retirement by Rotation	0.40	-

### C. Investor Grievance Committee:

#### Terms of Reference:

The Investor Grievance Committee has been constituted for redressal of Investor grievances. The Committee's primary responsibility is to implement a smooth share transfer process, minimize investor grievances and to strengthen investor relations.

#### Composition, details of meetings and attendance during the year:

Sl No.	Name of Director and Designation	Category	No. of Meetings	
			Held	Attended
1	Mr. G. Vamanacharya, Chairman	I & NED	4	4
2	Mr. Surendra Kedia, Member	NI & W TD	4	3
3	Mr. Vimal Kedia, Member	NI & W TD	4	4

Name & designation of Compliance Officer: **Surendra Kedia – Executive Director**

Address: 143, C-5, Bommasandra Industrial Area,  
Hosur Road, Bangalore - 560099

E-Mail / Mobile No. surendra.kedia@manjushreeindia.com  
09845 049097

Details of Complaints for the Year 2012 – 13:

No. of complaints received	14
No. of complaints resolved	14

#### 4. CODE OF CONDUCT:

The Board has laid down a code of conduct for all its members as well as members of the senior management, which has been posted on the Company's website. The code of conduct including, but not limited to, Prevention of Insider Trading, has been implemented in line with the prevailing guidelines. The certificate from Managing Director with regard to compliance of code of conduct by board members and senior management is enclosed and forms part of this report.

#### Certificate of Code of Conduct

Manjushree is committed to conducting its business in accordance with the applicable laws, rules and regulations along with the highest standards of business ethics. The Company has adopted a "Code of Conduct" which is applicable to all Directors and members of senior management. I hereby certify that all the Board Members and senior Management have affirmed the compliance with the Code of Conduct.

Place : Bangalore  
Date : May 28, 2013

**Vimal Kedia**  
Managing Director

#### 5. SCHEDULE OF ANNUAL / EXTRAORDINARY GENERAL MEETING DURING LAST 3 YEARS:

Date of AGM / EOGM	Venue	Time	Special resolutions
8th Aug., 2012 (AGM)	60E Bommasandra Ind. Area, Anekal Taluk, Hosur Road, Bangalore - 560 099	12 Noon	None
26 <sup>th</sup> Sept., 2011 (AGM)	60E Bommasandra Ind. Area, Anekal Taluk, Hosur Road, Bangalore - 560 099	11.00 am	4
30 <sup>th</sup> Oct, 2010 (EGM)	143, C-5 Bommasandra Industrial Area, Anekal Taluk, Hosur Road, Bangalore – 560 099	10.00 am	None
31 <sup>st</sup> Aug, 2010 (AGM)		10.00 am	None
10 <sup>th</sup> May, 2010 (EGM)		10.00 am	None

#### 6. DETAILS OF SPECIAL RESOLUTIONS PASSED AT PREVIOUS THREE ANNUAL GENERAL MEETINGS

Special Resolution passed at AGM held on 26<sup>th</sup> Sept, 2011:

Special resolution passed for partial modification of managerial remuneration of Managing Director and other Whole Time Directors.

The Resolutions are passed on show of hands with requisite majority. The venue of AGM has been chosen as per the requirement of Companies Act, 1956 and also due to its central location, prominence and capacity.

Resolution passed through postal ballot vide Notice dated 28.07.2012:

Special Resolution passed for variation in terms of appointment of Managing Director and other Wholetime Directors which was ratified in Annual General Meeting held on 08.08.2012.



## 7. DISCLOSURES:

There are no materially significant related party transactions i.e. transactions with Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interests of the Company at large. The Register of contracts containing transactions, in which Directors are interested, has been placed before the Board regularly. Transactions with the related parties, as per requirement of Accounting Standard 18, are disclosed in Notes on Account in the Annual Report.

During the last three years there have been no instances of non-compliances by the Company on any matter related to Capital Market. Hence, there were no penalties imposed on the Company either by the stock exchanges where the Company's shares are listed or SEBI or any statutory authority on any matter related to Capital Market.

## 8. MEANS OF COMMUNICATION:

The quarterly / annual financial results and statutory notices are published in major newspapers including a national newspaper and in a vernacular newspaper. Manjushree has its own web-site and all vital information relating to the Company, its performance and official press releases are posted on the Company's website [www.manjushreeindia.com](http://www.manjushreeindia.com). Statutory communication to members is sent in the manner prescribed in Companies Act, 1956 while communications to the stock exchanges is made as per listing agreements / SEBI regulations.

The Company has a designated exclusive email id [investor@manjushreeindia.com](mailto:investor@manjushreeindia.com) to address investors' queries and grievances.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS:

**Management discussion and analysis of operational aspects forms part of Directors' Report.**

### GENERAL SHAREHOLDER INFORMATION

1.	Name of the Company	MANJUSHREE TECHNOPACK LIMITED.
2.	Registered Office and Corporate Headquarters	60E & F, Bommasandra Industrial Area Hosur Road, Bangalore – 560 099, Karnataka, India.Tel: 080 – 4343 6200 Fax: 080 -2783 3819 Email: <a href="mailto:info@manjushreeindia.com">info@manjushreeindia.com</a> Website: <a href="http://www.manjushreeindia.com">www.manjushreeindia.com</a>
3.	AGM (Date, time and venue)	<b>Monday, 12<sup>th</sup> August, 2013 at 12.00 Noon at 60E, Bommasandra Industrial Area, Hosur Road, Bangalore - 560 099.</b>
4.	Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March
5.	Date of Book Closure	2nd to 12th August 2013 (both days inclusive)
6.	Dividend Payment Date	The dividend, if declared at the Annual General Meeting, shall be paid within the statutory time limit.
7.	Listing on Stock Exchanges	Bombay Stock Exchange Ltd., Mumbai (BSE) Stock Code / Symbol: 532950 / MANJUSHRE: National Stock Exchange Ltd., Mumbai (NSE) Stock Code / Symbol : MANJUSHREE
8.	Listing Fee	Paid to BSE & NSE for the FY 2013-14.
9.	Electronic Connectivity	NSDL and CDSL - ISIN: INE 435H 01015
10.	Registrar and Share Transfer Agents	Integrated Enterprises (India) Limited, 30, Ramana Residency, 4 <sup>th</sup> Cross, Sampige Road, Malleswaram, Bangalore-560 003 Tel: 080-2346 0815 / 818 Fax: 080 – 2346 0819 E-mail: <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a>

**10. SHARE TRANSFER SYSTEM:**

Transfers in physical form are registered by the Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited, within 30 days of the receipt of completed documents. Invalid share transfers are returned within 15 days of the receipt. All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e. NSDL and CDSL within the prescribed time frame. Periodically, a Practicing Company Secretary audits the System and a certificate to that effect is issued and the same is filed with the stock exchanges. Additionally, Secretarial Audits and the dematerialization related scrutiny are conducted quarterly by a practicing Company Secretary.

**11. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2013**

Category	No of Shareholders	No of Shares held	% of Shareholding
Promoters	22	8,672,360	64.01
FII	-	-	-
Mutual Funds	1	100,000	0.74
Public	5,706	3,738,588	27.60
Private Ltd. Cos.	128	955,668	7.05
NRI	63	64,679	0.48
Clearing Members	44	16,405	0.12
<b>Total</b>	<b>5,964</b>	<b>13,547,700</b>	<b>100.00</b>

**12. DISTRIBUTION OF SHAREHOLDINGS AS ON MARCH 31, 2013:**

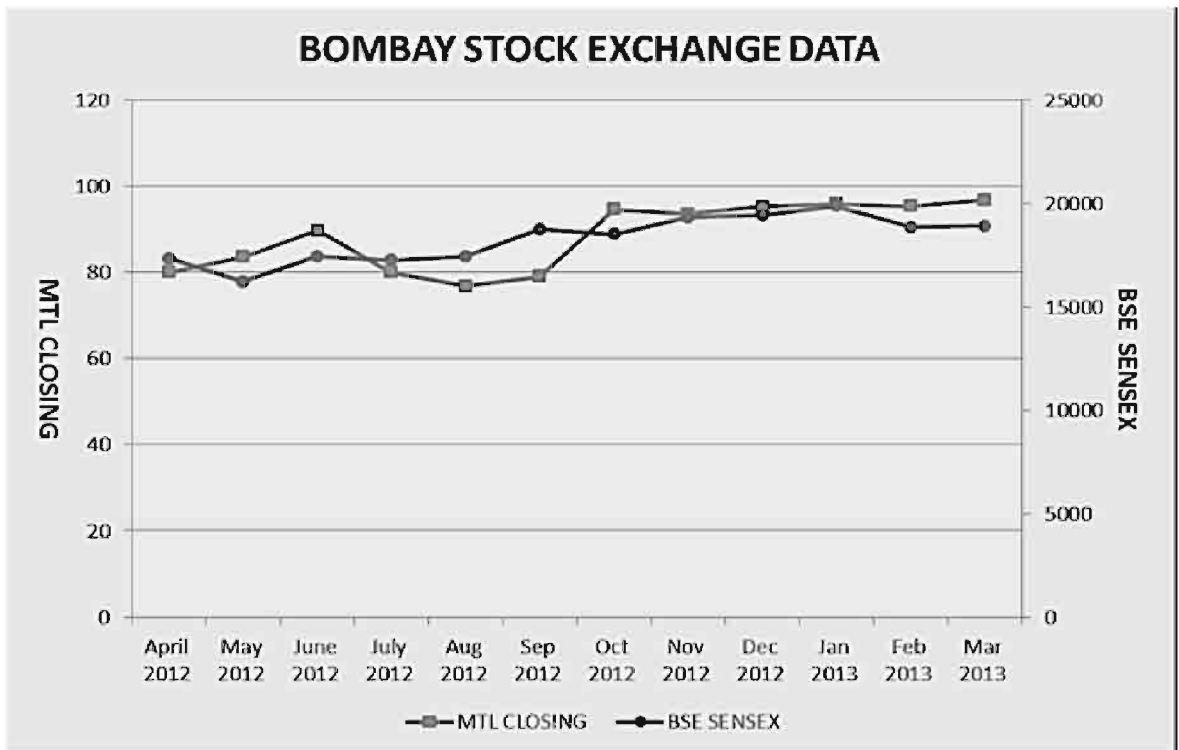
No. of Equity Shares held	No of Share holders	% of Shareholders	No of Equity Shares	% of Shareholders
Upto 5,000	5,862	98.29	1,905,144	14.06
5,001 - 10,000	38	0.64	297,192	2.19
10,001 - 20,000	20	0.34	307,897	2.27
20,001 - 30,000	13	0.22	363,157	2.68
30,001 - 40,000	2	0.03	148,237	1.09
40,001 - 50,000	1	0.02	50,000	0.37
50,001 - 100,000	10	0.17	934,865	6.90
100,001 and above	18	0.30	9,541,208	70.43
<b>Total</b>	<b>5,964</b>	<b>100.00</b>	<b>13,547,700</b>	<b>100.00</b>

- 13. Dematerialisation of Shares and Liquidity** As on March 31, 2013, 97.53% of Shareholding is held in dematerialised form with NSDL and CDSL.
- 14. Outstanding GDR / ADR / Warrant or any convertible instrument, conversion date and impact on equity** Your Company has not issued any GDR / ADR / Warrant or any convertible instruments so far.
- 15. Plant Location**
- Unit I - 143, C-5, Bommasandra Industrial Area  
Unit II - 60E & 60F, Bommasandra Industrial Area, both on Hosur Road, Bangalore - 560 099.  
Bidadi Unit - 71 & 72 Bidadi Industrial Areas, Second Phase, Bidadi - 562109, Karnataka.

## 16. STOCK MARKET DATA

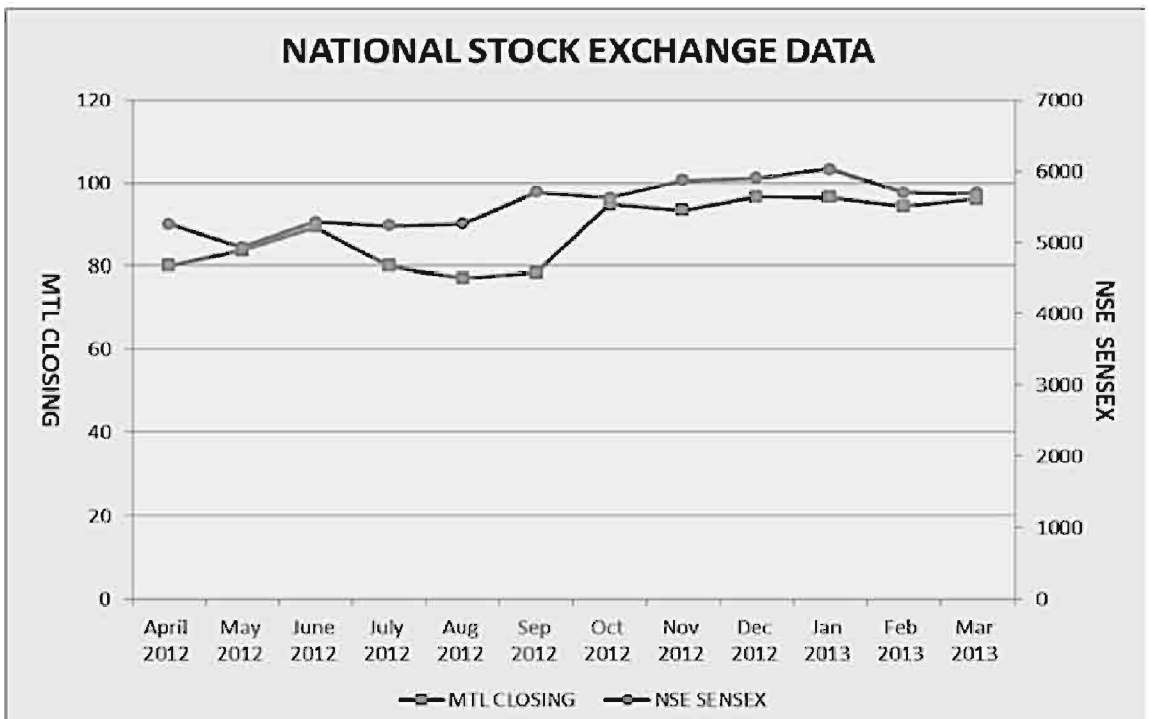
- a. The monthly high, low and closing prices of equity shares of the Company traded on Bombay Stock Exchange (BSE) from April 1, 2012 to March 31, 2013 are given below:

Month	VOLUME	High Price	Low Price	Close Price	SENSEX
April 2012	51,345	84.80	78.00	80.00	17,318.81
May 2012	109,874	90.00	77.25	83.60	16,218.53
June 2012	64,422	89.95	82.25	89.70	17,429.98
July 2012	68,596	92.75	79.60	80.00	17,236.18
Aug 2012	72,221	85.80	76.30	76.80	17,429.56
Sep 2012	88,879	81.00	75.00	79.05	18,762.74
Oct 2012	608,844	107.10	78.90	94.70	18,505.38
Nov 2012	88,542	99.85	83.20	93.50	19,339.90
Dec 2012	64,926	99.90	91.45	95.35	19,426.71
Jan 2013	157,273	104.00	94.25	96.00	19,894.98
Feb 2013	123,206	105.40	92.25	95.40	18,861.54
Mar 2013	59,699	98.80	91.60	96.80	18,918.52



- b. The monthly high, low and closing prices of equity shares of the Company traded on National Stock Exchange (NSE) from April 1, 2012 to March 31, 2013 are given below:

Month	Volume	High Price	Low Price	Close Price	Sensex
April 2012	76,491	82.00	78.70	80.05	5,248.15
May 2012	151,162	84.85	83.25	83.65	4,924.25
June 2012	85,123	90.00	87.80	89.40	5,278.90
July 2012	76,632	86.95	79.95	80.00	5,229.00
Aug 2012	80,554	79.80	76.10	77.10	5,258.50
Sep 2012	57,885	80.55	77.50	78.40	5,703.30
Oct 2012	857,232	95.25	93.75	94.85	5,619.70
Nov 2012	114,242	94.00	92.05	93.40	5,879.85
Dec 2012	99,861	97.80	94.25	96.60	5,905.10
Jan 2013	101,529	96.95	96.00	96.40	6,034.75
Feb 2013	164,093	101.00	93.50	94.35	5,693.05
Mar 2013	58,330	98.55	93.15	96.05	5,682.55



For and on behalf of the Board

Bangalore,  
May 28, 2013

**Vimal Kedia**  
Managing Director

**Surendra Kedia**  
Executive Director

## AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members

**Manjushree Technopack Limited:**

We have examined the compliance of conditions of Corporate Governance by Manjushree Technopack Limited (CIN:L67120KA1987PLC032636) (the Company) for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement, save that, in the absence of the Company Secretary who resigned with effective from September 18, 2012, the Chairman of the Audit Committee assumed the role of secretary for the meetings held on November 10, 2012 and February 04, 2013.

We 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.

**for Singhvi, Dev & Unni**  
Chartered Accountants,  
Firm Regn.No. 003867S

**Parthasarathy Sudarsanam**  
Partner  
Membership No.: 205179

Bangalore  
May 28, 2013

## **MD's CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT**

I Vimal Kedia, Managing Director of Manjushree Technopack Limited ("Company") hereby certify that:

- a) I have reviewed financial statements and the cash flow statement of the Company for the financial year ended March 31, 2013 and that to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements 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 my knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violate of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and Audit Committee
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii) 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.

**Vimal Kedia**  
**Managing Director**

## INDEPENDENT AUDITORS' REPORT

To  
The Members  
**Manjushree Technopack Limited**

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Manjushree Technopack Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

### Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

5. i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii) As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**for Singhvi, Dev & Unni**  
**Chartered Accountants**  
Firm Reg. No. 003867S

**Parthasarathy Sudarsanam**  
Partner  
Membership No.: 205179

Bangalore  
May 28, 2013



## **Annexure to the Auditors' Report**

**(as referred to in para 5(i) of the Independent Auditors' report dated May 28, 2013)**

- (i) (a) the records of fixed assets showing full particulars including quantitative details and situation of fixed assets are maintained by the Company;
- (b) the fixed assets of the Company have not been physically verified during the year. In our opinion, the frequency of the verification of the assets needs to be increased;
- (c) there has been no disposal of substantial part of the fixed assets during the year;
- (ii) (a) as explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
- (b) in our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) in our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. We are informed that the discrepancies between the physical stocks and the book records noticed on verification were not material;
- (iii) (a) the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, comment on clause (iii) (b) (c) and (d) does not arise
- (b) the Company has obtained an interest free loan of 57,487,080 from an associate specified in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was 57,487,080 and the closing balance is Nil; and
- (c) other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company; and
- (d) the Company has regularly repaid the loan during the year;
- (iv) the Company has adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. We have not come across any major weakness in internal control;
- (v) the Company has no transactions that need to be entered in the register to be maintained as per section 301 of the Companies Act, 1956. Consequently, comment on clause (v) does not arise;
- (vi) during the year, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provision of the Act and the rules framed thereunder, or under the directives issued by the Reserve Bank of India. Consequently, comment on clause (vi) does not arise;
- (vii) in our opinion, the Company has an internal audit system commensurate with its size and nature of its business;
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies

Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. As informed to us, the Company is in the process of obtaining the Cost Audit report required under Companies (Cost Audit) Rules 2011 and Section 233 B of the Companies Act;

- (ix) (a) the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Service Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities and there are no undisputed amounts outstanding as at the last day of the financial year for a period of more than six months from the date they became payable;
- (b) according to the information and explanations given to us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, custom duty, value added tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute, other than the following;

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Central Excise Act 1944	Excise duty with interest and penalty	1,704,931	April' 03 to March' 04	Commissioner (Appeal)
Central Excise Act 1944	Excise duty with interest and penalty	525,632	Sept' 08 to July' 09	Commissioner (Appeal)
Central Excise Act 1944	Excise duty with interest and penalty	160,398	April' 09 to May' 10	Commissioner (Appeal)
Central Excise Act 1944	Excise duty with interest and penalty	147,232	April' 10 to Sept' 10	Commissioner (Appeal)
Central Excise Act 1944	Excise duty with interest and penalty	45,656	June' 10 to April' 11	Commissioner (Appeal)
Central Excise Act 1944	Excise duty with interest and penalty	573,322	Sept' 08 to July' 09	Commissioner (Appeal)
Finance Act 1994	Service tax with interest and penalty	176,708	Aug' 09 to Feb' 11	Commissioner (Appeal)
Finance Act 1994	Service tax with interest and penalty	171,252	Sept' 09 to July' 10	Commissioner (Appeal)
Finance Act 1994	Service tax with interest and penalty	51,200	Aug' 10 to Feb' 11	Commissioner (Appeal)
Finance Act 1994	Service tax with interest and penalty	151,668	Mar' 11 to Dec' 11	Commissioner (Appeal)
Customs Act, 1962	Duty demand for bonded warehoused raw materials	285,597	Apr' 2002	Assistant Commissioner of Customs (Bonds)

- (x) the Company has no accumulated losses as at March 31, 2013 and has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year;

- (xi) in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to bank and there are no dues to financial institutions or debenture-holders;
- (xii) the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Consequently, comment on clause (xii) does not arise;
- (xiii) the Company is not a chit fund Company, nidhi, mutual benefit fund/society. Consequently, comment on clause (xiii) does not arise;
- (xiv) the Company is not dealing or trading in shares, securities, debentures and other investments. Consequently, comment on clause (xiv) does not arise;
- (xv) according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Consequently, comment on clause (xv) does not arise;
- (xvi) the Company has used the term loan for the purpose for which it was obtained;
- (xvii) according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long-term investment;
- (xviii) the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act. Consequently, comment on clause (xviii) does not arise;
- (xix) the Company has not issued any debentures. Consequently, comment on clause (xix) does not arise;
- (xx) the Company has not raised any money by public issue during the year. Consequently, comment on clause (xx) does not arise; and
- (xxi) during the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**for Singhvi, Dev & Unni**  
Chartered Accountants  
Firm Reg. No. 003867S

Bangalore  
May 28, 2013

**Parthasarathy Sudarsanam**  
Partner  
Membership No.: 205179

**BALANCE SHEET AS AT MARCH 31, 2013**

(₹ in lakhs except stated otherwise)

	Note No.	As at March 31, 2013	As at March 31, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
a) Share Capital	2	1,371.86	1,371.86
b) Reserves and Surplus	3	10,943.70	8,686.83
		<b>12,315.56</b>	<b>10,058.69</b>
<b>NON-CURRENT LIABILITIES</b>			
a) Long-term borrowings	4	12,768.09	6,140.32
b) Deferred tax liabilities (Net)	5	1,317.42	828.51
c) Long term provisions	6	91.03	46.34
		<b>14,176.54</b>	<b>7,015.17</b>
<b>CURRENT LIABILITIES</b>			
a) Short-term borrowings	7	8,132.53	5,446.31
b) Trade payables	8	1,410.67	1,723.89
c) Other current liabilities	9	6,268.28	3,566.78
d) Short-term provisions	10	246.30	232.46
		<b>16,057.78</b>	<b>10,969.44</b>
<b>TOTAL</b>		<b>42,549.88</b>	<b>28,043.30</b>
<b>II. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a) Fixed assets	11		
i) Tangible assets		23,524.60	14,908.45
ii) Intangible assets		18.14	7.87
iii) Capital work-in-progress		531.03	435.85
		<b>24,073.77</b>	<b>15,352.17</b>
b) Non-current investments		-	-
c) Deferred tax assets (net)		-	-
d) Long term loans and advances	12	565.66	1,814.44
e) Other non-current assets		-	-
		<b>565.66</b>	<b>1,814.44</b>
<b>CURRENT ASSETS</b>			
a) Current investments		-	-
b) Inventories	13	4,862.51	3,441.77
c) Trade receivables	14	6,556.01	4,575.68
d) Cash and Bank balances	15	2,498.02	626.25
e) Short-term loans and advances	16	3,553.41	2,190.85
f) Other current assets	17	440.50	42.14
		<b>17,910.45</b>	<b>10,876.69</b>
<b>TOTAL</b>		<b>42,549.88</b>	<b>28,043.30</b>

**SIGNIFICANT ACCOUNTING POLICIES**

1.A

Notes on financial statements and other explanatory information

1.B

The notes referred to above form an integral part of the Balance Sheet

As per our report of even date attached

for Singhvi, Dev &amp; Unni

for and on behalf of the Board

Chartered Accountants

Firm Regn.No.003867S

Parthasarathy Sudarsanam

Partner

Membership No.: 205179

Bangalore

May 28, 2013

Vimal Kedia

Managing Director

DIN 0072 923

Bangalore

May 28, 2013

Surendra Kedia

Executive Director

DIN 0072 926

Bangalore

May 28, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

(₹ in lakhs except stated otherwise)			
	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
<b>I. REVENUE FROM OPERATIONS</b>			
<b>SALES</b>	<b>18</b>	43,701.98	36,078.36
Less: Central Excise Duty		7,579.95	5,100.44
Net Turnover		<u>36,122.03</u>	<u>30,977.92</u>
II. Other Income	<b>19</b>	284.11	165.60
<b>III. Total Revenue (I + II)</b>		<u><b>36,406.14</b></u>	<u><b>31,143.52</b></u>
<b>IV. EXPENSES:</b>			
Cost of materials consumed	<b>20</b>	22,987.67	18,930.85
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>21</b>	(1,220.40)	752.31
Employees' benefit expenses	<b>22</b>	2,083.40	1,627.83
Power and fuel expenses	<b>23</b>	2,255.91	1,736.10
Other manufacturing expenses	<b>24</b>	766.78	643.90
Finance cost	<b>25</b>	1,204.10	1,102.36
Depreciation and amortisation expenses	<b>11</b>	3,193.49	1,940.35
Other expenses	<b>26</b>	1,353.99	1,186.92
Public issue expenses written off		-	28.38
<b>Total Expenses IV</b>		<u><b>32,624.94</b></u>	<u><b>27,949.01</b></u>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>3,781.20</b>	<b>3,194.51</b>
VI. Prior Period Expenses		-	161.49
VII. Exceptional Items		-	-
<b>VIII. Profit before extraordinary items and tax (V-VI-VII)</b>		<b>3,781.20</b>	<b>3,033.02</b>
IX. Extraordinary items		-	-
<b>X. Profit before Tax (VIII - IX)</b>		<b>3,781.20</b>	<b>3,033.02</b>
XI. Tax expense:			
(1) Current tax		876.16	731.35
(2) Current tax		1.80	-
(3) Deferred tax	<b>5</b>	488.92	251.23
<b>XII. Profit/(Loss) for the year from continuing operations (X-XI)</b>		<u><b>2,414.32</b></u>	<u><b>2,050.44</b></u>
XIII. Profit/(Loss) from discontinuing operations		-	-
XIV. Tax expense of discontinuing operations		-	-
XV. Profit/(Loss) from discontinuing operations (XIII - XIV)		-	-
<b>XVI. Profit/(Loss) for the year (XII + XV)</b>		<u><b>2,414.32</b></u>	<u><b>2,050.44</b></u>
<b>Earning Per Equity Share in Rs.:</b>			
Basic		<b>17.82</b>	<b>15.13</b>
Diluted		<b>17.82</b>	<b>15.13</b>

**SIGNIFICANT ACCOUNTING POLICIES**

Notes on financial statements and other explanatory information

The notes referred to above form an integral part of the Statement of Profit and Loss.

As per our report of even date attached

**for Singhvi, Dev & Unni**

 Chartered Accountants  
 Firm Regn.No.003867S

for and on behalf of the Board

**Parthasarathy Sudarsanam**

 Partner  
 Membership No.: 205179  
 Bangalore  
 May 28, 2013

**Vimal Kedia**  
 Managing Director  
 DIN 0072 923  
 Bangalore  
 May 28, 2013

**Surendra Kedia**  
 Executive Director  
 DIN 0072 926  
 Bangalore  
 May 28, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

(₹ in lakhs except stated otherwise)

PARTICULARS	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before income tax</b>	<b>3,781.20</b>	<b>3,033.02</b>
<b>Cash flows</b>		
1 Depreciation	3,193.49	2,081.56
2 Interest / Dividend / Other Income	(168.11)	(171.74)
3 (Profit) / Loss on Sale of Fixed Assets	(116.00)	6.14
4 Net Unrealised exchange (gain) or loss	54.39	175.58
5 Finance Cost	1,204.10	1,102.36
6 Amortisation of Share Issue Expenses	-	28.38
	4,167.87	3,222.28
<b>Operating profit before working capital changes</b>	<b>7,949.07</b>	<b>6,255.30</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Increase / (Decrease) in Inventories	(1,420.74)	1,652.02
Increase / (Decrease) in Trade receivables	(1,980.33)	(1,301.28)
Increase / (Decrease) in Short Term Loans and Advances	(1,362.56)	(56.56)
Increase / (Decrease) in Long Term Loans and Advances	1,248.78	(113.27)
Increase / (Decrease) in Other Current Assets	(398.36)	(83.32)
Increase / (Decrease) in Other Non-Current Assets	-	(35.16)
	(3,913.21)	62.43
<b>Adjustments for (increase) / decrease in operating liabilities:</b>		
Trade Payables	(313.22)	397.54
Other Current Liabilities	2,720.69	1,500.27
Other Long Term Liabilities	488.90	251.24
Short Term Provisions	13.84	(37.78)
Long Term Provisions	44.68	(5.20)
	2,954.89	2,106.07
<b>Net Working Capital Changes</b>	<b>(958.32)</b>	<b>2,168.50</b>
<b>Cash generates from / (used in) Operations</b>	<b>6,990.75</b>	<b>8,423.80</b>
Taxes Paid / Payable Net	(1,366.87)	(982.58)
<b>Net cash flow from / (used in) operating activities(A)</b>	<b>5,623.88</b>	<b>7,441.22</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 (Contd...)**

(₹ in lakhs except stated otherwise)

PARTICULARS	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets including		
Capital Advances	(11,939.94)	(7,640.25)
Proceed from sale of Fixed Assets	140.86	6.89
Deposits / Investments	-	(500.00)
Interest Income/other Income	168.11	171.74
Bank Balances not considered as Cash and Cash equivalents	(1,876.42)	(496.70)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(13,507.39)</b>	<b>(8,458.32)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	8,147.62	1,059.50
Repayment of Long Term Borrowings	(1,593.41)	(1,100.00)
Net Increase / Decrease in Working Capital Borrowings	2,686.22	2,327.02
Finance Cost	(1,204.10)	(1,102.36)
Dividend & tax thereon paid	(157.45)	(157.46)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>7,878.88</b>	<b>1,026.70</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(4.63)	9.60
Cash and cash equivalents at the beginning of the year	18.69	9.09
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>14.06</b>	<b>18.69</b>
<b>Cash and cash equivalents closing</b>	<b>14.06</b>	<b>18.69</b>

**Notes:**

1. The above statement has been prepared in indirect method.
2. Purchases of Fixed Assets are shown inclusive of Capital Work in Progress.
3. Cash and Cash equivalents represent Cash and Bank Balances only.
4. The previous year figures have been regrouped wherever necessary to conform to current year.

In terms of our report attached  
**for Singhvi, Dev & Unni**  
 Chartered Accountants  
 Firm Regn.No.003867S

for and on behalf of the Board

**Parthasarathy Sudarsanam**  
 Partner  
 Membership No.: 205179  
 Bangalore  
 May 28, 2013

**Vimal Kedia**  
 Managing Director  
 DIN 0072 923  
 Bangalore  
 May 28, 2013

**Surendra Kedia**  
 Executive Director  
 DIN 0072 926  
 Bangalore  
 May 28, 2013

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013**

(₹ in lakhs except stated otherwise)

Particulars	AS AT MARCH 31, 2013		AS AT MARCH 31, 2012	
	No. of Shares	Amount	No. of Shares	Amount
<b>NOTE NO "2" : SHARE CAPITAL</b>				
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	15,000,000	1,500.00	15,000,000	1,500.00
<b>Issued and Subscribed and Paid-up Capital</b>				
Equity Shares of Rs.10/- each fully called up and Paid up in Cash.	13,547,700	1,354.77	13,547,700	1,354.77
Add: Forfeited shares (amount originally paid up) (239,500 equity shares have been forfeited on 30.09.1997 for non-payment of allotment money.)	239,500	17.09	239,500	17.09
<b>Total</b>		<b>1,371.86</b>		<b>1,371.86</b>

**(i) Reconciliation of no. of Equity Shares outstanding at the beginning and at the end of the current year:**

Particulars	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares of face value Rs.10/- each</b>				
As at beginning of the year	13,547,700	1,354.77	13,547,700	1,354.77
Add : number of shares issued during the year	-	-	-	-
Less : number of shares bought back during the year	-	-	-	-
<b>As at end of the year</b>	<b>13,547,700</b>	<b>1,354.77</b>	<b>13,547,700</b>	<b>1,354.77</b>

**(ii) Share holders holding more than 5% Equity Shares in the Company :**

Class of Share / Name of the shareholder	Number of shares held	% of shares held	Number of shares held	% of shares held
<b>Equity Shares of face value Rs.10/- each</b>				
Manjushree Fincap Pvt. Ltd.	1,758,600	12.98%	1,758,600	12.98%
Hitech Creations Pvt. Ltd.	1,722,246	12.71%	1,722,246	12.71%
Shruti Financial Services Pvt. Ltd.	1,696,400	12.52%	1,696,400	12.52%
Mphinite Solutions Pvt. Ltd.	1,163,457	8.59%	1,163,457	8.59%

(iii) Company has only one class of shares referred to as Equity Shares of Rs. 10/- each. Each Equity Share holder is entitled to one vote per share.

(iv) The company does not have any Holding Company. Hence, disclosure regarding number of shares held by the Holding Company, the ultimate Holding Company, their subsidiary and Associates does not arise.



**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013 (Contd...)**

(₹ in lakhs except stated otherwise)

	As at March 31, 2013	As at March 31, 2012
<b>NOTE NO "3" : RESERVE AND SURPLUS</b>		
<b>General Reserve</b>		
Balance as at the beginning of the year	1,300.00	1,300.00
Add/(Less): Transferred from Current year surplus	-	-
<b>Balance as at the end of the year (A)</b>	<b>1,300.00</b>	<b>1,300.00</b>
<b>Securities Premium</b>		
Balance as at the beginning of the year	2,735.32	2,735.32
Add/(Less) : Premium on Fresh Issue of Shares	-	-
<b>Balance as at the end of the year (B)</b>	<b>2,735.32</b>	<b>2,735.32</b>
<b>Surplus from Statement of Profit and Loss</b>		
Balance as at the beginning of the year	4,651.52	2,758.52
Add/(Less): Net Profit after tax transferred from Statement of Profit and Loss	2,414.32	2,050.45
<b>Amount available for appropriations</b>	<b>7,065.84</b>	<b>4,808.97</b>
<b>Less Appropriations made:</b>		
Transfer to General Reserve	-	-
Proposed Dividend	135.48	135.48
Tax on Dividend	21.98	21.98
<b>Balance as at the end of the year (C)</b>	<b>6,908.38</b>	<b>4,651.51</b>
<b>Total Reserves and Surplus (A+B+C)</b>	<b>10,943.70</b>	<b>8,686.83</b>

**NOTE NO "4" : LONG TERM BORROWINGS**

	AS AT MARCH 31, 2013		AS AT MARCH 31, 2012	
	Current Maturities	Non Current Maturities	Current Maturities	Non Current Maturities
<b>Secured</b>				
<b>Term loans from State Bank of India</b>				
Rupee Term Loan (refer # 4.1 below)	1,297.80	362.76	1,400.00	645.84
FCNRB Loan in lieu of Rupee Term Loan (refer # 4.1 below)	-	7,329.15	-	1,688.08
Buyer's Credit (For Capital Goods) (refer # 4.2 below)	-	4,254.41	-	2,873.46
<b>Term loan from other parties</b>				
Export Development of Canada (EDC) (refer # 4.3 below)	183.03	821.77	100.00	932.94
<b>TOTAL</b>	<b>1,480.83</b>	<b>12,768.09</b>	<b>1,500.00</b>	<b>6,140.32</b>

# 4.1: Term Loan from State Bank of India is secured by way of Hypothecation of Company's present and future movable fixed assets like Plant and Machineries (except machineries on which charge belongs to EDC), Equipment etc. along with equitable mortgage of immovable properties located at Bommasandra, Bidadi and Harohalli, Bangalore, further secured by way of personal guarantee of 2 directors. The said loan is repayable in quarterly installments, the last of which is due on June 2021.

# 4.2: Buyer's Credit on Capital Goods represents vendor liability settled on the basis of letters of credit issued by State Bank of India, security for the said Buyer's credit are same as stated Note # 4.1. Buyer's Credit shall be substituted by proposed term loan to be disbursed upon maturity of buyer's credit.

# 4.3: Term Loan from Export Development of Canada is an External Commercial Borrowing secured by way of hypothecation of specified machineries financed by them. The loan shall be repayable in 6 years in equal semi annual installments and the repayment commenced from December 2012, rate of interest is at 3.78%.

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013 (Contd...)**

(₹ in lakhs except stated otherwise)

	As At March 31, 2013	As At March 31, 2012
<b>NOTE NO "5" : DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Assets</b>		
On provision for Gratuity	3.46	18.47
On provision for compensated absences	27.61	99.17
On exchange loss - unrealised	28.38	-
On provision for doubtful debts	10.17	-
<b>TOTAL A</b>	<b>69.62</b>	<b>117.64</b>
<b>Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets	1,387.04	946.15
Others	-	-
<b>TOTAL B</b>	<b>1,387.04</b>	<b>946.15</b>
<b>Deferred Tax Liabilities (Net) (B-A)</b>	<b>1,317.42</b>	<b>828.51</b>
<b>NOTE "6" : LONG TERM PROVISIONS</b>		
Provision for Employees Benefit	-	-
For Gratuity	10.67	(6.78)
For Compensated absences	80.36	53.12
<b>TOTAL</b>	<b>91.03</b>	<b>46.34</b>
<b>NOTE "7" : SHORT TERM BORROWINGS</b>		
<b>Secured Loans repayable on demand from Banks</b>		
Rupee Cash Credit from SBI, IFB Branch	5,658.72	2,985.83
Buyers Credit for raw materials	1,867.72	1,254.01
FCNRB Loan (in lieu of Rupee Cash Credit)	-	1,031.00
Export Packing Credit (USD)	-	175.47
<b>TOTAL A</b>	<b>7,526.44</b>	<b>5,446.31</b>
<b>Obtained by personal guarantee of 2 Directors</b>		
Rupee Cash Credit from HSBC Bank	42.60	-
Rupee Vendor Finance from HSBC Bank	477.75	-
Rupee Working Capital Demand Loan from HSBC Bank	85.74	-
<b>TOTAL B</b>	<b>606.09</b>	-
<b>TOTAL A+B</b>	<b>8,132.53</b>	<b>5,446.31</b>
Demand loans from Bank: working capital loans are secured against present and future movable assets of the Company like inventory, debtors, plant and machineries etc., further secured by way of personal guarantee of 2 Directors.		
<b>NOTE "8" : TRADE PAYABLES</b>		
<b>I. For Goods</b>		
- Due to Micro, Small and Medium Enterprises	160.49	72.48
- Due to other	1,250.18	1,651.41
<b>TOTAL</b>	<b>1,410.67</b>	<b>1,723.89</b>

Details relating to dues to Micro and Small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the Management and relied upon by the Auditors'. The Company has not received any claim for interest from any supplier under the said Act. The following table provides the details:

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013 (Contd...)**

(₹ in lakhs except stated otherwise)

	As At March 31, 2013	As At March 31, 2012
● The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year;	160.49	72.48
● Interest due there on remaining unpaid to any supplier at the end of each accounting years	0.93	-
● The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	-	-
● The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
● The amount of interest accrued and remaining unpaid at the end of the year;	-	-
● The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
<b>NOTE "9" : OTHER CURRENT LIABILITIES</b>		
- Current Maturities of Long term borrowings	1,480.83	1,500.00
- Interest accrued and due on borrowings	61.83	37.34
- Interest accrued but not due on ECB loan from EDC	12.55	12.04
- Interest Accrued but not due on Buyeis Credit (For Capital Goods)	47.26	32.10
<b>Other Payable</b>		
i. Statutory remittance payable		
Unpaid Dividends	12.08	8.30
Withholding taxes	115.12	51.72
Excise Duty	380.82	209.76
Service tax	30.90	-
Customs Duty	2.86	-
Sales Tax	-	22.48
Entry Tax	22.60	33.00
Professional Tax (Employees')	0.51	0.42
Provident fund	3.13	2.71
Employee State Insurance	0.81	0.68
ii. Creditors for capital goods	2,037.31	1,550.82
iii. Others		
Employee Benefits Payable	275.92	40.23
Advance from Customers	137.36	122.58
Forward Contract Payable	547.08	(69.56)
Others	1,099.31	12.16
<b>TOTAL</b>	<b>6,268.28</b>	<b>3,566.78</b>

**NOTE "10" : SHORT TERM PROVISIONS**
**Provisions for Employee Benefits**

- For compensated absences	4.74	3.82
- For other benefits	84.10	71.18

**Provision for Others**

- Proposed Dividend	135.48	135.48
- Tax on Dividend	21.98	21.98

<b>TOTAL</b>	<b>246.30</b>	<b>232.46</b>
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ITEM	GROSS BLOCK						DEPRECIATION					NET BLOCK		
	As at 01.04.2012	Addition / Adjustments			Deductions		As At 31.03.2013	Up to 31.03.2012	For the Year	Prior Period	Deductions	Up to 31.03.2013	As At 31.03.2013	As At 31.03.2012
		Additions	Preoperative expenses	Forex Loss / (Gain)	Total Addition	Adjust ments								
<b>A. TANGIBLE ASSETS</b>														
Freehold Land	524.42	-	-	-	-	-	524.42	-	-	-	-	524.42	524.42	
Leasehold Land	1,330.83	630.70	-	630.70	34.19	-	1,927.34	-	-	-	-	1,927.34	1,330.83	
Building & Civil Works	1,740.02	3,557.87	142.36	3,710.23	31.57	-	5,418.68	562.27	160.17	13.91	708.53	4,710.16	1,177.75	
Plant & Machinery	17,783.28	5,128.99	60.69	5,438.38	345.99	248.70	22,875.67	6,894.78	2,851.31	340.73	9,345.36	13,530.30	10,948.50	
Utility Installations	1,245.83	1,712.13	80.62	1,792.75	21.59	-	3,016.99	489.21	131.48	19.66	601.03	2,415.96	756.62	
Computer Systems	60.35	6.77	-	6.77	-	-	67.12	45.58	6.55	-	52.13	14.99	14.77	
Furniture & Fixtures	54.34	23.09	0.05	23.14	-	-	77.48	20.07	7.14	-	27.21	50.27	34.27	
Vehicles	97.48	21.64	-	21.64	-	-	119.12	55.57	14.22	-	69.79	49.33	41.91	
Other Equipment	110.64	234.71	3.40	238.11	-	-	348.75	31.26	15.66	-	46.92	301.83	79.38	
<b>Total A</b>	<b>22,947.19</b>	<b>11,325.90</b>	<b>287.12</b>	<b>11,861.72</b>	<b>433.34</b>	<b>248.70</b>	<b>34,375.57</b>	<b>8,038.74</b>	<b>3,186.53</b>	<b>-</b>	<b>374.30</b>	<b>10,850.97</b>	<b>23,524.60</b>	<b>14,908.45</b>
<b>Previous year</b>	<b>15,674.43</b>	<b>7,309.60</b>	<b>-</b>	<b>7,309.60</b>	<b>36.85</b>	<b>-</b>	<b>22,947.19</b>	<b>5,962.36</b>	<b>1,935.17</b>	<b>165.03</b>	<b>23.82</b>	<b>8,038.74</b>	<b>14,908.45</b>	<b>9,712.07</b>
<b>B. INTANGIBLE ASSETS</b>														
Computer Software	36.54	17.23	-	17.23	-	-	53.77	28.67	6.96	-	-	35.63	18.14	7.87
<b>Total B</b>	<b>36.54</b>	<b>17.23</b>	<b>-</b>	<b>17.23</b>	<b>-</b>	<b>-</b>	<b>53.77</b>	<b>28.67</b>	<b>6.96</b>	<b>-</b>	<b>-</b>	<b>35.63</b>	<b>18.14</b>	<b>7.87</b>
<b>Previous year</b>	<b>36.44</b>	<b>0.10</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>36.54</b>	<b>23.49</b>	<b>5.18</b>	<b>-</b>	<b>-</b>	<b>28.67</b>	<b>7.87</b>	<b>12.95</b>
<b>C. CAPITAL WORK-IN-PROGRESS</b>														
Building & Civil Works	363.41	3,455.88	-	3,455.88	3,670.24	-	149.05	-	-	-	-	-	149.05	363.41
Plant & Machinery	1.95	4,221.70	-	4,221.70	4,205.75	-	17.90	-	-	-	-	-	17.90	1.95
Mould	-	619.63	-	619.63	614.63	-	5.00	-	-	-	-	-	5.00	-
Other Assets	70.49	2,324.11	-	2,324.11	2,048.54	-	346.06	-	-	-	-	-	346.06	70.49
Water Installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-operative expenses	-	311.37	-	311.37	298.35	-	13.02	-	-	-	-	-	13.02	-
<i>(Refer Note: 1A (iii) of Notes on account)</i>														
<b>Total C</b>	<b>435.85</b>	<b>10,932.69</b>	<b>-</b>	<b>10,932.69</b>	<b>10,837.51</b>	<b>-</b>	<b>531.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>531.03</b>	<b>435.85</b>
<b>TOTAL (A+B)</b>	<b>22,983.73</b>	<b>11,343.13</b>	<b>287.12</b>	<b>11,878.95</b>	<b>433.34</b>	<b>248.70</b>	<b>34,429.34</b>	<b>8,067.41</b>	<b>3,193.49</b>	<b>-</b>	<b>374.30</b>	<b>10,886.60</b>	<b>23,542.74</b>	<b>14,916.32</b>
<b>Previous year</b>	<b>15,710.87</b>	<b>7,309.70</b>	<b>-</b>	<b>7,309.70</b>	<b>36.85</b>	<b>-</b>	<b>22,983.73</b>	<b>5,985.85</b>	<b>1,940.35</b>	<b>165.03</b>	<b>23.82</b>	<b>8,067.41</b>	<b>14,916.32</b>	<b>9,725.02</b>

Note 1: Includes an amount of Rs.248.64 pertaining to foreign exchange loss capitalised on Plant and machinery - also refer Note 1A - viii(b) of Notes on account.

Note 2: In the Managements view there is no impairment to assets as per Accounting Standard 28 on Impairment of Assets issued under the Companies (Accounting Standards) Rules, 2006. Consequently, there is no impairment loss debited to the statement of profit and loss.

Note 3: Lease hold land includes which had been obtained on lease cum sale from KIADB and where the the legal title in resepct of such land shall be registered in the name of the Company upon expiry of Ten years.

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2013 (Contd...)**

(₹ in lakhs except stated otherwise)

	As at March 31, 2013	As at March 31, 2012
<b>NOTE "12" : LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
- Security deposit	339.00	295.97
- Rental deposit	134.68	132.92
- Capital advance	91.98	1,385.55
<b>TOTAL</b>	<b>565.66</b>	<b>1,814.44</b>
<b>NOTE "13" : INVENTORIES</b>		
(As taken, valued and certified by the management- at cost or net realisable value whichever is lower)		
Raw Materials	1,058.27	1,086.50
Finished and Semi finished goods	3,510.04	2,113.29
Stores and Spares	44.11	66.16
Packing Materials	250.09	175.82
<b>TOTAL</b>	<b>4,862.51</b>	<b>3,441.77</b>
<b>NOTE "14" : TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	62.16	36.98
Doubtful	31.33	-
<b>Others</b>		
Unsecured, considered good	6,493.85	4,538.70
Doubtful	-	-
	6,587.34	4,575.68
Less : Provision for doubtful receivables	31.33	-
<b>TOTAL</b>	<b>6,556.01</b>	<b>4,575.68</b>
<b>NOTE "15" : CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
- Cash on hand	12.60	15.68
<b>Balances with Banks</b>		
- In Current accounts	1.45	3.02
<b>Other Bank Balances</b>		
- Margin Deposits against Letter of Credit	2,365.89	594.20
- Margin Deposits against Bank Guarantee	6.00	5.05
- Term Deposit with SBI	100.00	-
- Unpaid Dividend Bank account	12.08	8.30
<b>TOTAL</b>	<b>2,498.02</b>	<b>626.25</b>

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2013 (Contd...)**

(₹ in lakhs except stated otherwise)

	As at March 31, 2013	As at March 31, 2012
<b>NOTE "16" : SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered good unless and otherwise stated		
Loans and advances to related parties	-	-
<b>Others</b>		
With statutory authorities (refer note below)	2,815.06	1,134.01
Commercial advances and deposits	738.35	1,056.84
<b>TOTAL</b>	<b>3,553.41</b>	<b>2,190.85</b>

Balance with statutory authorities includes:

1. Rs.200,000 relates to Income Tax Demand Under Protest (AY 2002-03) Tribunal set aside the order of Commissioner and decision given in our favour with an instruction to reassess. Reassessment is still pending.

**NOTE "17" : OTHER CURRENT ASSETS**

Deferred Premium on Forward contracts	440.50	42.14
<b>TOTAL</b>	<b>440.50</b>	<b>42.14</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

(₹ in lakhs except stated otherwise)

	Year ended March 31, 2013	Year ended March 31, 2012
<b>NOTE "18" : SALES</b>		
Domestic	36,296.59	30,905.38
Exports	3,025.38	1,957.49
<b>Others</b>		
Job-work	4,380.01	3,215.49
<b>TOTAL</b>	<b>43,701.98</b>	<b>36,078.36</b>
<b>NOTE "19" : OTHER INCOME</b>		
<b>A. Interest</b>		
On margin deposits with bank	101.24	22.33
On other deposits	49.73	140.55
<b>TOTAL (A)</b>	<b>150.97</b>	<b>162.88</b>
<b>B. Others Non-Operating Income</b>		
Profit / (loss) on sale of fixed assets	116.00	(6.14)
Miscellaneous receipts	17.14	8.86
<b>TOTAL (B)</b>	<b>133.14</b>	<b>2.72</b>
<b>TOTAL (A+B)</b>	<b>284.11</b>	<b>165.60</b>
<b>NOTE "20" : COST OF MATERIALS CONSUMED</b>		
<b>A. Opening Stock</b>		
Pet Chips - Indigenous	380.04	1,421.26
- Imported	169.39	16.50
Plastic Material - Indigenous	216.36	285.39
- Imported	34.48	120.00
Master Batch - Indigenous	36.57	15.28
- Imported	53.69	24.24
Others	195.97	104.32
<b>TOTAL A</b>	<b>1,086.50</b>	<b>1,986.99</b>
<b>B. Purchases (net of returns)</b>		
Pet Chips - Indigenous	14,251.25	11,132.83
- Imported	2,918.37	1,550.68
Plastic Material- Indigenous	2,066.96	1,823.06
- Imported	291.80	435.45
Master Batch - Indigenous	96.55	123.36
- Imported	202.04	115.93
Others	812.58	740.09
<b>TOTAL B</b>	<b>20,639.55</b>	<b>15,921.40</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS (Contd...)**

(₹ in lakhs except stated otherwise)

	Year ended March 31, 2013	Year ended March 31, 2012
<b>C. Closing Stock</b>		
Pet Chips - Indigenous	348.86	380.04
- Imported	257.92	169.39
Plastic Material- Indigenous	162.80	216.36
- Imported	32.57	34.48
Master Batch - Indigenous	22.46	36.57
- Imported	68.76	53.69
Others	164.90	195.97
<b>TOTAL C</b>	<b>1,058.27</b>	<b>1,086.50</b>
<b>Net raw materials consumed A+B-C (i)</b>	<b>20,667.78</b>	<b>16,821.89</b>
<b>D. Packing materials consumed</b>		
Opening Stock	175.82	168.49
Purchase - Cartons	2,040.62	1,164.31
Purchase - Packing Material	9.04	802.22
Purchase - Polybags	344.50	149.76
<b>TOTAL</b>	<b>2,569.98</b>	<b>2,284.78</b>
Less: Closing Stock - Carton	250.09	175.82
<b>Net packing materials consumed D (ii)</b>	<b>2,319.89</b>	<b>2,108.96</b>
<b>TOTAL COST OF MATERIALS CONSUMED (i+ii)</b>	<b>22,987.67</b>	<b>18,930.85</b>
<b>NOTE "21" : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing Stock of Finished Goods	3,510.04	2,113.29
Less: Opening Stock of Finished Goods	2,113.29	2,914.35
Excise Duty on Stock differential (refer note below)	176.35	(48.75)
<b>Net increase / (decrease)</b>	<b>1,220.40</b>	<b>(752.31)</b>
Excise duty on stock differentials under "Other Manufacturing Expenses" represents difference between the excise duty included in closing stock and opening stock.		
<b>NOTE "22" : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and allowances	1,517.93	1,267.98
Directors' remuneration (including perquisites)	362.35	226.43
Contribution to Provident and other funds	25.42	24.48
Bonus	49.79	42.79
Gratuity	17.45	6.29
Compensated absences	57.97	20.86
Staff welfare expenses	52.49	39.00
<b>TOTAL</b>	<b>2,083.40</b>	<b>1,627.83</b>



**NOTES FORMING PART OF STATEMENT PROFIT AND LOSS (Contd...)**

(₹ in lakhs except stated otherwise)

	Year ended March 31, 2013	Year ended March 31, 2012
<b>NOTE "23" : POWER AND FUEL EXPENSES</b>		
Power charges	2,209.70	1,693.55
Fuel expenses	46.21	42.55
<b>TOTAL</b>	<b>2,255.91</b>	<b>1,736.10</b>
<b>NOTE "24" : OTHER MANUFACTURING EXPENSES</b>		
Job work charges	96.66	94.00
Water charges	21.49	1.31
Consumable and Stores	353.01	354.76
<b>Repairs and Maintenance</b>		
- Building and civil works	82.39	23.01
- Plant and machinery	79.87	28.01
- Other assets	38.56	63.67
Packing materials - Hire charges	20.67	1.91
Transportation, coolie and cartage	74.13	77.23
<b>TOTAL</b>	<b>766.78</b>	<b>643.90</b>
<b>NOTE "25" : FINANCE COST</b>		
<b>A) Interest cost</b>		
Interest on Rupee loans - term loans	288.24	364.38
- cash credit	333.03	171.28
Interest on FCNRB loans- term loans	122.53	66.87
- cash credit	55.05	41.46
Export packing credit	15.48	19.98
Buyers credit interest	158.64	76.64
Interest on EDC loan	42.90	12.04
Interest others	18.38	6.63
Forward contract premium	145.55	44.99
<b>B) Other borrowing cost</b>		
Bank commission and charges	24.30	59.00
<b>C) Applicable net gain/(loss) on foreign currency translation</b>		
Exchange loss /(gain)	-	239.09
<b>TOTAL</b>	<b>1,204.10</b>	<b>1,102.36</b>

**NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT (Contd...)**

(₹ in lakhs except stated otherwise)

	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
<b>NOTE "26" : OTHER EXPENSES</b>		
Rent	165.24	215.89
Rates, taxes and other fees	20.69	21.21
Insurance premium	26.35	35.96
Conveyance	12.43	11.17
Vehicles running and maintenance	31.73	20.24
Telephone charges	17.46	15.91
Printing and stationery	12.81	13.94
Postage and telegram	15.07	9.57
Professional charges	72.97	60.75
Electricity charges	2.74	3.08
Membership and subscription	7.71	3.10
Miscellaneous	11.42	6.05
Computer software and hardware	13.59	3.58
<b>Auditors remuneration</b>		
- as auditor	7.00	7.00
- for taxation matters	3.00	3.00
- for other services	1.50	0.29
Security service charges	25.83	19.42
Travelling	71.13	63.45
Provision for doubtful receivables	31.33	-
Bad debts written off	4.84	1.54
Exchange (gain) / loss	87.49	195.61
Bank commission and charges	116.99	43.60
Advertisement and publicity	33.48	29.63
Seminar / event management	6.75	6.17
Carriage outwards	408.80	271.35
Damage, rejections and rebates	(7.58)	63.73
Sales commission	98.18	24.26
Sales promotion	55.04	37.42
<b>TOTAL</b>	<b><u>1,353.99</u></b>	<b><u>1,186.92</u></b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

### A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

#### i. ACCOUNTING CONCEPTS

The financial statements have been prepared under the historical cost convention on accrual basis under Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 and other pronouncements of the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956.

#### ii. USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment.

#### iii. FIXED ASSETS

All assets are stated at historical cost (net of CENVAT and VAT Credit wherever applicable) less accumulated depreciation. Cost comprises of direct cost, related taxes, duties, freight attributable, finance cost still such assets are ready for its intended use and the fluctuation in long term foreign currency loan on fixed assets. Reference is invited to note no. 1 A viii (b)

Fixed assets taken on finance lease are capitalized.

In respect of projects involving construction, related pre-operative expenses specifically attributable to construction of a project or to the acquisition of a fixed asset or bringing it to its working condition form part of the cost of assets. This treatment is in accordance with para 9.2 of Accounting Standard 10 – Accounting for Fixed Assets issued under Companies (Accounting Standards) Rules, 2006.

#### iv. DEPRECIATION

Depreciation is provided for under written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956 for all categories of eligible assets on a proportionate basis depending on the period of use. Assets acquired/discarded during the year are depreciated on pro-rata basis.

#### v. INVESTMENTS

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value.

#### vi. BORROWING COSTS

Borrowing Costs that are attributable to the acquisition or the construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowings costs are charged to the statement of profit and loss.

#### vii. VALUATION OF INVENTORIES

- Raw material, packing material, Stores & Spares and consumables are valued at cost computed on FIFO basis or market value whichever is less on the relevant valuation date. Cost for the purposes of valuation of raw-material, packing materials and stores, spares and consumables are inclusive of duties and taxes, freight inward, octroi and inward insurance and is net off credit under the CENVAT / VAT scheme.

- Finished Goods are valued at cost of manufacture or net realizable value whichever is lower. Cost includes the provision for excise duty likely to be payable upon clearance of the finished goods lying at the year end in factory / bonded premises. Such Finished Goods value includes the expenses incurred on conversion stocks under Company's control.

#### viii. FOREIGN CURRENCY TRANSACTION

- Transactions denominated in foreign currencies are normally recorded at monthly standard rate. Exchange fluctuations arising on payment in the case of material and expenses or realization are dealt within the statement of profit and loss. All monetary items are restated at the year end and non monetary items are at valuation date rate / transaction date as the case may be and any differences arising thereof have been dealt within the statement of profit and loss to the extent it pertains to the current year.
- During the year, the Company has exercised its option pursuant to Notification GSR914 (E) dated December 29, 2011 issued by MCA for adjusting to the cost of depreciable assets. In terms of notification GSR 913(E) dated December 29, 2011, the option is exercisable till the accounting periods ending on or before March 31, 2020.  
The exchange difference amounting to Rs248.64 lacs arising on reporting of long-term foreign currency liability relating to acquisition of such assets has been adjusted with cost of assets during the current year.
- Any income or expense on account of exchange difference either on settlement or on transaction is recognized in statement of Profit & Loss except as stated in b above.
- Premium or discount on forward exchange contracts are amortised and recognised in the statement of profit and loss over the period of the contract except as stated in b above. Forward exchange contracts outstanding at the balance sheet date are restated at closing rate and any gains or losses are recognised in the statement of profit and loss.

#### ix. REVENUE RECOGNITION

- Revenue from sale is recognized on dispatch of goods. Gross Sales are inclusive of excise duty and are net of trade discounts / sales returns.
- Dividend Income is recognised when the right to receive is established.
- Interest Income is accrued on a time proportionate basis.
- Income from sale of scrap is recognised upon dispatch

#### x. EMPLOYEE BENEFITS (also refer notes 6 and 10)

##### a) Provident Fund

The Company contributes to a government administered provident / pension fund in respect of all eligible employees. The fixed contributions to these funds are charged to statement of profit and loss.

##### b) Gratuity

The Gratuity Plan provides a lump sum payment to vested employees, at retirement, death, incapacitation or termination of employment. This is a defined benefit plan. Liabilities with regard to gratuity plan are determined by actuarial valuation at each Balance Sheet date. The Company fully contributes all ascertained liabilities to Manjushree Extrusion Employees Group Gratuity Trust (the Trust). Trustees administer the contributions made to the Trust and contributions are invested in Gratuity Fund of the Trust maintained by an insurer. The company recognises the net obligation of the gratuity plan in the Balance Sheet as an assets or liability.

Gratuity expenses for the year are determined by actuarial valuation using the Projected Unit Credit Method and provided for at the year end. Short term and long term obligation in this regard are also determined by actuarial valuation.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (Contd....)****c) Leave Encashment**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

**xi. TAXES ON INCOME**

Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognized on timing difference between taxable income and accounting income that originating one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

**xii. SHARE ISSUE EXPENSES**

Expenses in connection with issue of shares are written-off equally over 5 years in the Statement of Profit and Loss. The unamortized amount is shown under "Other Current or Non Current Assets" based on its amortization period.

**xiii. IMPAIRMENT OF ASSETS**

The carrying amount of assets is reviewed at each Balance Sheet date for impairment, if any, based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**xiv. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**B. NOTES ON ACCOUNT**

1. All the figures in the Financial Statement have been rounded off to the nearest rupees.
2. Figures of the previous year have been reclassified, regrouped, aggregated and segregated, wherever necessary, to conform to the current year figures.
3. No amount is paid/payable by the Company under Section 441A of the Companies Act, 1956 (cess on turnover) since the rules specifying the manner in which the cess shall be paid has not been notified yet by the Central Government.
4. Balances in debtors, creditors and advances accounts as appearing in the books of account at the close of relevant accounting year are subject to external confirmation/ reconciliation after the year end as per standard

accounting practice followed by the company. In the opinion of the Board, all the current assets, loans and advances have a value on realization in the ordinary course of business of a sum at least equal to the amount at which they are stated in the books of account.

5. Estimated amount of contracts remaining to be executed on Capital Account as on March 31, 2013 is Rs.696.27 lacs (Previous year: Rs.3,350.81 lacs) against which advance of Rs.91.97 lacs (previous year Rs.1,385.55 lacs) has been made.
6. Additional information pursuant to the requirements of revised Schedule VI to the Companies Act, 1956:
  - i. Particulars of Raw Materials Consumed:

*Figures in Rs. Lacs*

ITEMS	Year ended March 31, 2013	Year ended March 31, 2012
PET Chips	17,112.27	13,571.82
PP Chips	2,414.24	2,413.06
GPPS	44.29	0.05
Master Batch	297.63	188.55
Admer	15.78	104.71
EVOH	21.49	59.78
Labels	77.02	75.41
Vads	219.70	186.04
Others	465.36	222.45
<b>TOTAL</b>	<b>20,667.78</b>	<b>16821.87</b>

- ii. Particulars of Production, Sales & Stocks of PET Preform & Containers:

*Figures in Rs. Lacs*

Items of Manufactured Goods	Sales Turnover		Stocks	
	Year ended March 31, 2013	Year ended March 31, 2012	As at March 31, 2013	As at March 31, 2012
- Containers (Jar & Bottles)	16,121.51	14,480.37	593.06	503.76
- Preforms	19,775.33	16,202.26	2,916.98	1,403.12
- Others	225.18	295.49	Nil	Nil
<b>TOTAL</b>	<b>36,122.02</b>	<b>30,978.12</b>	<b>3,510.04</b>	<b>1,906.88</b>

- iii. Value of Imports (CIF Value):

*Figures in Rs. Lacs*

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Raw Materials	3,249.88	2,288.81
Spares & Consumables	6.92	30.71
Capital Equipment	3,246.07	3,113.32
<b>TOTAL</b>	<b>6,502.87</b>	<b>5,432.84</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (Contd....)**

## iv. Earning in foreign currency

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
FOB Value of Exports	2,351.56	1,506.63
Rental Income	Nil	2.82
<b>TOTAL</b>	<b>2,351.56</b>	<b>1,509.45</b>

## v. Expenditure in foreign currency:

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Travelling Expenses	6.38	4.17
Bank Charges	6.78	3.21
Interest on Loans	351.70	162.02
Sales Promotion	0.52	0.79
Membership & Subscription	1.42	0.52
Sales Commission	Nil	14.12
Profession fees	0.29	Nil
Others	4.39	Nil
<b>TOTAL</b>	<b>371.48</b>	<b>184.83</b>

## vi. Break-up of Raw Materials consumed:

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>		<b>Year ended March 31, 2012</b>	
	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>
Imported	16%	3,347.78	11%	2,169.74
Indigenous	84%	17,320.00	89%	14,652.13
<b>TOTAL</b>	<b>100%</b>	<b>20,667.78</b>	<b>100%</b>	<b>16,821.87</b>

## vii. Break-up of Stores &amp; Spares Consumed:

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>		<b>Year ended March 31, 2012</b>	
	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>
Imported	2%	6.92	13%	30.71
Indigenous	98%	346.09	87%	214.20
<b>TOTAL</b>	<b>100%</b>	<b>353.01</b>	<b>100%</b>	<b>244.91</b>

## viii. Particulars of Payments made to the Auditors

Figures in Rs. Lacs

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Statutory Audit Fees including Quarterly Review	7.00	7.00
Tax Audit Fees	3.00	3.00
Fees for Certification and other services	7.00	5.64
<b>TOTAL*</b>	<b>17.00</b>	<b>15.64</b>

\*Excluding Service Tax

## 7. Disclosure in respect of Derivatives:

## i. Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of payables

Figures in Rs. Lacs

As at	No. of Contracts	US Dollar Equivalent	INR Equivalent
March 31, 2013	16	167.52	9,641.55
March 31, 2012	3	53.00	2,711.29

## ii. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Figures in Rs. Lacs

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	US Dollar Equivalent	INR Equivalent	US Dollar Equivalent	INR Equivalent
A. Amounts receivable in foreign currency on account of the following :				
i. Bills discounted and debtors	6.03	327.35	10.20	522.17
ii. Advance for goods & services	0.44	23.81	NIL	NIL
iii. Advance for Capital goods.	16.06	871.56	NIL	NIL
<b>TOTAL</b>	<b>22.53</b>	<b>1,222.72</b>	<b>10.20</b>	<b>522.17</b>
B. Amounts payable in foreign currency on account of the following:				
iv. Import of goods and Services.	4.85	263.04	2.35	120.45
v. Import of Capital goods.	33.31	1,816.39	29.53	1,510.68
vi. Interest and commitment charges payable.	1.23	66.54	0.37	18.86
vii. Loan payable (EDC)	18.51	1,004.79	20.19	1,032.87
viii. PCFC Loan	NIL	NIL	3.43	175.47
ix. Export commission	NIL	NIL	0.19	9.57
x. Buyers credit	85.09	4,625.03	80.70	4,128.09
<b>TOTAL</b>	<b>142.99</b>	<b>7,775.79</b>	<b>136.76</b>	<b>6,995.99</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (Contd....)**

8. The Company is engaged in the manufacture and sale (both Domestic & Exports) of "PET / Plastics Preforms & Containers," on own account and on account of others which constitutes single business segment. As per Management perspective the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other business / geographical segments to be reported as per Accounting Standard 17 issued under the Companies (Accounting Standards) Rules, 2006.
9. Pursuant to disclosure requirements of Accounting Standard 18 on related parties issued under the Companies (Accounting Standards) Rules, 2006, the following disclosures are given:
- i. List of related parties and their relationship
    - a. Enterprises under common control of the management (EUC)
      - Mphinite Technologies Private Limited
      - Mphinite Solutions Private Limited
      - Manjushree Fincap Private Limited
      - Shruti Financial Services Private Limited
      - Hitech Creations Private Limited
    - b. Key Management personnel (KMP)
      - Vimal Kedia
      - Surendra Kedia
      - Rajat Kedia
      - Ankit Kedia
    - c. Relatives of Key Management Personnel (RKMP)
      - Savita Kedia (wife of Vimal Kedia)
      - Sashi Kedia (wife of Surendra Kedia)
  - ii. List of transactions with related parties

*Figures in Rs. Lacs*

Nature of transactions and related parties	Year ended March 31, 2013	Year ended March 31, 2012
Unsecured loan taken from EUC	574.50	689.79
Unsecured loan repayment to EUC	574.50	689.79
Remuneration paid to KMP	361.25	201.33
Rent paid to RKMP	12.00	12.00

10. Details of future minimum lease payment in respect of non-cancelable operating lease period as per Accounting Standard 19 issued under the Companies (Accounting Standards) Rules, 2006 is as follows:

*Figures in Rs. Lacs*

Particulars	Year Ended 31.03.2013*	Year Ended 31.03.2012*
Rent expense debited to statement of profit and loss	165.23	215.89
Not later than one year	NIL	92.51
Later than one year and not later than 5 years	NIL	148.38

\* Cash flows

## 11. Disclosures as required by the Accounting Standard 15 "Employee Benefits" are given below:

## Table Showing Changes in Present Value of Obligations towards gratuity

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Present value of the obligation at the beginning of the period	54.60	49.30
Interest cost	4.49	4.31
Current service cost	12.45	9.30
Benefits paid (if any)	(7.74)	(2.53)
Actuarial (gain)/loss	17.05	(5.78)
Present value of the obligation at the end of the period	80.84	54.60

## Net gratuity cost recognized in the statement of Profit and Loss:

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Interest cost	4.49	4.31
Current service cost	12.45	9.30
Expected return on plan asset	(5.14)	(1.54)
Net actuarial (gain)/loss recognized in the period	17.48	(5.78)
Expenses to be recognized in the statement of profit and loss	29.28	6.29

## Table showing changes in the Fair Value of Planned Assets

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Fair value of plan assets at the beginning of the period	61.39	42.38
Expected return on plan assets	5.15	1.54
Contributions	5.04	20.00
Benefits paid	(7.75)	(2.53)
Actuarial gain/(loss) on plan assets	(0.43)	-
Fair Value of Plan Asset at the end of the Period	63.40	61.39

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (Contd....)**

The assumptions employed for the calculations are tabulated

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Discount rate	8.25 % p.a.	8.75 % p.a.
Salary Growth Rate	8.00 % p.a.	8.00 % p.a.
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected rate of return	8.25% p.a.	2.96% p.a.
Withdrawal rate (Per Annum)	10.00% p.a. (18 to 40 Years)	10.00% p.a. (18 to 40 Years)
Withdrawal rate (Per Annum)	0.00% p.a. (41 to 58 Years)	0.00% p.a. (41 to 58 Years)

12. Pursuant to disclosure requirements of Accounting Standard 20 on earnings per share issued under the Companies (Accounting Standards) Rules, 2006, the following disclosures are given:

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Net profit for the year (Amount available for equity shareholders)	2,414.32	2,050.44
Weighted average number of shares (Numbers)	13,547,700	13,547,700
Earnings per share basic and diluted (Rs.)	17.82	15.14
Face value per equity share (Rs.)	10.00	10.00

13. Details of provisions, contingent liabilities & contingent assets as per Accounting Standard 29 issued under the Companies (Accounting Standards) Rules, 2006:

- i. The movement in provisions account is detailed below:

*Figures in Rs. Lacs*

<b>Particulars</b>	<b>Opening Balance as on April 1, 2012</b>	<b>Paid/ Reversed during the Year 2012-13</b>	<b>Provision made during the year 2012-13</b>	<b>Closing Balance as on March 31, 2013</b>
Leave Encashment	56.94	26.21	54.37	85.10
Gratuity	(6.78)	Nil	17.45	10.67

## ii. Contingent Liabilities not provided for:

Figures in Rs. Lacs

Particulars	As on March 31, 2013			As on March 31, 2012		
	Total Liability	Margin/ Deposits	Net Liability	Total Liability	Margin/ Deposits	Net Liability
1. Disputed liability towards customs duty under appeal.	2.86	—	2.86	2.86	—	2.86
2. Disputed liability towards Central Excise duty under appeal.	31.57	—	31.57	31.57	—	31.57
3. Disputed liability towards service tax under appeal.	3.48	2.60	0.88	—	—	—
4. Disputed liability towards service tax under appeal.	2.03	—	2.03	—	—	—
5. Customs duty on unfulfilled Export obligations against imports vide advance / EPCG licenses.	594.78	—	594.78	393.44	—	393.44
6. Bank guarantees outstanding	63.62	5.00	58.62	54.37	5.00	49.37
7. Bank LC against procurement of raw material outstanding.	296.97	29.70	267.27	59.34	5.93	53.41
<b>TOTAL</b>	<b>995.31</b>	<b>37.30</b>	<b>958.01</b>	<b>541.58</b>	<b>10.93</b>	<b>530.65</b>

14. In the Management's view there is no impairment to assets as per Accounting Standard 28 issued under the Companies (Accounting Standards) Rules, 2006. Consequently, there is no impairment loss debited to statement of Profit and Loss.

15. The company is in the process of obtaining the Cost Audit report as required under Companies (Cost Audit) Rules 2011 and Section 233 B of the Companies Act.

As per our report of even date attached

**For Singhvi, Dev & Unni**  
Chartered Accountants  
Firm Regn.No.003867S

For and on behalf of the Board

**Parthasarathy Sudarsanam**  
Partner  
Membership No.: 205179  
Bangalore  
May 28, 2013

**Vimal Kedia**  
Managing Director  
DIN : 00072923  
Bangalore  
May 28, 2013

**Surendra Kedia**  
Executive Director  
DIN : 00072926  
Bangalore  
May 28, 2013

## AUDITED PROFIT & LOSS ANALYSIS

Figures in Rs. Lacs

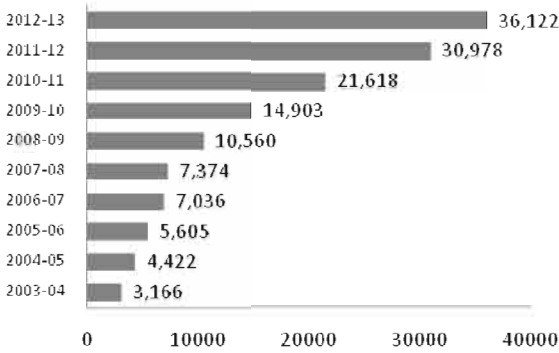
Particular	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
<b>INCOME</b>	-	-	-	-	-	-	-	-	-	-
Gross Turnover	43,701.98	36,078.36	24,185.50	16,005.42	11,878.76	8,518.44	7,997.24	6,532.43	5,150.14	3,658.72
Less: Central Excise Duty	7,579.95	5,100.44	2,568.00	1,102.18	1,319.19	1,143.95	961.11	927.78	727.68	492.46
<b>Net</b>	<b>36,122.03</b>	<b>30,977.92</b>	<b>21,617.50</b>	<b>14,903.24</b>	<b>10,559.57</b>	<b>7,374.49</b>	<b>7,036.13</b>	<b>5,604.65</b>	<b>4,422.46</b>	<b>3,166.26</b>
Other Income	284.11	171.74	60.84	49.21	49.39	25.52	5.63	6.11	2.43	5.04
Increase / (Decrease) in Stocks	1,220.40	(801.06)	1,473.58	942.69	79.30	185.90	(54.44)	43.84	104.37	11.75
<b>Total</b>	<b>37,626.54</b>	<b>30,348.60</b>	<b>23,151.92</b>	<b>15,895.14</b>	<b>10,688.26</b>	<b>7,585.91</b>	<b>6,987.32</b>	<b>5,654.61</b>	<b>4,529.26</b>	<b>3,183.05</b>
<b>EXPENDITURE</b>										
Raw Materials Consumed	22,987.67	18,930.84	11,911.38	8,172.59	5,694.94	4,005.42	4,063.94	3,045.20	2,402.69	1,546.81
Manufacturing Expenses	3,022.70	2,331.25	4,345.48	3,323.33	2,015.03	1,369.15	1,359.81	1,308.32	1,033.12	723.33
Salary & Wages	1,721.05	1,401.40	1,121.31	815.76	604.29	448.38	311.78	220.62	151.21	122.89
<b>Operating Cost</b>	<b>27,731.42</b>	<b>22,663.49</b>	<b>17,378.17</b>	<b>12,311.68</b>	<b>8,314.26</b>	<b>5,822.95</b>	<b>5,735.53</b>	<b>4,574.14</b>	<b>3,587.02</b>	<b>2,393.03</b>
Administrative & Selling Expenses	1,716.33	1,419.48	954.76	683.76	560.89	541.42	375.02	347.03	312.09	228.67
Interest & Financial Charges	1,204.10	1,102.36	624.36	339.04	144.38	168.00	162.23	132.81	111.84	93.66
Depreciation & Write offs	3,193.49	1,968.73	1,934.39	1,003.12	522.31	364.37	275.32	337.84	343.74	314.80
<b>Total Cost</b>	<b>33,845.34</b>	<b>27,154.06</b>	<b>20,891.68</b>	<b>14,337.60</b>	<b>9,541.84</b>	<b>6,896.74</b>	<b>6,548.10</b>	<b>5,391.82</b>	<b>4,354.69</b>	<b>3,030.16</b>
<b>Net Profit For The Year</b>	<b>3,781.20</b>	<b>3,194.54</b>	<b>2,260.24</b>	<b>1,557.54</b>	<b>1,146.42</b>	<b>689.17</b>	<b>439.22</b>	<b>262.78</b>	<b>174.57</b>	<b>152.89</b>
Exceptional Items	-	(161.49)	-	-	-	(12.18)	(4.16)	(49.50)	2.78	(0.60)
<b>Profit Befor Taxation</b>	<b>3,781.20</b>	<b>3,033.05</b>	<b>2,260.24</b>	<b>1,557.54</b>	<b>1,146.42</b>	<b>676.99</b>	<b>435.06</b>	<b>213.28</b>	<b>177.35</b>	<b>152.29</b>
Provision for Taxation	877.96	731.35	780.00	283.10	207.08	150.45	156.92	84.62	39.30	15.43
Deferred Tax Provision	488.92	251.23	0.98	217.18	190.08	86.37	(4.18)	(8.46)	25.63	39.09
<b>Net Profit After Taxation</b>	<b>2,414.32</b>	<b>2,050.44</b>	<b>1,479.26</b>	<b>1,057.26</b>	<b>749.26</b>	<b>440.17</b>	<b>282.32</b>	<b>137.12</b>	<b>112.42</b>	<b>97.77</b>
Less: Dividends & Tax thereon	157.45	157.46	157.98	158.50	158.50	49.26	48.01	48.01	47.61	-
<b>Profits after Dividends</b>	<b>2,256.87</b>	<b>1,892.99</b>	<b>1,321.28</b>	<b>898.76</b>	<b>590.76</b>	<b>390.91</b>	<b>234.31</b>	<b>89.11</b>	<b>64.81</b>	<b>97.77</b>
Surplus brought forward from PY	4,651.52	2,758.52	1,437.25	628.49	437.73	846.82	612.51	523.40	458.59	360.82
Less: Transfer to General Reserve	-	-	-	90.00	400.00	800.00	-	-	-	-
<b>Net Surplus Carried To BS</b>	<b>6,908.38</b>	<b>4,651.51</b>	<b>2,758.53</b>	<b>1,437.25</b>	<b>628.49</b>	<b>437.73</b>	<b>846.82</b>	<b>612.51</b>	<b>523.40</b>	<b>458.59</b>
PAT / Net Sales	6.68%	6.62%	6.84%	7.09%	7.10%	5.97%	4.01%	2.45%	2.54%	3.09%
PBT / Net Sales	10.47%	9.79%	10.46%	10.45%	10.86%	9.18%	6.18%	3.81%	4.01%	4.81%
PBDIT / Net Sales	22.64%	20.23%	22.29%	19.46%	17.17%	16.56%	12.46%	13.09%	14.25%	17.73%
Earnings per share (FV: Rs. 10)	17.82	15.14	10.92	7.80	5.53	3.25*	6.70	3.26	2.67	2.32
Cash Accruals	5,607.81	4,180.69	3,413.65	2,060.38	1,271.57	804.54	557.64	474.96	456.16	412.57
* On Post - Issue Capital										

**AUDITED BALANCE SHEET ANALYSIS***Figures in Rs. Lacs*

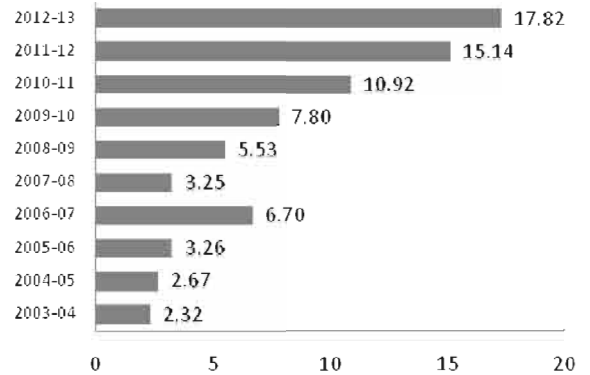
Particular	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
<b>SHAREHOLDERS' FUNDS</b>										
Share Capital	1,354.77	1,354.77	1,354.77	1,354.77	1,354.77	1,354.77	421.08	421.08	421.08	421.08
Reserves & Surplus	10,960.78	8,703.91	6,810.93	5,489.65	4,590.89	4,000.13	972.93	738.62	649.51	584.70
Share Issue Expenses	-	-	(28.39)	(56.77)	(85.15)	(113.53)	-	-	-	(4.11)
<b>Net Worth</b>	<b>12,315.55</b>	<b>10,058.68</b>	<b>8,137.31</b>	<b>6,787.65</b>	<b>5,860.51</b>	<b>5,241.37</b>	<b>1,394.01</b>	<b>1,159.70</b>	<b>1,070.59</b>	<b>1,001.67</b>
<b>DEFERRED TAX PROVISION</b>	<b>1,317.42</b>	<b>828.51</b>	<b>577.27</b>	<b>576.29</b>	<b>359.11</b>	<b>169.03</b>	<b>82.66</b>	<b>86.84</b>	<b>95.30</b>	<b>69.67</b>
<b>LOAN FUNDS</b>										
Term Loans	9,994.51	4,766.85	4,056.20	2,341.20	459.41	633.00	753.91	957.73	852.25	735.00
Unsecured / Buyers Credit	4,254.41	4,127.47	3,515.52	1,984.36	1,116.30	190.93	846.42	340.71	288.99	166.01
<b>Long Term Debt</b>	<b>14,248.92</b>	<b>8,894.32</b>	<b>7,571.72</b>	<b>4,325.56</b>	<b>1,575.71</b>	<b>823.93</b>	<b>1,600.33</b>	<b>1,298.44</b>	<b>1,141.24</b>	<b>901.01</b>
Cash Credit Limit	8,132.51	4,192.30	3,119.29	2,773.09	1,366.89	500.64	83.07	810.35	769.77	600.69
<b>Overall Debt</b>	<b>22,381.43</b>	<b>13,086.62</b>	<b>10,691.01</b>	<b>7,098.65</b>	<b>2,942.60</b>	<b>1,324.57</b>	<b>1,683.40</b>	<b>2,108.79</b>	<b>1,911.01</b>	<b>1,501.70</b>
<b>TOTAL</b>	<b>36,014.40</b>	<b>23,973.81</b>	<b>19,405.59</b>	<b>14,462.59</b>	<b>9,162.22</b>	<b>6,734.97</b>	<b>3,160.07</b>	<b>3,355.33</b>	<b>3,076.90</b>	<b>2,573.04</b>
<b>APPLICATION OF FUNDS</b>										
<b>FIXED ASSETS</b>										
Gross Block	34,429.34	22,983.73	15,710.87	13,279.19	8,915.44	5,798.73	4,355.70	3,840.91	3,318.32	2,859.64
Less : Depreciation to date	10,886.60	8,067.40	5,985.85	4,085.75	3,123.44	2,634.38	2,301.30	2,030.79	1,694.35	1,357.85
Capital Work-in-Progress	531.03	435.85	1,467.05	6.37	-	-	-	-	-	-
<b>Net Block</b>	<b>24,073.77</b>	<b>15,352.18</b>	<b>11,192.07</b>	<b>9,199.81</b>	<b>5,792.00</b>	<b>3,164.35</b>	<b>2,054.40</b>	<b>1,810.12</b>	<b>1,623.97</b>	<b>1,501.79</b>
<b>INVESTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.10</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>										
Inventories	4,862.51	3,441.77	5,093.79	2,008.86	1,619.06	1,186.89	678.39	688.86	630.47	479.87
Sundry Debtors	6,556.01	4,575.68	3,274.41	2,692.30	1,586.27	1,409.68	934.54	884.22	784.31	599.22
Other Current Assets	7,057.59	4,750.00	2,798.48	2,344.11	878.73	1,752.13	999.12	445.90	327.71	203.72
<b>Total</b>	<b>18,476.11</b>	<b>12,767.45</b>	<b>11,166.68</b>	<b>7,045.27</b>	<b>4,084.06</b>	<b>4,348.70</b>	<b>2,612.05</b>	<b>2,018.98</b>	<b>1,742.49</b>	<b>1,282.81</b>
Current Liabilities & Provisions	6,535.48	4,145.82	2,953.16	1,782.49	713.84	778.08	1,506.38	473.77	289.56	215.66
<b>Net Current Assets</b>	<b>11,940.63</b>	<b>8,621.63</b>	<b>8,213.52</b>	<b>5,262.78</b>	<b>3,370.22</b>	<b>3,570.62</b>	<b>1,105.67</b>	<b>1,545.21</b>	<b>1,452.93</b>	<b>1,067.15</b>
<b>TOTAL</b>	<b>36,014.40</b>	<b>23,973.81</b>	<b>19,405.59</b>	<b>14,462.59</b>	<b>9,162.22</b>	<b>6,734.97</b>	<b>3,160.07</b>	<b>3,355.33</b>	<b>3,076.90</b>	<b>2,573.04</b>
Current Ratio	1.26	1.53	1.84	1.55	1.96	3.40	1.64	1.57	1.64	1.57
Long Term Debt / Net Worth	1.16	0.88	0.93	0.64	0.27	0.16	1.15	1.12	1.07	0.90
Overall Debt / Net Worth	2.35	1.71	1.68	1.31	0.62	0.40	2.29	2.23	2.06	1.71
Total Assets / Net Worth	3.45	2.80	2.75	2.39	1.69	1.43	3.35	3.30	3.14	2.78
Book Value Per Share (fv: Rs. 10)	90.91	74.25	60.06	50.10	43.26	38.69	33.11	27.54	25.42	23.79



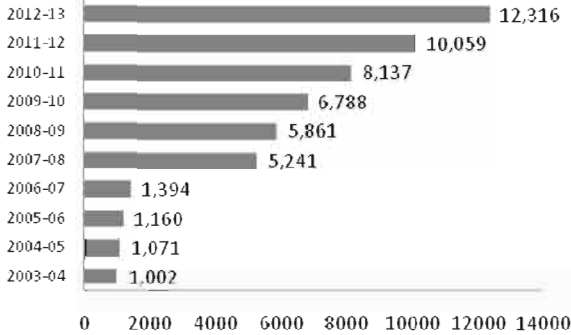
### Turnover (Rs.lakhs)



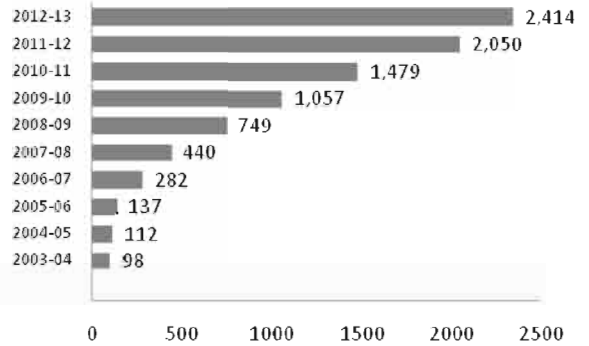
### Earning per share (Rs.)



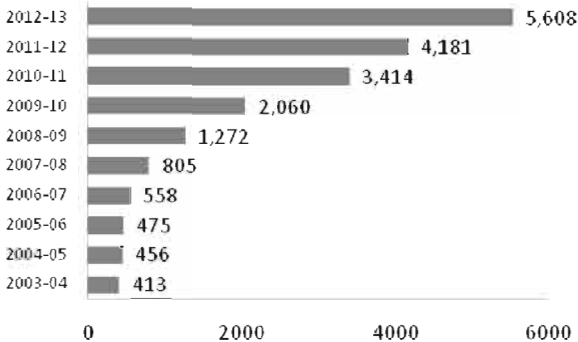
### Net worth (Rs.in lakhs)



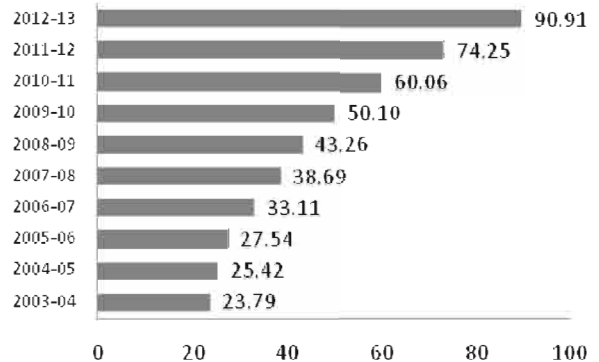
### Profit after tax (Rs. lakhs)



### Cash accruals (Rs. lakhs)



### Book value per share (Rs.)



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Members of **MANJUSHREE TECHNOPACK LIMITED** will be held on **Monday, the Twelfth day of August, 2013 at 12 Noon** at No. 60E, Bommasandra Industrial Area, Anekal Taluk, Hosur Road, Bangalore – 560 099 (Karnataka) to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, Audited Profit & Loss Account and the Audited Cash Flow Statement for the year ended on that date together with the Directors' and the Auditors' reports thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Ankit Kedia, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Rajat Kedia, who retires by rotation, and being eligible, offers himself for reappointment.
5. To reappoint Auditors of the Company and authorize the Board to fix their remuneration.

By order of the Board

Bangalore  
May 28, 2013

**Vimal Kedia**  
Managing Director

### **NOTES:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll in his stead and the proxy need not be a member of the Company. Proxy, in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. For the said purpose Proxy form is enclosed to this notice.
2. The Register of Members and Share Transfer books of the Company shall remain closed from **2<sup>nd</sup> day of August, 2013 to 12<sup>th</sup> day of August, 2013** (both the days inclusive).
3. Members are requested to bring their copy of Annual Report to the meeting. Members / Proxies should also bring the printed attendance slip duly filled in for attending the meeting.
4. Members are requested to intimate to the Company their queries, if any, regarding the accounts / report atleast ten days before the date of ensuing Annual General Meeting to enable the management to keep the information readily available at the meeting.
5. Members are requested to quote the folio number in correspondence with the Company. Member who are holding Equity Shares in identical order of names in more than one folio are requested to write to the Registrars and Share Transfer Agents of the Company to enable the Company to consolidate their holdings in one folio.
6. All the requests for transfer of shares along with relevant Transfer Deeds and Share Certificates besides intimation of any change in their address or non-receipt of dividend etc., may be sent by the members either to the Company at its Registered Office or to the Registrars and Share Transfer Agents at the address given below:



**INTEGRATED ENTERPRISES (INDIA) LTD.**

(Unit: Manjushree Technopack Limited)

30, Ramana Residency, 4th Cross, Sampige Road,

Malleswaram, Bangalore – 560 003.

Tel: 080 23460815 / 818 Fax: 080-23460819

Email: [irg@integratedindia.in](mailto:irg@integratedindia.in)

7. The Company's existing Equity Shares are approved for dematerialization by NSDL and CDSL under ISIN: INE435H01015 and the members are requested to avail the **DEMAT** facility in respect of such shares through their respective DPs.
8. The Company's Equity Shares are listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE); the Company has remitted the Annual Listing Fees for the year 2013 – 14.
9. Pursuant to SEBI notification no MED/DOP/Circular/05/2009 dated 20/05/2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTI to enable / effect transfer of Shares in physical form.
10. Subject to the provisions of Section 206A of the Companies Act, 1956, Dividend on Equity Shares as recommended by the Board, if approved at this meeting, will be payable to those eligible Members whose name appear:
  - a. as Beneficial Owners, as on **2<sup>nd</sup> August 2013** as per list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in electronic form, and
  - b. as Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before **2<sup>nd</sup> August, 2013**.
11. Members who have not received dividends in respect of earlier years may contact Integrated Enterprises (India) Limited, Registrars of the Company, giving details of such dividends in order to enable the Registrars to issue fresh / revalidated dividend warrants.
12. Members are informed that in accordance with the provisions of Sections 205A of the Companies Act 1956, the amount of unclaimed dividend will be transferred to the credit of Investors' Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Shareholders who have not yet en-cashed their Dividend Warrant are requested to forward their claims in Form II prescribed under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Registrar of Companies, Karnataka. Dividend which remain unpaid / unclaimed for a period of 7 (seven) years will be transferred by the Company to the IEPF pursuant to the said provisions of the Act. Members who have not en-cashed their dividend warrants for the F.Y. 2006-07 or thereafter are requested to write to the Company's Registrar and Share Transfer Agents.
13. The Equity Shares of the Company continue to be listed on the Bombay Stock Exchange (BSE) under scrip code: 532950 and scrip ID: MANJUSHRE on BOLT system. Annual Listing Fees has been duly paid to BSE for the year 2013 - 14.
14. The Equity Shares of the Company also listed on the National Stock Exchange (NSE) under scrip ID: MANJUSHREE on BOLT system. Annual Listing Fees has been duly paid to NSE for the year 2013 – 14.

**MANJUSHREE TECHNOPACK LIMITED**  
Regd. Office: #60E&F, Bommasandra Industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)

**PROXY FORM**

Folio No.: .....

No. of Share(s) held: .....

I/We..... R/O.....

being a member(s) of **MANJUSHREE TECHNOPACK LIMITED** do hereby appoint Mr. / Mrs. / Miss .....

..... R/O .....

and failing him / her, Mr. / Mrs. / Miss ..... R/O .....

to vote for me / us and on my / our behalf at the **Twenty Sixth Annual General Meeting of the Company to be held on Monday, the 12<sup>th</sup> day of August 2013 at 12 noon** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013

Affix a Re.1/-  
Revenue  
Stamp and  
sign. thereon

**Notes:**

1. The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The form should be signed as per specimen signature registered with the Company.
3. A proxy need not be a member of the Company.

**MANJUSHREE TECHNOPACK LIMITED**  
Regd. Office: #60E&F, Bommasandra Industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)

**ATTENDANCE SLIP**

(To be signed and handed over at the Registration Counter)

Folio No.: .....

No. of Share(s) held: .....

I hereby record my presence at the **26<sup>th</sup> Annual General Meeting of the Company to be held on 12<sup>th</sup> day of August 2013 at 12 noon** at #60 E, Bommasandra Industrial Area, Hosur Road, Bangalore – 560 099.

**(All Particulars should conform with that of Company's Record)**

Member's Name (in block Letters) :  
 Father's/Husband's Name :  
 Complete Address :  
 Proxy's Name :  
 No. of Shares held :

**Member's / Proxy's Signature**

# A STEP AHEAD TOWARDS VISION 2020.

As part of our efforts to be a greener manufacturing company, we have successfully commissioned our new plant in Bidadi Industrial Area. Spread over an area of 65,000 sq. mts, it is Southeast Asia's largest PET preform plant with a converting capacity of 80,000 MTPA. It is also the first LEED Platinum Certified Green Factory in India.



## Manjushree's new Bidadi Plant:

- Began production in March 2013
- Capacity : 80,000 mt per annum
- Spread over 30,000 sq m
- Largest facility of PET Preform in South Asia
- The first of its kind LEED Platinum Certified Green Factory
- State-of-the-art automation for materials handling, warehousing & dispatch
- Minimum work force