



27th Annual Report 2010 - 2011

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Engineering Services*



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MOLD-TEK, INDIA

ANNUAL REPORT
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Board of Directors

J. Lakshmana Rao, Chairman & Managing Director

J. Sudharani, Wholetime Director

A. Subrahmanyam, Director - Technical

P. Venkateswara Rao, Director - Commercial

P. Shyam Sunder Rao, Non-Executive Director

Dr. K. Venkata Appa Rao, Non-Executive Director

C. Vasanth Kumar Roy, Non-Executive Director

M. Srinivas, Non-Executive Director

Dr. Surya Prakash Gulla, Non-Executive Director

Statutory Auditors Praturi & Sriram Chartered Accountants 201, Sapthagiri Residency 1-10-98/A, Chikoti Gardens Begumpet, Hyderabad - 500 016	Internal Auditors GMK Associates Chartered Accountants 607, Raghava Ratna Towers Chirag Ali Lane Hyderabad - 500 001	Legal Advisor M. Radhakrishna Murthy, Advocate Vidya Nagar, Hyderabad
Registered Office Plot # 700, Road No. 36, Jubilee Hills, Hyderabad - 500 033 Phone + 91 40 4030 0300/01/02/03/04 Fax + 91 40 4030 0328 E-mail ir@moldtekindia.com finance@moldtekindia.com	Subsidiary Companies Crossroads Detailing, Inc. 6319 E. US Hwy 36 Ste. 5, Avon, Indiana 46123, USA RMM Global, Inc. 2841 Riviera Drive Suite 306, Akron, Ohio 44333, USA	

Notice

NOTICE is hereby given that the 27th Annual General Meeting of the Members of MOLD-TEK TECHNOLOGIES LIMITED will be held on Friday, **19th day of August, 2011 at 11.00 a.m. at Swagath-De-Royal, #2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad 500 081** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2011 and Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2011 and the Report of the Directors and Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place of P. Venkateswara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of J. Sudharani, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Messrs. Praturi & Sriram, Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant Section 314 and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of

the Company to appoint J. Rana Pratap as Manager - Marketing & Co-ordination, holding office of profit under the Company, he being a relative of J. Lakshmana Rao, Managing Director and J. Sudharani, Wholetime Director of the Company, for a period of five years with effect from 1st October, 2010 on a monthly remuneration of ₹49,153 per month including all perquisites.

"RESOLVED FURTHER that J. Rana Pratap, shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business.

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

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

"RESOLVED THAT in modification to the resolution passed by the members of the Company at the 25th Annual General Meeting held on 30th September, 2009 and subject to the approval of Central Government, if required, and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the



Company be and is hereby accorded towards the re-appointment and increase of remuneration to J. Sudharani, Wholetime Director of the Company from ₹2,10,000 per month to ₹2,50,000 per month plus perquisites for the period from 1st April, 2012 to 31st March, 2015 in the scale of ₹2,50,000-50,000-3,50,000.

1. Salary

The Company shall pay to J. Sudharani in consideration of the performance of her duties a salary of ₹2,50,000 per month, in the scale of ₹2,50,000-50,000-3,50,000.

2. Perquisites & Allowances

In addition to the above salary, J Sudharani shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowances, club fee, stock options and such other perquisites and allowances under the Company's rules. The total cost of the aforesaid perquisites, allowances and other benefits (including rent/HRA) shall be restricted to 20% of salary per month.

3. Other Benefits

In addition to the above salary and perquisites, J. Sudharani shall be entitled to the following annual benefits which shall not be included in the computation of the ceiling of remuneration specified in paragraphs (1) and (2) above:

- a. Provident and Superannuation Fund:
The Company's contribution to the

Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will not be included in the computation of the ceiling on remuneration.

- b. Gratuity: Gratuity payable shall not exceed one half month's salary for each completed year of services and will not be included in the computation of the ceiling on remuneration.

- c. Leave encashment: Encashment of leave at the end of the tenure in accordance with the rules of the Company.

- d. Provision of Car and Telephone: J Sudharani shall be entitled to a motor car for use on Company's business and telephone at residence, however use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to J Sudharani.

5. J. Sudharani shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.

6. She will not be eligible for any sitting fees of the Company's Board/Committee Meetings.

7. Minimum Remuneration:

Where in any financial year during the currency of the tenure of J. Sudharani, the Company has no profits or its profits are inadequate, the Company shall pay to

J. Sudharani remuneration by way of salary and perquisites not exceeding the limits specified herein above.

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

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to

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

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



J. LAKSHMANA RAO

Chairman & Managing Director

Hyderabad
14th July, 2011

NOTES

- 1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself/herself and such proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.**
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items 6 & 7 is annexed.
- In terms Articles of Association of the Company, P. Venkateswara Rao and J. Sudharani, Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Information about such Directors as stipulated under Clause 49 of Listing Agreement is contained in the statement annexed hereto. The Board of Directors of the Company recommends the respective re-appointments of the aforesaid Directors.
- Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the Meeting along with the copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 17th August, 2011 to 19th August, 2011 (both days inclusive), for the purpose of payment of dividend. The dividend declared at the Annual General Meeting will be paid to the Members whose names appear in the Register of Members of the Company at the end of the business hours



on 16th August, 2011 and in respect of shares held in electronic form to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

7. Members are requested to notify change of address, if any, with pincode to the Company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
8. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
9. Individual shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact the Registrar and Share Transfer Agent of the Company, M/s. XL Softech Systems Limited, 3, Sagar Society, Road No. 2, Hyderabad - 500 034, Andhra Pradesh, Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode.
10. Members are requested to note that as per Section 205A of the Companies Act, 1956 dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. Members who have not yet encashed the Dividend warrant(s) for the year 2002-2003 to 2009-2010 are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.
11. The certificate from the auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolutions of the members passed at the general meetings will be available for inspection by the members at the Annual General Meeting.

EXPLANATORY STATEMENT

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

Item 6

The Board of Directors at their meeting have approved the appointment of J. Rana Pratap, son of J. Lakshmana Rao, Managing Director and J. Sudharani, Wholetime Director of the Company, as Manager - Marketing & Co-ordination with effect from 1st October, 2010. The terms of remuneration and perquisites payable to him on appointment are set out in the Resolution.

As the total monthly remuneration to J. Rana Pratap exceeds ₹10,000 per month, approval of the Members by way of Special Resolution is required under provisions of Section 314 of the Companies Act, 1956. The remuneration presently proposed compares fairly with the remuneration being paid to professionals holding similar positions in the Company and in the corporate sector.

The Board recommends the Resolution for approval of the Members.

None of the Directors except J. Lakshmana Rao and J. Sudharani being related to J. Rana Pratap are deemed to be interested in the Resolution.

Item 7

J. Sudharani was appointed as Wholetime Director with effect from 1st October, 2008 for a period of three years by the Members of the Company at the 24th Annual General Meeting held on 29th September, 2008. The Members again at its 25th Annual General Meeting held on 30th September, 2009 have re-appointed and increased the remuneration of J. Sudharani, subject to approval of Central Government. The Central Government has vide its approval letter dated 23rd August, 2010 has approved the increase in remuneration of J. Sudharani for a period of 3 years i.e from 1st April, 2009 to 31st March, 2012.

The term of J. Sudharani as Wholetime Director expires on 31st March, 2012. Hence, she needs to be re-

appointed. Further, Members may be aware that there has been substantial increase in the overall growth and volume of business of the Company. In view of the increased volume of business, the duties and responsibilities of J. Sudharani, Wholetime Director has increased manifold and therefore the Board at its meeting held on 14th July, 2011 decided to compensate her adequately and has re-appointed and increased her remuneration with effect from 1st April, 2012 on the terms and conditions set out in the Resolution.

The Remuneration Committee at its meeting held on 14th July, 2011 reviewed the re-appointment and remuneration payable to J. Sudharani keeping in view the objectivity of remuneration package payable to executives while striking a balance between the interest of the Company and the Members.

As per the provisions of Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956 approval of the Members of the Company is required for re-appointment and revised remuneration payable to the Wholetime Director. Further as the remuneration proposed exceeds the limits prescribed under Schedule XIII, approval of Central Government i.e. Ministry of Corporate Affairs is required. Hence the Resolution is placed before you for approval.

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

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

None of the Directors except J. Lakshmana Rao, A. Subrahmanyam and J. Sudharani are deemed to be interested in the Resolution.



Annexure referred to in the Explanatory Statement

Statement containing the information as required per Notification No.G.S.R.36(E) dated January 16, 2002 amending Schedule XIII to the Companies, Act, 1956 in respect of re-appointment/increase in remuneration of J. Sudharani,

I. GENERAL INFORMATION

1. Nature of industry: Information technology services
2. Year of commencement of commercial production: 1985
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
4. Financial performance:

₹ Lakhs

	Year ended 31st March, 2011	Year ended 31st March, 2010	Year ended 31st March, 2009
Turnover	1900.39	1585.61	1913.59
Net Profit before interest, Depreciation & Tax	528.91	598.06	815.33
Net Profit as per Profit and Loss Account	85.79	179.53	437.76
Amount of dividend	69.93	61.72	71.80
Rate of dividend declared	15%	15%	20%

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

5. Export performance and net foreign exchange earnings for the year ended 31st March, 2011 is ₹1634.88 lakhs.
6. Foreign investments or collaborations:

The Company has two 100% wholly owned foreign subsidiary companies in U.S.A i.e. Crossroads Detailing Inc. and RMM Global Inc.

II. INFORMATION ABOUT THE APPOINTEE

1. Background Details

J. Sudharani, aged 46 years, Wholetime Director of the Company is a Graduate in Science. She has 7 years of IT administration experience and has been associated with the Company's administration of KPO functions.

2. Past Remuneration

Presently J. Sudharani is entitled to a remuneration of ₹25,20,000 per annum plus perquisite @ of 20% of Salary aggregating to ₹30,24,000 (for the period 1st April, 2011 to 31st March, 2012).

- 3. Recognition or awards:** Nil
- 4. Job Profile and her suitability**
J. Sudharani looks after entire administrative and finance functions.
- 5. Proposed remuneration**
It is proposed to pay a maximum remuneration to them on the terms and conditions detailed in the resolution referred above.
- 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**
Compared to the remuneration profile of position and person with respect to this industry and size, she is entitled to the proposed remuneration.

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

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

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



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
14th July, 2011

Annexure

Additional Information on Directors seeking appointment/re-appointment at the Annual General Meeting (under Clause 49(IV)(G)(i) of the Listing Agreement

Name of the Director	P. Venkateswara Rao	J. Sudharani
Date of Birth	18th January, 1957	25th August, 1964
Date of Appointment	30th September, 1994	27th August, 2008
Relationship with other Directors	Not applicable	She is Related to J. Lakshmana Rao & A. Subrahmanyam
Expertise in Specific Functional Area	Looks after all commercial and marketing activities of the Company. He is conversant with all aspects of the management and the affairs of the Company.	7 years experience in administrative activities
Qualification	P.G. in Material Management	B.Sc.
Names of companies in which holds the directorship	Mold-Tek Packaging Limited	Nil
Names of companies in which holds the membership of Committees of the Board	Nil	Nil
No. of shares held in the Company as on 31st March, 2011.	25,646	2,41,642



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report and the audited statement of accounts for the year ended 31st March, 2011.

Financial Results

The performance during the period ended 31st March 2011 has been as under:

₹ Lakhs

Particulars	Standalone		Consolidated	
	Year ended 31st March		Year ended 31st March	
	2011	2010	2011	2010
Sales	1900.39	1585.62	2594.36	1879.46
Other Income	60.73	160.95	62.78	178.92
Total Income	1961.12	1746.56	2657.13	2058.38
Profit before Interest, Depreciation & Tax Interest	528.91	598.06	707.31	460.98
Depreciation & Preliminary Expenses written off	165.73	200.32	165.73	200.32
Profit before Tax	259.85	205.86	261.20	208.62
Provision for Tax	103.33	191.88	280.38	52.04
Profit after Tax	17.54	12.35	17.96	15.83
Profit brought forward from previous year	85.79	179.53	262.42	36.21
Profit available for appropriation	896.37	818.06	667.01	778.40
Appropriation				
Extraordinary Items	982.16	997.59	929.43	814.61
Transferred to General Reserve	25.93	(2.45)	27.02	(31.24)
Proposed dividend	(16.76)	(26.56)	(16.76)	(26.56)
Corporate dividend tax	(69.93)	(61.72)	(69.93)	(61.72)
Balance carried forward	(11.88)	(10.49)	(11.88)	(10.49)
	909.51	896.37	857.88	667.01

Review of Operations

Financial year 2010-2011 marked a strong growth in demand and volumes post the financial crisis. The growth was led by increasing construction and industrial activities in developed markets of USA and Europe. Your company took suitable steps to widen its service offerings in other areas of engineering. On consolidated basis for the year 2010-2011, revenues at ₹2594.36 lakhs were higher by 38.03%

over the previous year's revenues of ₹1879.46 lakhs. Profit before tax correspondingly increased to ₹280.38 lakhs from ₹52.04 lakhs. On standalone basis for the year 2010-2011, revenues at ₹1900.39 lakhs were higher by 19.85% over the previous year's revenues of ₹1585.62 lakhs.

Future Outlook

Your company has widened the service offerings by expanding into mechanical engineering services to

clients in Europe and Middle East apart from USA. Company developed relations with few tier - 1 suppliers of Ford, Mercedes & Porsche in Europe for ME Services. The delivery team is expanding rapidly and expected to reach 50+ within 6 months, Using these contacts and work done as examples we are trying to enter into the huge US Automobile Engineering market. Company also noticing increased activity and orders flow for its construction & structural engineering services. The steps taken last year to widen the services has turned the company's future prospects brighter. We are confident that we will continue to deliver better performance in financial year 2011-12 and beyond.

Dividend

Your Company has recommended a dividend of ₹1.50 per Equity Share @ 15% (₹1.50 per Equity Share @ 15% in the previous year) for the financial year ended 31st March, 2011. The Dividend will be paid to those Members whose names appear in Register of Members as on 19th August 2011. In respect of shares held in dematerialized form, it will be paid to members whose name are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. This will entail an outflow of ₹81.82 lakhs (inclusive of tax thereon).

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

Transfer to Reserves

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer of Reserves) Rules, 1975, the Directors propose to transfer a sum of ₹16.76 lakhs to General Reserve out of the profits earned by the Company.

Allotment of Fully Convertible Warrants

The Board of Directors at its meeting held on 9th August, 2010 allotted 16,60,000 Fully Convertible

Warrant (Convertible into equal number of Equity Shares with in a period of 18 months from the date of allotment of Warrants) at a price of ₹69.40 per warrant [comprising nominal value of ₹10 and premium of ₹59.40 each and the issue price being not less than the price as arrived at, in accordance with the terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Grant of Stock Options

The Board of Directors at its meeting held on 21st April, 2010 have granted 1,50,000 Options to the employees of the Company under the Mold-Tek Technologies Employees Stock Option Scheme 2009. The Options have been granted at an Exercise price of ₹28 per option.

Allotment of Equity Shares

The Board of directors at its meeting held on 8th April, 2010 allotted 5,24,957 Equity Shares of ₹10 each at a price of ₹75 [comprising nominal value of ₹10 and premium of ₹65 each] and the issue price being not less than the price as arrived at, in accordance with the terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board of Directors at its meeting held on 29th April, 2011 (after the Balance Sheet date) allotted 37,125 Equity Shares of ₹10 each at a price of ₹28 [comprising nominal value of ₹10 and premium of ₹65 each] to its employees who have exercised the option vested on them under the Mold-Tek Technologies Employees Stock Option Scheme, 2009.

The Board of Directors at its meeting held on 29th June, 2011 (after the Balance Sheet date) allotted 5,10,000 Equity Shares of ₹10 each at a price of ₹80 [comprising nominal value of ₹10 and premium of ₹70 each] pursuant to conversion of fully convertible warrant allotted on 1st January, 2010 and the issue price being not less than the price as arrived at, in accordance with the terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.



Scheme of Arrangement

In terms of Scheme of Arrangement, your Company is taking steps to complete the necessary action, process of creation of a trust and transfer of existing shares and accumulated dividends to it.

Employees Stock Option Scheme

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

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

Consolidated Financial Statements

In accordance with the Accounting Standards AS-21 on Consolidated Financial Statements, your Directors are pleased to provide the audited consolidated financial statement in this annual report. A summary of key financials of the Company's subsidiaries is also annexed.

Subsidiaries

Your Company has two wholly owned subsidiaries viz, Crossroads Detailing Inc., Farmersburg, Indiana, USA and RMM Global Inc., Indiana. A statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the subsidiaries forms part of the Annual Report.

Fixed Deposits

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

Internal Control Systems

Your Company has well established procedures for internal control across its various locations,

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

Corporate Governance

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

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

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

CEO/CFO Certification

J. Lakshmana Rao, Chairman and Managing Director and J. Sudharani, Chief Financial Officer of the Company have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement

Compliance Certificate

In accordance with Section 383(A) of the Companies Act, 1956 and (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from a Secretary in wholetime practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of the certificate is enclosed to this report.

Directors

In accordance with the Articles of Association of the Company, P. Venkateswara Rao and J. Sudharani retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

There has been no change in Directors during the financial year.

Risk Management

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

Auditors' Report

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

Today, your Company's lion's share of revenues are coming from the 3D detailing service. We can see 3D detailing services is a major contributor of the revenues. Out of the turnover of USD 5.83 million (on consolidated basis), USD 2.5 million came from 3D detailing services. This has become possible because of investment in subsidiary M/s. Crossroads Detailing Inc. and taking over of M/s. RMM and Technet Engineering Services (Private) Limited.

The auditors have qualified the non adherence to AS 21 in the Consolidated Financial Statements. While the parent company has adjusted USD 7,21,403 to its reserves in the Balance Sheet, the books of the subsidiary M/s. Crossroads Detailing Inc., after adjustment of proportionate share of billings are adjusted correctly by USD 4,81,478 (reflected in the books of the said subsidiary as a period adjustment) since the latter's books of accounts are maintained largely on cash basis, unlike that of the parent company which maintains the same on a mandatory accrual basis. Due to this factor, the same could not be adjusted to reserves in the books of the subsidiary.

The Company is coming out of tax free regime from the year 2011-12 onwards. Thereby during the year, the Company has taken a conscious decision to make the following adjustments in its books:

1. The investment in the subsidiary M/s. Crossroads Detailing Inc. to the extent of ₹4,42,01,450, which was primarily incurred to enable us to gain a foothold in the US conventional steel 3-D detailing markets and also serve to upgrade technical and software skills in our Indian

operations, which has largely been met. The business model adopted made the lion's portion of work and hence invoicing be done from India hence the subsidiary was in fact expending more than it earned and its financial statements reflect that the investment made was impaired. Since the impairment arises from transactions and operations made in the years up to 31st March, 2010 and before, it was consciously determined that the impairment should be adjusted to the reserves and surpluses in the parent company instead of charging the same as a period cost in the books. Thus it was reasoned that the performance and strides made in the company business would not be vitiated with write offs strictly pertaining to the previous years. The auditors have opined that a contravention of applicable accounting standards have occurred and qualified the same.

2. The auditors have also qualified the accounts with regard to write offs of the following amounts by direct adjustment to the Reserves and Surplus, which have been adopted so as to recognize the said adjustments as a non period cost in the books of accounts.
 - a. Write off of subsidiary unrecoverables and debtors for the periods upto 31st March, 2010, ₹103, 25,409 and also ₹27,533,776 respectively, from sundry debtors and advances, the latter being amounts actually collected by the subsidiary and retained for its operations, in short, the excess of expenditure over income, and not remitted to India. Application for necessary permissions are in progress with the authorized financial and regulatory institutions; and
 - b. Writing off of goodwill component to the extent of ₹78,18,997 on acquisition of the specified assets and liabilities Indian Subsidiary (Earlier subsidiary M/s RMM Global LLC) viz, Technet Engineering Services (Private) Limited, which is now disbanded, on the same reasoning that



the write off pertains to transactions & acquisitions that occurred in previous years

In the process, all such abnormal costs are treated separately by adjustment to the reserves and surplus and the current year transactions are not unduly vitiated.

Auditors

The Company's Auditors M/s. Praturi & Sriram, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from M/s. Praturi & Sriram, Chartered Accountants, to the effect that their re-appointment, if made, would be within the limits prescribed under the Section. Members are requested to re-appoint them and to authorize the Board to fix their remuneration.

Directors Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956

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

- a. that in the preparation of the accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for

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

- d. that the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a going concern basis.

Conservation of energy, foreign exchange etc.

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

Employee Relations

Your Directors are pleased to record their sincere appreciation of the contribution by the workmen and staff at all levels in the improved performance of the Company.

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

Acknowledgements

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

For and on behalf of the Board of Directors

J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
14th July, 2011

Annexure to the Directors' Report

A. TECHNOLOGY ABSORPTION

Research and Development

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

₹ Lakhs

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010-11	2009-10
FOB Value of Exports		
- KPO Division	1743.79	1581.96
Foreign Exchange earnings	1634.88	1384.01
Foreign Exchange outgo	106.34	115.30


Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2011.

Employed throughout the year and in receipt of remuneration aggregating ₹60,00,000 or more annum

Name	Age (Years)	Qualifications	Date of Employment	Designation	Gross Remuneration ₹ Lakhs	Experience (Years)	Last Employment held
J. Lakshmana Rao	52	B.Tech. (Civil), M.B.A. (IIM -B)	4-07-1985	Chairman & Managing Director	72.45	27	NA

For and on behalf of the Board of Directors

Hyderabad
14th July, 2011



J. LAKSHMANA RAO
Chairman & Managing Director



Annexure to the Directors' Report

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

S.No.	Description	Year ended 31st March, 2011
1.	Options granted during the year	1,50,000
2.	Pricing formula	Exercise Price for the purpose of the grant of options shall be the price as reduced by 60% of the closing market price of the equity shares of the company available on the Bombay Stock Exchange on the date immediately preceding the Grant Date, subject to minimum of the face value of Equity Share. The Exercise Price shall be rounded off to the next rupee.
3.	Options vested	Nil
4.	Options exercised	Nil
5.	The total number of shares arising as a result of exercise of option	Nil
6.	Options lapsed	Nil
7.	Variation of terms of options	Nil
8.	Money realized by exercise of options (₹)	Nil
9.	Total number of options in force	1,50,000
10.	Employee wise details of options granted to	
	a. Senior managerial personnel:	
	K. V. V. Prasad Raju	30,000
	A. Bhavani Prasad	19,000
	J. Williamson	4,500
	T. Balaji	11,500
	Vishal L. Khandappanavar	5,000
	Syed Ahmed Basha	9,000
	G. Pradeep	2,000
	Alok Singh	6,000
	b. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NA
	c. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NA

11	Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	₹2.62
12.	<p>i. Method of calculation of employee compensation cost</p> <p>ii. Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if had used the fair value of the option</p> <p>iii. The impact of this difference on profits and on Earnings Per Share of the Company</p> <ul style="list-style-type: none"> ● Profit after Tax (₹ Lakhs) 131.46 ● Less: Additional employee compensation cost based on fair value (₹ Lakhs) 19.74 ● Adjusted Profit after tax (₹ Lakhs) 111.72 ● Adjusted Earnings per Share (₹) Rs.2.62 	<p>The Company has calculated the employee compensation cost using the fair value base</p> <p>₹63.00 Lakhs (increase) (₹19.74 Lakhs for current year increase)</p>
13.	<p>Weighted-average exercise price and fair value of Stock Options granted:</p> <ul style="list-style-type: none"> ● Stock Options granted on 21st April, 2010 ● Weighted average exercise price (₹) 28 ● Weighted average fair value (₹) 28 ● Closing price on BSE on the date of grant of option (₹) 70 	
14.	A description of the method and significant assumptions used during the year to estimate the fair values of options	As per pricing formula



Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's interest in subsidiary companies for the financial year 2010-11

Name of the subsidiary	Crossroads Detailing Inc., Indiana, USA	RMM Global INC., Indiana, USA
Date from which became subsidiary	9th April, 2007	1st January, 2009
No of Shares held/face value (USD)	84,441	1,000
Extent of interest of holding company	100%	100%

The following are the financial summaries of the subsidiary companies accounts as at 31st March, 2011 not dealt with in the holding company's accounts:

₹ Lakhs

	Crossroads Detailing Inc., Indiana, USA	RMM Global Inc., Indiana, USA
Share Capital	33.79	0.51
Reserves	(17.36)	(2.69)
Secured & Unsecured Loans	-	-
Current Liabilities	81.50	163.71
Fixed Assets	-	2.22
Current Assets	97.93	159.31
Turnover	354.53	1000.58
Profit before Tax	183.40	(5.66)
Taxation	-	-
Profit after Tax	183.40	(5.66)

For and on behalf of the Board of Directors

J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
14th July, 2011

Management Discussion and Analysis

Industry structure & development

Overall Engineering outsourcing has tremendous growth potential. Engineering outsourcing services have gained prominence amongst leading organizations world-wide and the demand for these services is continuously rising. The recently released NASSCOM's - Booz Global Engineering R&D report shows that globally offshorable revenues of both traditional verticals

are expected to reach between USD 90-100 billion. Out of which, India would be able to garner

40 percent share by year 2020 equivalent to USD 40-45 billion from the current share of about USD 9 billion and India with its talent pool and existing experience in engineering services is well suited to take a major chunk of this.

Opportunities

Improved economic activities in US & Europe auger well for the Company and the outlook for the near future looks promising. Last year's entry into mechanical engineering services has started yielding results. With new segments contributing, growth prospects look bright for the Company's services. Entry into MES opened up a great opportunity for the Company. Already 7 to 8 clients were developed in MES in Europe and their work is being used as referral in building up client base in USA.

Threats

Following are some of the major risks any business faces and tries to address the same through corporate actions:

Financial Risks - include foreign currency rate fluctuations, liquidity and leverage.

Legal and Statutory Risks - include contractual liabilities & statutory compliances.

Competition Risks - New competitors may enter the markets in which your Company operates.

Segment wise/product wise performance

The Company provides structural engineering, detailing and mechanical engineering services as segmented below:

₹ Lakhs

Type of business	Sales
Structural engineering & detailing	1759.91
Mechanical engineering services	140.48
Total	19,00.39

Outlook

As predicted last year, the Company achieved reasonable growth in 2010-11 and it is expected that the growth in 2011-12 will be further improved as new segments start contributing significant revenues. New business development managers are added to fuel further sales growth. The global technology related spending is expected to grow led by adoption of outsourcing and this would augur well for the Company. Greater focus on cost and operational efficiencies in the global environment is expected to enhance global sourcing. The Company would remain focused on tactical measures to improve margins by increase in prices, offering more value added products, cost savings through fresh hirings and higher efficiency and productivity.

Risks and Concerns

The risk management process is continuously improved and adapted to the changing global scenario. The Company is always cautious and preventive about strategic, operational and financial risks across various levels which are applicable to any business; the Company does not foresee any serious areas of concern. The Company's services is mainly based on human resources, and hence is aggressively taking care of employee satisfaction and facilities to mitigate any risk. The Company is obtaining adequate insurance coverage for its assets.



Internal control systems and their adequacy

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company has a well defined delegation of power with authority limits for approving revenues as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down and for management of risks and opportunities in the Company's activities. The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations.

Discussion on financial performance with respect to operational performance

The details of financial performance of the Company are in the Balance Sheet, Profit and Loss Account and other financial statements appearing separately. Highlights for the year 2010-2011 are as under:

₹ Lakhs

Services sales (Standalone)	1900.39
Profit before interest, Depreciation & Tax	511.66

Human Resources

The HRD department has been suitably enlarged to handle increasing number of skilled manpower in the KPO Division. The Company has successfully implemented several HR & corporate practices and helped create the requisite infrastructure to support the growth of the Company. We believe the Company's ability to support its business strategy with its human capital is an important indication of the Company's future business performance. Employee/ employer relations were cordial throughout the year. Measures for safety of the employees, training and development continued to receive top priorities. A hallmark of the Company's HR policies is aligning talent acquisition strategy with the Company's business strategy. These include talent acquisition and building the verticals with varied domain specialists, leadership development initiatives and successful implementation of stock option plans.

Cautionary Statement

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

Compliance Certificate

Company Regn No : 01-005631
 Nominal Capital : ₹13,00,00,000
 Paid up Capital : ₹4,11,49,810

The Members,
 Mold-Tek Technologies Limited,
 Plot No.700, D.No.8-2-293/82/A/700,
 Road No.36, Jubilee Hills,
 Hyderabad-500 033.

I have examined the registers, records, books and papers of Mold-Tek Technologies Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded;
2. the Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under;
3. the Company, being a public limited company, the restriction clauses as provided in Section 3(1)(iii) of the Companies Act, 1956 is not applicable;
4. the Board of Directors duly met 9 (Nine) times on 8th April 2010, 21st April 2010, 14th May 2010, 4th June 2010, 9th August 2010, 1st September 2010, 12th November 2010, 31st December 2010 & 14th February 2011 in respect of which meetings proper notices were given

and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose;

5. the Company closed its Register of Members from 27th September, 2010 to 30th September, 2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made;
6. the Annual General Meeting for the financial year ended on 31st March, 2010 was held on 30th September 2010 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose;
7. One extraordinary meeting(s) was/were held during the financial year after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose;
8. The Company has not advanced loan to its directors and/or persons or firms or companies referred in Section 295 of the Act;
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section;
10. The Company has made necessary entries in the register maintained under Section 301 of the Act;
11. The Company has obtained necessary approvals from the Board of Directors, Members and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable;
12. the Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate shares certificates, if any;
13. the Company has -
 - i. delivered all the certificates on allotment of securities and on lodgments thereof for



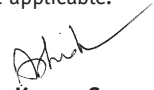
- transfer/transmission or any other purpose in accordance with the provisions of the Act;
- ii. deposited the amount of dividend declared in a separate bank account on 1st October, 2010 which is within five days from the date of declaration of such dividend;
 - iii. paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with State Bank of India at Jubilee Hills Branch;
 - iv. has not effected any transfer of the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have been remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such cases;
 - v. duly complied with the requirements of Section 217 of the Act;
14. the Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and the directors to fill casual vacancies have been duly made;
 15. The appointment of Managing Director/ Wholetime Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act and approval of the Central Government has been obtained in respect of appointment of J. Lakshmana Rao, Managing Director, A Subrahmanyam, Wholetime Director, P. Venkateswara Rao, Wholetime Director and J. Sudha Rani, Wholetime Director, not being in terms of Schedule XIII.
 16. The Company has not appointed any sole selling agents during the financial year;

17. The Company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act as detailed below:

Name of the Department	Date of Approval	Purpose
Government of India, Ministry of Corporate Affairs	23rd August, 2010	Payment of Remuneration to J. Lakshmana Rao
Government of India, Ministry of Corporate Affairs	23rd August, 2010	Payment of Remuneration to J. Sudharani
Government of India, Ministry of Corporate Affairs	5th October, 2010	Appointment of A. Subrahmanyam as Wholetime Director
Government of India, Ministry of Corporate Affairs	5th October, 2010	Appointment of P. Venkateswara Rao as Wholetime Director

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under;
19. The Company has issued 5,24,957 Equity shares of ₹10 each during the financial year and complied with the provisions of the Act.;
20. The Company has not bought back any shares during the financial year;
21. There was no redemption of preference shares/ debentures during the financial year;
22. There were no transaction necessitating the Company to keep up in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares;
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year;
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2011 is/are

- within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting;
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose;
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny;
 27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny;
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny;
 29. The Company has not altered the provisions of the Memorandum with respect to share capital
- of the Company during the year under scrutiny;
30. The Company has not altered its Articles of Association during the year;
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Act;
 32. The Company has not received any money as security from its employees during the financial year;
 33. The Company has not constituted any Provident Fund and accordingly the provisions of the Section 418 of the Act are not applicable.



Ashish Kumar Gaggar
Company Secretary in Practice
ACS: 19525
CP No.: 7321

Hyderabad
14th July, 2011

A N N E X U R E - A

(forming part of the Compliance Certificate)

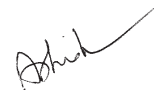
STATUTORY REGISTERS/RETURNS AS MAINTAINED BY THE COMPANY

1. Register of Charges under Section 143
2. Register of Members under Section 150
3. Copies of Annual Returns prepared under Sections 159 & 160
4. Minutes Book of Meetings of Board of Directors under Section 193
5. Minutes Book of Proceedings of General Meetings under Section 193
6. Books of Accounts and other Records under Section 209
7. Register of particulars Contracts in which Directors are interested under Section 301
8. Register of Managing Director, Directors, Manager and Secretary under Section 303
9. Register of Director's shareholding under Section 307
10. Register of Investment under Section 372A

OTHER REGISTERS

1. Register of Director's attendance;
2. Register of Shareholder's attendance;
3. Register of transfers.

Hyderabad
14th July, 2011



Ashish Kumar Gaggar
Company Secretary in Practice
ACS: 19525
CP No.: 7321



ANNEXURE - B

(forming part of Compliance Certificate)

Forms and Returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad, during the financial year ending on 31st March, 2011

Form No./Return	Filed under Section	Date of Filing	Whether filed within the prescribed time (Yes/No)	If delay in filing whether requisite fee paid (Yes/No)
Form 23 AC and Form 23 ACA	220	20th October, 2010	Yes	Not Applicable
Form 66	383A	19th October, 2010	Yes	Not Applicable
Form 20B	159	18th November, 2010	Yes	Not Applicable
Form 2	75	17th April, 2010	Yes	Not Applicable
Form 2	75	28th April, 2010	Yes	Not Applicable
Form 23	81(1A)	07th April, 2010	Yes	Not Applicable
Form 23	81(1A)	19th July, 2010	Yes	Not Applicable
Form 23	81(1A), 198, 269, Schedule XII	19th October, 2010	Yes	Not Applicable
Form 32	303(2)	19th October, 2010	Yes	Not Applicable
Form 8	125	08th June, 2010	Yes	Not Applicable

Ashish Kumar Gaggar

Company Secretary in Practice

ACS: 19525

CP No.: 7321

Hyderabad
14th July, 2011

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a management's ability to take sound decisions vis-à-vis all its stakeholders, in particular, its shareholders, creditors, employees and the society.

A Company which is proactively compliant with the law and which adds value to itself through Corporate Governance initiative would also command a higher value in the eyes of present and prospective shareholders.

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

BOARD OF DIRECTORS

Composition

Your Company's Board comprises of 9 (Nine) Directors comprising,

4 Executive Directors

5 Independent Directors

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

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

Board Meetings

The Board of Directors met 9 times during the financial year 2010-11 i.e. 8th April, 2010; 21st April, 2010; 14th May, 2010; 4th June, 2010; 9th August, 2010; 1st September, 2010; 12th November 2010; 31st December, 2010 and 14th February, 2011. The maximum gap between any two meetings was less than 4 months as stipulated under Clause 49 of the Listing Agreement.



Board Meetings/AGM - Attendance & Directorships/Committee Memberships

Name of the Director	Category	Number of Board Meetings attended	Whether attended last AGM	No of Directorships in other public companies		No of committee positions in other public companies	
				Chairman	Member	Chairman	Member
J. Lakshmana Rao (Chairman & Managing Director)	Executive Promoter Director	8	Yes	1	-	-	-
A. Subrahmanyam (Wholetime Director)	Executive Promoter Director	7	Yes	-	1	-	-
P. Venkateswara Rao (Wholetime Director)	Executive Promoter Director	9	Yes	-	1	-	-
J. Sudharani (Wholetime Director)	Executive Promoter Director	9	Yes	-	-	-	-
C. Vasant Kumar Roy	Non-Executive Independent Director	-	No	-	-	-	-
K. V. Appa Rao	Non-Executive Independent Director	2	Yes	-	-	-	-
P. Shyam Sunder Rao	Non-Executive Independent Director	4	No	-	1	1	-
M. Srinivas	Non-Executive Independent Director	7	Yes	-	-	-	-
Dr. Surya Prakash Gulla	Non-Executive Independent Director	5	Yes	-	-	-	-

- The directorships held by Directors in other companies does not include private limited companies, unlimited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
- In accordance with Clause 49, membership/chairmanship of only Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee of all public limited companies has been considered.

BOARD COMMITTEES

Audit Committee

Overall Purpose/Objectives

The purpose of the Audit Committee is to assist the Board of Directors ('Board') in reviewing the financial Information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal accountants/internal auditors and overseeing the Company's accounting and financial reporting process and the audit of the Company's financial statements.

Composition & Meeting

The Audit Committee comprises of 5 Non-Executive Directors and is chaired by P. Shyam Sunder Rao. J. Lakshmana Rao, Managing Director, A. Subrahmanyam, Wholetime Director and P. Venkateswara Rao, Wholetime Director and representatives of Statutory Auditors are permanent invitees to the meetings. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement

5 meetings of the Audit Committee were held during the financial year 2010-11. The dates on which the said meetings were held were as follows:

14th May, 2010; 9th August, 2010; 1st September, 2010; 12th November 2010 and & 14th February, 2011.

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

Name	Designation	No. of Meetings attended
P. Shyam Sunder Rao	Chairman	3
Dr. K. Venkata Appa Rao	Member	1
M. Srinivas	Member	4
C. Vasanth Kumar Roy	Member	-
Dr. Surya Prakash Gulla	Member	4*

* Dr. Surya Prakash Gulla was inducted as member of the Audit Committee with effect from 9th August, 2010.

Powers and Terms of Reference

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

Remuneration Committee

The terms of reference to the Remuneration Committee include review of remuneration policy to the Managing Director, Executive Director, other wholetime directors and also key managerial personnel. The Company, while deciding the remuneration package of the Managing Director, Wholetime Director and senior management, takes into consideration the following items:

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

During the year, 2 Remuneration Committee meetings were held on 21st April, 2010 and 1st September, 2010.

The composition of Remuneration Committee and attendance at the meetings is as follows:

Name	Designation	No. of meetings attended
P. Shyam Sunder Rao	Chairman	1
K. Venkata Appa Rao	Member	1
M. Srinivas	Member	2
C. Vasanth Kumar Roy	Member	-
Dr. Surya Prakash Gulla	Member	1*

* Dr. Surya Prakash Gulla was inducted as member of the Remuneration Committee with effect from 9th August, 2010.



Remuneration Policy

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

Details of the remuneration of Directors for the year ended 31st March, 2011 are as follows:

₹ Lakhs

Name	Salary	Perquisites & Other benefits	Sitting Fees	Total
J. Lakshmana Rao	49.20	23.25	-	72.45
A. Subrahmanyam	-	-	-	-
P. Venkateswara Rao	-	-	-	-
J. Sudharani	21.60	-	-	21.60
C. Vasant Kumar Roy	-	-	-	-
K. Venkata Appa Rao	-	-	0.10	0.10
P. Shyam Sunder Rao	-	-	0.35	0.35
M. Srinivas	-	-	-	-
Dr. Suryaprakash Gulla	-	-	0.25	0.25

Shareholders'/Investors' Grievance Committee

The composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2011 was as under:

Name of the Director	Designation
P. Shyam Sunder Rao	Member
K. Venkata Appa Rao	Member
M. Srinivas	Member
Dr. Surya Prakash Gulla	Member

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

The Shareholders'/Investors' Grievance Committee oversees the redressal of complaints of Investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/ annual reports, etc. It also approves share transfer and issue of share certificates. The status of complaints is also reported to the Board of Directors. During the year 2010-11, 12 complaints were received and resolved and no complaints were pending as on 31st March, 2011.

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

Details of Annual/Extraordinary General Meetings:

Location and time of General meetings held in the past 3 years

Year	Location	Date	Time
2007-08	K.K. Function Hall, 7-1-37/A, Dharam Karam Road, Ameerpet, Hyderabad - 500016	29th September, 2008	10.30 a.m.
2008-09	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	30th September, 2009	10.30 a.m.
2009-10	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	25th March, 2010	10.30 a.m.
2010-11	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	1st July, 2010	11.00 a.m.
2010-11	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	30th September, 2010	10.30 a.m.

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

Disclosures

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

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

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

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

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

The Company is complying with all the mandatory requirements of Corporate Governance and also is also making attempts to comply with non-mandatory requirements of that Clause.

- d. *Disclosure on Accounting Standard:*

The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the Preparation of the Financial Statements.

- e. *Disclosure of risk management:*

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

Management Discussion and Analysis

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

Means of Communication

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



General Shareholder Information

27th Annual General Meeting

Date and Time : 19th August, 2011 at 11:00 a.m.

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

Financial Calendar (2011-12)

The financial year of the company is 1st April to 31st March. During the year ending 31st March, 2012 quarterly unaudited/annual audited results shall be announced as follows:

Financial reporting for	Tentative Date
Unaudited results for the quarter ending: 30th June, 2011	On or before 15th August, 2011
30th September, 2011	On or before 15th November, 2011
31st December, 2011	On or before 15th February, 2012
Unaudited results for the year ended 31st March, 2012	On or before 15th May, 2012

Book Closure date : 17th August, 2011 to 19th August, 2011 (both days inclusive)

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

Listing of Equity Shares : Bombay Stock Exchange Limited, Mumbai (BSE)

Listing Fees : Listing fee has been paid to Mumbai Stock Exchange for the year 2011-2012

Stock Code : 526263

ISIN : INE835B01027

CIN Number : L25200AP1985PLC005631

Market Price Data

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange were as follows:

Month	High ₹	Low ₹	No.of Shares Traded
2010 April	73.85	53.55	2,89,820
May	76.00	52.05	4,26,935
June	97.75	72.50	14,16,857
July	115.80	77.00	15,69,798
August	116.40	97.55	11,49,846
September	108.90	99.00	9,40,372
October	112.00	86.00	14,99,838
November	104.00	80.00	13,25,848
December	105.80	71.50	10,48,970
2011 January	103.75	67.00	9,62,346
February	95.90	71.00	4,17,888
March	79.20	66.00	3,07,745

Registrar & Share Transfer Agents:**M/s XL Softech Systems Limited**

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

Tel : 91 40 2354 5913/14/15 | Fax : 91 40 2355 3214

Email: xlfield@rediffmail.com

Shareholding pattern as on 31st March, 2011

Category	No.of Shares Held	Percentage of Share holding
Promoters	16,84,710	40.94
Banks, Financial Institutions, Insurance Companies	41,107	1.00
Bodies Corporate	5,49,009	13.34
Indian Public	16,27,129	39.55
NRI/OCBs	1,56,149	3.79
Clearing Members	56,877	1.38
Total	41,14,981	100.00

Distribution of shareholders as on 31st March, 2011

Shareholding	Shareholders		Share Amount	
	Number	Percentage	₹	Percentage
Upto - 5000	6,079	92.43	42,78,250	10.40
5001 - 10000	211	3.21	16,36,880	3.98
10001 - 20000	118	1.79	17,08,350	4.15
20001 - 30000	40	0.61	10,24,930	2.49
30001 - 40000	24	0.36	8,46,050	2.06
40001 - 50000	11	0.17	4,96,760	1.21
50001 - 100000	33	0.50	25,22,980	6.13
100001 and above	61	0.93	2,86,35,610	69.59
Total	6,577	100.00	4,11,49,810	100.00

Share Transfer System

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

Dematerialization of Shares

38,32,308 Equity Shares of ₹10 each aggregating to 93.13% were being held with NSDL & CSDL in demat form of the paid up capital & 2,82,673 Equity Shares aggregating to 6.87% in physical form as on 31st March, 2011.

ADR/GDR holding is Nil



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

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

- **CEO/CFO Certification**

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

Certificate on Corporate Governance

The Members
Mold-Tek Technologies Limited

I have examined the compliance of conditions of Corporate Governance by Mold-Tek Technologies Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally complied with the conditions of Corporate Governance

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

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

Ashish Kumar Gaggar
Company Secretary in Practice
ACS: 19525
CP No.: 7321

Hyderabad
14th July, 2011

Declaration under Code of Conduct

As provided under Clause 49 of the listing Agreement with the stock exchange, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2011.

Hyderabad
14th July, 2011

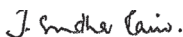

J. LAKSHMANA RAO
Chairman & Managing Director

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

The Board of Directors
Mold-Tek Technologies Limited

We certify that:

1. We have reviewed the financial statements, read with the cash flow statement of Mold-Tek Technologies Limited (the Company) for the year ended 31st March, 2011 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements and other financial information included in this report present a true and fair view of Company's affair and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting;
4. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies;
5. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in the Company's internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - c. instances of significant fraud of which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting;



J. SUDHARANI
Chief Financial Officer
14th July, 2011



J. LAKSHMANA RAO
Chairman & Managing Director



Auditors' Report

The Members
Mold-Tek Technologies Limited

We have audited the attached Balance Sheet of Mold-Tek Technologies Limited as at 31st March, 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
2. Further to our comments in the annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, subject to our comments in para 5(f) below, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-clause (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the Directors as on 31st March, 2011, and taken on record by the Board of

Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956; and

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required, *subject to:*

- i. *Over statement of profits to the extent of ₹103,25,409 adjusted directly from the opening balances of General Reserve in the Balance Sheet, which should have been charged to the Profit and Loss Account of the year (Refer Note 3.3);*
- ii. *Over statement of profits to the extent of ₹795,54,223, adjusted directly from the opening balances of the Profit and Loss Account in the Balance Sheet, which should have been charged to the Profit and Loss Account of the year (Refer Note 3.4 read together with notes 7(b), 8(b), 9(a)(i), & (a)(ii) respectively);*

which impacts the profit for the year 2010-11 adversely by the stated amounts, resulting in an overall loss of ₹787,07,341;

gives a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- ii. In the case of Profit and Loss Account, of the profit of the Company for the period ended on that date; and
- iii. In case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

K. SRIRAM
Partner
Membership No. 37821

Hyderabad
14th July, 2011

Annexure to Auditors' Report

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

1. In respect of its fixed assets
 - a. The Company maintains a soft copy record of its depreciable assets, reflecting a yearwise classification of assets of such category. The record does not include quantitative details and the situation/location of its depreciable assets. Non-depreciable assets are not recorded.
 - b. We are informed that no physical verification of fixed assets has been carried out by the management during the year ended 31st March, 2011.
 - c. During the year, we are informed that the Company has not disposed off a substantial part of its fixed assets.
2. The Company has no inventories or stocks inviting comment on inventories. Work in process being a portion of unbilled service works as at the Balance Sheet date is suitably accounted.
3.
 - a. The Company has not granted/taken any loans, secured or unsecured to/from the companies, firms of other parties covered in the register maintained under Section 301 of the Companies Act, 1956, except in respect of current account transactions with its associate/group company, M/s. Mold-Tek Packaging Limited.
 - b. In respect of the debit balances and advances in the nature of loans, including amounts due on current accounts, no stipulations have been made as to repayments, and management expresses confidence in recovering and/or adjustment of the amounts due.
4.
 - a. In our opinion, and according to the information and explanations given to us, there exists adequate internal control procedures commensurate with the size of the Company, and the nature of its business for the purchase of inventory & fixed assets and for the sale of goods and services.
- b. Certain areas/procedures and control weaknesses identified during the course of internal/statutory audit and other review need to be considered for improvement and up-gradation to better levels.
 - c. While we have not observed any continuing failure of intent to correct identified weaknesses in internal controls during the course of our audit, observations made need to be comprehensively addressed and rectified.
5.
 - a. According to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year, at prices which are prima facie reasonable having regard to prevailing market prices.
6. In our opinion and explanations given to us, the Company has not invited or accepted any deposits from the public attracting the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board regarding compliance of above said provisions.
7. The Company presently has an internal audit conducted by an external agency, which needs



- to be reviewed for its depth & scope so as to make it commensurate with the size of the Company & the nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any products of the company.
9. a. According to the records of the company furnished to us the company is regular in depositing undisputed statutory dues including, provident fund, employees state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues. Delays, if any, are of nominal nature only.
- b. According to the information and explanations given by the management, there are no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty and cess which were in arrears as at 31st March, 2011 for a period of more than six months from date they become payable
10. In our opinion there are no accumulated losses of the Company and therefore disclosure of the same is not applicable. The Company has not incurred cash losses during the financial year covered by our audit.
11. In our opinion and according to the information and explanations given to us, there are no dues payable to institutions/bank/others on the date of signing of this report.
12. We are informed that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. We are informed that the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, the term-loans availed have generally been applied for the purpose for which they were raised.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that during the year under review, long term funds from investment and financing activities to the extent of ₹761.44 lakhs have been used for short term purposes.
18. The Company has made a preferential allotment of 524,957 equity shares of ₹10 each at a premium of ₹65 to parties and companies, some of whom are covered in the register maintained under Section 301 of the Act, at prices which are determined in accordance with Chapter XIII of SEBI Regulations, 2000, and thereby not prejudicial to the interests of the Company.
19. According to information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.
20. According to information and explanations given to us, the Company has not raised money by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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


K. SRIRAM

Partner
Membership No. 37821

Hyderabad
14th July, 2011

Balance Sheet

AS AT 31st MARCH, 2011

₹'000

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	4,11,50	3,59,00
Share Application Money	1A	4,19,01	5,24,72
Reserves & Surplus	2	9,32,11	14,40,03
Loan Funds			
Secured Loans	3	10,61,45	13,07,11
Unsecured Loans	4	5,60	1,24,53
TOTAL		28,29,67	37,55,39
APPLICATION OF FUNDS			
Fixed Assets - Net Block	5A	24,46,38	26,78,97
Capital Work-in-Progress	5B	31,20	53,42
Investments	6	24,58	4,66,60
Current Assets, Loans and Advances			
Current Assets	7	6,30,67	8,25,48
Loans and Advances	8	1,79,14	1,44,98
Less: Current Liabilities & Provisions	9	(5,34,05)	(4,83,05)
Miscellaneous & Deferred Expenditure to the extent not written off	10	51,75	68,99
TOTAL		28,29,67	37,55,39
Significant Accounting Policies and Notes to Accounts	19		

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



K. SRIRAM

Partner

Membership No. 37821

Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors


A. SUBRAHMANYAM

Director-Technical


J. LAKSHMANA RAO

Chairman & Managing Director



Profit and Loss Account

FOR THE YEAR ENDED 31st MARCH, 2011

₹'000

	Schedule	2010-2011	2009-2010
INCOME			
Sales			
Domestic Sales		1,56,60	3,65
Export Sales		17,43,79	15,81,96
Total Sales		19,00,39	15,85,61
Other Income	11	60,73	1,60,95
Increase in Work-in-Process	12	18,86	1,60,39
TOTAL		19,79,98	19,06,95
EXPENDITURE			
Employees Remuneration & Benefits	13	10,79,53	7,73,92
Selling & Distribution Expenses	14	12,96	13,63
Other Expenses	15	2,14,32	3,00,25
Interest & Financial Charges	16	1,65,72	2,00,32
Derivative Loss		1,24,13	1,36,92
Bad debts & back charges		20,13	84,17
Preliminary & Deferred Expenses written off		17,23	12,28
Depreciation	5A	2,42,62	1,93,58
TOTAL		18,76,64	17,15,07
PROFIT BEFORE PRIOR PERIOD ADJUSTMENTS & TAX		1,03,34	1,91,88
Provision for Taxation for the year	17	17,55	12,35
PROFIT AFTER TAX		85,79	1,79,53
Extraordinary Items & Prior Period Adjustments	18	(25,93)	2,45
NET PROFIT FOR THE YEAR		1,11,72	1,77,08
Transferred to General Reserve		16,76	26,56
Proposed dividend for the year		69,93	61,72
Corporate Dividend Tax on proposed dividend		11,88	10,49
Profit Transferred to Balance Sheet		13,15	78,31
Significant Accounting Policies and Notes on Accounts	19		
Earning Per Share - Basic (₹)		2.71	4.93
- Diluted (₹)		1.86	4.71

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

K. SRIRAM
Partner
Membership No. 37821
Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors

A. SUBRAHMANYAM
Director-Technical

J. LAKSHMANA RAO
Chairman & Managing Director

Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2011

₹'000

	2010-2011	2009-2010	
A. CASH FLOW FROM OPERATIONS			
Net Profit as per Profit and Loss Account	1,03,34	1,91,88	
Adjustment for			
Depreciation	2,42,62	1,93,58	
Preliminary Expenses & Deferred Expenses	17,23	(68,86)	
Interest Paid	1,65,72	2,00,32	
Total Provision for Gratuity	—	—	3,25,04
Operating profit before working capital changes	<u>5,28,91</u>	<u>5,16,92</u>	
Adjustment for			
Trade and other receivables	2,14,18	(92,77)	
Work-in-Process	(18,86)	(1,60,39)	
Trade Payables & Other Liabilities (Including Derivatives Loss)	51,02	(4,08,54)	
Advances/Receivables	(34,16)	(10,27)	(6,71,97)
Net cash from operating activities	<u>7,41,09</u>	<u>(1,55,05)</u>	
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(1,22,01)	(1,74,82)	
Sale of Fixed Assets	1,11,97	3,62,96	
Investment in 100% WOU subsidiary (RMM)	4,42,02	—	
Capital Work-in-Progress and pending capitalisation	<u>22,22</u>	<u>38,90</u>	2,27,04
	11,95,29	71,99	



₹'000

	2010-2011	2009-2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	52,50	-
Share Application Money	(1,05,71)	5,24,72
Share Premium	3,41,22	-
Employee Stock Option Scheme	19,74	-
Reserves adjusted against impairment of Investment, Goodwill & Bad debts	(8,98,79)	-
Provision for taxation	(17,55)	(12,35)
Provision for Proposed Dividend	(69,93)	(61,72)
Additions/Repayment of Secured Loans	(2,45,66)	(4,20,14)
Unsecured Loans	(1,18,93)	1,01,57
Provision for Corporate Dividend Tax	(11,88)	(10,49)
Interest Paid	(1,65,72)	(2,00,32)
Prior period & Extraordinary Items	25,93	(2,45)
	(11,94,78)	(81,18)
Net increase/(Decrease) in cash & cash equivalents	51	(9,19)
Opening balance of cash & cash equivalents	9,31	18,50
Closing balance of cash & cash equivalents	9,82	9,31

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

K. SRIRAM
Partner
Membership No. 37821
Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors

A. SUBRAHMANYAM
Director-Technical

J. LAKSHMANA RAO
Chairman & Managing Director

Schedules forming part of the Balance Sheet

	As at 31st March, 2011		As at 31st March, 2010	
			₹'000	
1A. SHARE CAPITAL				
Authorised				
1,30,00,000 Equity Shares ₹10 each	13,00,00		<u>13,00,00</u>	
Issued, Subscribed & Paid-up (Note 2)				
41,14,981 Equity Shares of ₹10 each	4,11,50		3,59,00	
(Previous year 35,90,024 Equity Shares of ₹10 each)				
TOTAL	4,11,50		<u>3,59,00</u>	
1B. SHARE APPLICATION MONEY				
Being 25% of 6,55,000 Warrants of ₹10 (at a premium of ₹70)	1,31,00		1,31,00	
Being 25% of 16,60,000 Warrants of ₹10 (at a premium of ₹59.40)	2,88,01		-	
5,24,957 shares of ₹10 each fully paid (including premium of ₹65)	-		3,93,72	
TOTAL	4,19,01		<u>5,24,72</u>	
2. RESERVES & SURPLUS				
Share Premium Account	3,70,08		3,70,08	
Add: Premium on preferential offer	3,41,22	7,11,30	<u>-</u>	3,70,08
General Reserve				
Opening Balance	1,73,58		1,47,02	
Less: Amounts adjusted [(Refer Note 3.3, 9(a)(i))]	1,03,25		-	
Add: Accretion from Profit and Loss Account for the year	16,76	87,09	<u>26,56</u>	1,73,58
Employee Stock Option Scheme				
Employee Stock Option Scheme Outstanding	63,00		-	
Less: Deferred Employee Compensation Expenses	43,26	19,74	-	-
Profit and Loss Account				
Opening Balance	8,96,37		8,18,06	
Less: Amounts adjusted [Refer Note 3.4, 9(a)(ii), 8(b), 7(b)]	7,95,54		-	
Add: Accretion for the year	13,15	1,13,98	<u>78,31</u>	8,96,37
TOTAL	9,32,11		<u>14,40,03</u>	



	As at 31st March, 2011	₹'000 As at 31st March, 2010
3. SECURED LOANS		
Loans and Advances from Banks		
Cash Credit from ICICI Bank	4,07,05	2,99,21
Term Loans ICICI Bank	6,54,40	10,07,90
TOTAL	<u>10,61,45</u>	<u>13,07,11</u>
4. UNSECURED LOANS		
Hire Purchase Finance (including future interest liability)	5,60	4,87
Temporary overdraft	-	60,25
Short Term loan	-	59,41
TOTAL	<u>5,60</u>	<u>1,24,53</u>

₹'000

5A. FIXED ASSETS	Gross Block			Depreciation			Net Block	
	As at 1st April, 2010	Additions during the year	Deletions during the year	As at 31st March, 2011	For the year	Deletions during the year	As at 31st March, 2011	As at 31st March, 2010
Goodwill	3,09,51	19,92	78,19	2,51,24	50,25	-	2,00,99	3,09,51
Land	7,09,14	-	-	7,09,14	-	-	7,09,14	7,09,14
Building	5,51,65	22,32	-	5,73,97	18,21	-	5,31,92	5,27,82
Electrical Installations	1,97,34	11,97	-	2,09,31	14,05	-	1,67,11	1,69,19
Office Equipments	1,99,50	22	7,77	1,91,95	13,60	4,08	1,51,13	1,68,20
Computers	8,27,35	59,22	-	8,86,57	1,26,20	-	4,63,36	5,30,34
Furniture & fixtures	2,34,78	1,40	-	2,36,18	14,15	-	2,00,41	2,13,16
Vehicles	70,43	6,96	46,12	31,27	6,16	16,03	22,32	51,61
TOTAL	30,99,70	1,22,01	1,32,08	30,89,63	2,42,62	20,11	6,43,25	26,78,97
Previous year	33,05,25	1,74,81	3,80,37	30,99,69	1,93,58	17,41	4,20,72	26,78,97

5B. CAPITAL WORK-IN-PROGRESS

	As at 1st April, 2010	Additions during the year	Capitalised during the year	As at 31st March, 2011
Capital Work-in-Progress	16,46	11,54	26,80	1,20
Capital Advances	36,96	-	6,96	30,00
TOTAL	53,42	11,54	33,76	31,20
Previous year	92,33	1,07,16	1,46,07	53,42

Note: Refer note 3.4, 7(b)



	As at 31st March, 2011	As at 31st March, 2010
₹'000		
6. LONG TERM INVESTMENTS		
Other Investments (unquoted (at cost))		
Investments - Foreign		
Cross Road Detailing Inc (Refer Note 3.4)	16,43	4,58,45
RMM Global Indiana	8,15	8,15
TOTAL	<u>24,58</u>	<u>4,66,60</u>
7. CURRENT ASSETS		
Inventories		
Work-in-Process	1,88,17	1,69,31
Sundry Debtors [Refer Note 9(a), 9(b)]		
Outstanding for more than 6 months		
Considered Good	58,84	2,67,74
Considered Doubtful	4,17,86	1,03,80
Outstanding for less than 6 months		
Considered Good	<u>3,63,05</u>	<u>3,68,33</u>
	8,39,75	7,39,87
Less: Amounts unrecoverable adjusted to		
General Reserve	1,03,25	-
Profit and Loss Account (B/S)	<u>2,75,34</u>	-
	3,78,59	-
Less: Provision for Doubtful Debts &		
Back Charges		
Opeing Balance	1,03,80	1,24,26
Less: Write off during the year	(84,66)	(1,05,12)
Add: Provision made during the year	<u>20,13</u>	<u>84,66</u>
	39,27	1,03,80
Net Sundry Debtors	4,21,89	6,36,07
Cash and Bank Balances		
Cash in hand	12	14
With Scheduled Banks		
Current Accounts	33	24
Margin Money	4,22	5,24
Dividend Accounts	<u>5,15</u>	<u>3,69</u>
	9,82	9,31
Other Current Assets	10,79	10,79
37,520 Equity shares of ₹10 each of Mold-Tek Technologies Limited pending transfer to a proposed trust per scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July, 2008.		
TOTAL	<u>6,30,67</u>	<u>8,25,48</u>

	As at 31st March 2011		As at 31st March 2010	
₹'000				
8. LOANS AND ADVANCES				
Advances recoverable in cash or in kind or for value to be received, considered good				
Staff Advances	33,17		18,93	
Prepaid Expenses	7,23	40,40	1,45	20,38
Deposits/Balances with govt bodies		6,61		11,07
Other Deposits		1,55		92
Advance Tax, Tax deducted at source and income taxes		1,29,30		1,07,65
Deferred Interest on Hire Purchase Finance		1,28		4,96
TOTAL		1,79,14		1,44,98
9. CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Mold-Tek Packaging Limited		16		35,42
Creditors for goods & expenses				
Creditors for Goods & Software Purchases	52,21		59,35	
Outstanding Expenses	2,68,22	3,20,43	1,96,43	2,55,78
Other Liabilities		36,11		45,36
Provisions				
Provision for Gratuity	32,72		29,01	
Proposed Dividend & Tax there on	81,82		72,21	
Provision for Income Tax & FBT	62,81	1,77,35	45,27	1,46,49
TOTAL		5,34,05		4,83,05
10. MISCELLANEOUS EXPENDITURE				
Preliminary Expenses	-		13	
Add: Current year	-		-	
Less: Written off during the year	-	-	13	-
Deferred Revenue Expenditure	68,98		-	
Add: Current Year	-		81,14	
Less: Written off during the year	17,23	51,75	12,15	68,99
TOTAL		51,75		68,99



Schedules forming part of the Profit and Loss Account

₹'000

	2010-2011	2009-2010
11. OTHER INCOME		
Profit on Sale of Assets	-	1,09,63
Miscellaneous Income	-	1,84
Rental Income Received	60,73	49,48
TOTAL	60,73	1,60,95
12. INCREASE IN WORK-IN-PROCESS		
Opening Work-in-process	1,69,31	8,92
Closing Work-in-process	1,88,17	1,69,31
TOTAL	18,86	1,60,39
13. EMPLOYEES REMUNERATION & BENEFITS		
Salaries, Wages, Allowances & Bonus	9,16,92	6,46,71
Contribution to Provident Fund & ESIC	35,74	24,91
Welfare Expenses	25,62	19,50
Gratuity	6,50	-
Directors' Remuneration & Perquisites	94,75	82,80
TOTAL	10,79,53	7,73,92
14. SELLING & DISTRIBUTION EXPENSES		
Sales Promotion & Commission	12,53	12,00
Advertisement Expenses	43	1,63
TOTAL	12,96	13,63

	₹'000	
	2010-2011	2009-2010
15. OTHER EXPENSES		
Rent	4,46	16,69
Rates & Taxes	19,29	21,64
Insurance	3,11	5,82
Communication Expenses	14,06	13,00
Power & Fuel	25,48	31,85
Travelling Expenses & Conveyance		
Foreign Travel	24,82	24,07
Travelling Expenses in India	11,22	21,53
Printing & Stationery	11,63	12,92
Repairs & Maintenance	51,10	51,48
Professional Charges	21,69	20,60
Jobwork Charges	8,81	-
Bank Charges	20,74	24,71
Exchange Rate Fluctuation	(15,40)	43,52
General Expenses	13,31	12,42
TOTAL	<u>2,14,32</u>	<u>3,00,25</u>
16. INTEREST AND FINANCIAL CHARGES		
Interest on Term Loans	1,05,39	1,60,26
Interest on Working Capital	52,28	37,12
Interest charges on Other Loans	8,45	3,88
Interest received on Margin Money	(40)	(94)
TOTAL	<u>1,65,72</u>	<u>2,00,32</u>
17. PROVISION FOR TAXATION		
Provision for Income Tax	17,55	12,35
Provision for Fringe Benefit Tax	-	-
TOTAL	<u>17,55</u>	<u>12,35</u>
18. EXTRA-ORDINARY ITEMS & PRIOR PERIOD ADJUSTMENTS		
Prior Period Adjustment	(25,93)	2,45
TOTAL	<u>(25,93)</u>	<u>2,45</u>



19. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

Method of accounting

- a. The financial statements are prepared on a going concern basis with historical costs, in accordance with Accounting Standards specified in sub-section 3(C) of Section 211 of the Companies Act 1956, to the extent applicable to the Company.
- b. The Company generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- c. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

Fixed assets

- a. Fixed assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits.
- b. Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India (ICAI).
- c. Expenditure not specifically identified to any asset and incurred in respect of fixed assets not commissioned is carried forward as expenditure pending allocation and forms part of capital work-in-progress.
- d. Goodwill on acquisitions is written off over a period of 5 years commencing from

the year in which the Company streamlines the acquired entity in tune with its presently existing operations.

Depreciation

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

Investments

Investments are carried in the books of accounts at cost of acquisition. Decline in market value if any, is considered in accordance with Accounting Standard 13. Impairment/decline in carrying cost of investments considered to be of permanent nature is provided for/adjusted in accordance with the said Standard.

Interest and financial charges

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

Loans under deferred credit/Hire purchase

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

Revenue recognition

Income from services is recognized when the same are fully rendered and billable. The Company adopts the percentage of completion basis for certain customers, and for certain customers on monthly fixed billing basis.

Work-in-process on incomplete service assignments and works are estimated based on percentage of completion as at the end of the year.

Derivatives and unhedged foreign exchange exposures have been provided for in full based on the values applicable on either the closure of contractual obligations, or as at the year end.

Employee benefits

a. Gratuity

Gratuity is provided in respect of employees on the basis of actuarial valuation as per Accounting Standard 15.

b. Provident Fund

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

c. Liability for leave

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

d. Employee share based payments

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

Foreign currency transactions

The foreign currency transactions are translated at the exchange rates prevailing on the date of transactions. Exchange gains or losses on transactions relating to fixed assets are capitalized as per the Accounting Standard 11, while in respect of others the impact is recognized in the Profit and Loss Account. Similar treatment is given to outstanding monetary transactions as at the Balance Sheet date.

Taxes on income

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax provisioning on account of timing and permanent difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India. Deferred tax Asset is not recognized based on principles of conservatism.

Miscellaneous expenditure

Amortized over a period of 5 years.

Impairment of assets

Assets of the Company whose realizable value stands diminished vis-à-vis their carrying cost are normally provided for in accordance with Accounting Standard 28.

Earnings per Share

The basic earning per share ('BEPS') is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted earning per share ('DEPS') is calculated after adjusting the weighted average number of equity shares to give effect to the potential equity shares on the fully convertible warrants outstanding made in accordance with Accounting Standard 20 issued by ICAI.



NOTES TO THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT

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

2. Share capital

2.1 As per the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July 2008, the entire share capital of the company was restructured into 30,90,024 equity shares of ₹10 each consequent to the demerger of the plastics division of the company into a separate Company, viz., Mold-Tek Plastics Limited (now Mold-Tek Packaging Limited).

2.2 Separately 5,00,000 equity shares of ₹10 each were issued on 24th April, 2006 (referred to in clause 19.3 of the scheme of arrangement) at a premium of ₹38 per share on conversion of share warrants arising out of the preferential offer.

2.3 Share application monies received in the previous year ₹393.72 lakhs (Share Capital of ₹52.50 lakhs and Share Premium of ₹341.22 lakhs) were adjusted by allotment of 5,24,957 equity shares in terms of preferential offer at ₹75 per share to the following companies on 8th April, 2010:

i. Mold-Tek Packaging Limited	3,80,000 shares
ii. RMM Global, Inc.	1,31,624 shares
iii. Technet Engineering Services	13,333 shares

2.4 During the year, the Company allotted 16,60,000 Fully Convertible Warrants (Convertible into equal number of equity shares within a period of 18 months from the date of allotment of Warrants i.e. at a price ₹69.40 per Warrant (comprising face value of ₹10 and premium of ₹59.40 each), the issue price being not less than the price as arrived at, in accordance with the terms of Chapter XIII of Securities and Exchange Board of India Regulations, 2000), vide special resolution passed at Extraordinary General Meeting held on 1st July, 2010.

The Company has received ₹288 lakhs being the 25% of the value of the said warrants which is reflected as share application monies. The balance amount is to be received within 18 months from the date of allotment of warrants.

3. Reserves & surplus

3.1 Share premium of ₹3,41,22,205 arose by allotment of 5,24,957 equity shares in terms of preferential offer on 8th April, 2010.

3.2 In respect of 1,50,000 Options granted to employees on 21st April, 2010 under the Employees Stock Option Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 at ₹28 per option (the exercise price for the purpose of the grant of options shall be the price as reduced by 60% of the closing market price (₹70.00) of the equity shares of the Company available on the Bombay Stock Exchange on the date immediately preceding the grant date, subject to minimum of the face value of equity share). The discount value (₹42.00)

of Option is accounted as Deferred Employee Compensation, which is amortized on a straight line basis over the vesting period. Consequently, an amount of ₹19.74 lakhs has been amortized for the current year. The scheme vesting schedule is as follows:

Category - A

Vesting Schedule

Year	Date of vesting	Date of expiration	Percentage of Options subject to grant that shall vest (%)	No. of Options
Year 1	20-04-2011	19-04-2013	50	33,000
Year 2	20-04-2012	19-04-2014	25	16,500
Year 3	20-04-2013	19-04-2015	25	16,500
TOTAL				66,000

Category - B

Vesting Schedule

Year	Date of vesting	Date of expiration	Percentage of Options subject to grant that shall vest (%)	No. of Options
Year 1	20-04-2011	19-04-2013	25	12,000
Year 2	20-04-2012	19-04-2014	35	16,800
Year 3	20-04-2013	19-04-2015	40	19,200
TOTAL				48,000

Category - C

Vesting Schedule

Year	Date of vesting	Date of expiration	Percentage of Options subject to grant that shall vest (%)	No. of Options
Year 1	20-04-2012	19-04-2014	30	10,800
Year 2	20-04-2013	19-04-2015	30	10,800
Year 3	20-04-2014	19-04-2016	40	14,400
TOTAL				36,000

- 3.3 The following amounts are directly reduced from the opening value of General Reserves, being billed amounts considered unrecoverable and pertaining to previous years up to 31st March, 2010:

Particulars	Foreign Currency	₹
Crossroads Detailing Inc.	USD 1,48,031	68,69,464
RMM Global Inc.	USD 11,172	5,01,511
Direct billing debtors	USD 60,398	29,29,979
Direct billing debtors	AED 1,927	24,455
TOTAL		1,03,25,409



3.4 The following amounts are directly reduced from the opening value of Profit and Loss Account being:

Particulars	₹
Goodwill arising on acquisition of M/s. Technet Engineering Services Private Limited, since closed and not in operation	78,18,997
Amounts expended by subsidiary M/s. Crossroads Detailing Inc. and reflected as advances hitherto, which are not recoverable	2,75,33,776
Impairment of investment cost in subsidiary M/s. Crossroads Detailing Inc. adjusted for net equity as per subsidiary's books	4,42,01,450
TOTAL	7,95,54,223

4. Secured loans & Scheme of arrangement

During the year, the Company's working capital limit is increased from ₹3 crore to ₹5 crore on 7th May, 2010.

During the period, the Company has been sanctioned long term loan of ₹1.8 crore from ICICI Bank Limited for the purpose of software purchase. The Company has availed ₹0.92 crore @11.75% interest per annum and is repayable in 12 quarterly installments starting from November 2011.

Long term loan and working capital facilities from the ICICI Bank is secured by hypothecation by way of first charge on the following assets of the Company:

- Exclusive first charge by way of hypothecation of the borrower's entire current assets which inter-alia include stocks of raw material, work in process, finished goods, consumable stores & spares and such other movables including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- Exclusive first charge on the movable fixed assets of the Company.
- First charge by way of equitable mortgage of land measuring 988 sq. yards & building thereon in Municipal No.8-2-293/82/A/700 and 967 sq. yards & buildings thereon in Municipal No.8-2-293/82/A/700/1, in Survey No. 403/1(Old), 120(New) of Shaikpet Village and 102/1 of Hakeempet Village, Road No.36, Jubilee Hills, Hyderabad belonging to the Company; Of the above, undivided share of 400 sq. yards and building of 8,258 sq. feet are sold by the Company to M/s Mold-Tek Packaging Limited under NOC from M/s. ICICI Bank Limited.
- Personal guarantees of Directors namely J. Lakshmana Rao, A. Subrahmanyam, J. Mytrei and P. Venkateswara Rao.

5. Foreign currency exposures

The amounts receivable in foreign currency as on 31st March, 2011 on account of export of services:

Particulars	31st March, 2011		31st March, 2010	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Debtors	324.35	USD 7,26,870	596.97	USD 13,29,701
	33.97	EURO 53,632	13.39	EURO 22,120
	-	-	0.24	AED 1,927
	3.47	BRL 12,619	-	-

The amounts payable in foreign currency as on 31st March, 2011 on account of the creditors and other payables:

Particulars	31st March, 2011		31st March, 2010	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Other payables	–	–	21.46	USD 47,794
Creditors	4.90	USD 11,000	19.08	USD 42,500

6. Derivatives & options

The Company has entered into the following derivative instruments:

Foreign exchange exposure of the nature of a hedging contract by way of an option confirmation with ICICI Bank Limited vide OP 202804 to 921, & 203502 dated 31st October, 2007 with the following particulars:

Currency	Buy	Sell	Cross Currency	Period	Strike Price ₹
USD	1,00,000	2,00,000	INR	April 2008 to October 2008	43.00
USD	1,00,000	2,00,000	INR	November 2008 to October 2009	42.00
USD	1,00,000	2,00,000	INR	November 2009 to October 2010	41.00
USD	1,00,000	2,00,000	INR	November 2010 to October 2011	39.50
USD	1,00,000	2,00,000	INR	November 2011 to October 2012	39.00

The impact of the actual exposures to March 31, 2011 are separately quantified and suitably disclosed in the accounts.

7. Fixed assets

- Physical verification of fixed assets has not been conducted during the year under review by the Company.
- Goodwill of ₹3,29,42,533 (Previous year: ₹3,09,50,753) arising from the acquisition of the assets and liabilities acquired from M/s. RMM Global LLC, Akron , Ohio and its subsidiary in India, M/s. Technet Engineering Services Private Limited, has been reflected under fixed assets.

Of the above, a sum of ₹78,18,997 pertaining to M/s. Technet Engineering Services Private Limited, the offices of which were closed during the year, has been charged off by deletion directly from the gross block of assets (Goodwill), and thereby the element of goodwill pertaining to the latter company in the process of acquisition is eliminated.

Additionally, 20% of the balance goodwill of ₹2,51,23,536 i.e. ₹50,24,707 is charged off during this year in consonance with the accounting policy stated below:

The amortization of such goodwill will be over a period of 5 years commencing from financial year 2010-11.



8. Investments

- a. Investments are stated at cost of acquisition as they are considered as long term investment in accordance with Accounting Standard 13.
- b. The Company has a 100% subsidiary in the USA, M/s. Crossroads Detailing Inc, Ohio. The cost of acquisition of M/s. Crossroads Detailing Inc, its assets, liabilities and business etc., was reflected as investments at ₹4,58,44,700. M/s. Crossroads Detailing Inc. has incurred accumulated losses which have permanently impaired the value of the investment. Accordingly, it is considered prudent to recognize the diminution in value of the said investment of ₹4,42,01,450 by adjustment to the Profit and Loss Account forming part of reserves, in accordance with the financial statements of the subsidiary as at 31st March, 2011.
- c. Investments in M/s. RMM Global Inc., Indiana, another 100% American subsidiary is reflected separately at ₹8,15,418.

9. Current Assets, Loans & Advances; and Current Liabilities & Provisions

- a. Out of gross Sundry Debtors of ₹8,39,74,817, the Company has adjusted a sum of ₹3,78,59,185 to General Reserve and Profit and Loss Account accumulated balance as per following details:
 - i. Billed amounts from Sundry Debtors of subsidiary companies in USA up to 31st March, 2010 and considered unrecoverable on account of back charges and other various reasons adjusted directly to General Reserve of ₹1,03,25,409.
 - ii. Amounts expended by 100% subsidiary M/s. Crossroads Detailing Inc., Ohio out of amounts recovered by them towards their operating costs up to 31st March, 2010 of ₹2,75,33,776.

The adjustments/write offs are subject to necessary approvals and permissions with regard to usage of foreign currency amounts from the Reserve Bank of India.

- b. Apart from the above, the Company has charged off a sum of ₹84,66,458 during the year against provision for doubtful debts ₹1,03,80,023 existing as on 1st April, 2010, leaving a residuary balance of ₹19,13,565. To this residuary figure, a further provision of ₹20,13,431 is made during the year, thus retaining a total provision of ₹39,26,997 towards doubtful debts in the books on 31st March, 2011. Necessary approvals and permissions for the write offs from the Reserve Bank of India remain pending.
- c. Current assets include 37,520 shares of your Company, M/s Mold-Tek Technologies Limited (being 28% of 1,34,000 equity shares originally held by M/s. Teckmen Tools Private Limited, prior to amalgamation of that company with Mold-Tek Technologies Limited,) held in accordance the scheme of arrangement, and pending the vesting of the same into a separate trust/trustee along with dividend for financial year 2007-08, financial year 2008-09 & financial year 2009-10, in keeping with the approval of the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh. The corresponding dividend amounts due for the year 2007-08, 2008-09 & 2009-10, total of ₹2,06,360 and an additional amount of ₹56,280 is proposed for the current financial year 2010-11.
- d. The Company opted for actuarial valuation and provided for gratuity as per the notified norms per Accounting Standard 15 (Revised).

10. Earnings per Share

Particulars	2010-11	2009-10
Profit available for equity shareholders ₹'000	1,11,72	1,77,08
Weighted average no. of equity shares outstanding	41,14,981	35,90,024
Effect of potential equity shares (Nos.)	18,92,425	1,68,342
Weighted average number of equity shares	60,07,406	37,58,366
Earning per share - Face Value of ₹10		
- Basic (₹)	2.72	4.93
- Diluted (₹)	1.86	4.71

11. Earnings in foreign currency (on accrual basis)

₹ Lakhs

Particulars	2010-11	2009-10
FOB value of export of services	17,43.79	15,81.96

12. Expenditure in foreign currency

₹ Lakhs

Particulars	2010-11	2009-10
Travelling	24.39	16.54
Others	80.15	46.41

13. Professional charges include payables to Statutory Auditors (Net of service tax)

₹ Lakhs

Particulars	2010-11	2009-10
Statutory/Tax audit including arrears	2.25	1.25
Tax matters, appeals decided in the year	0.50	5.40
TOTAL	2.75	6.65

14. Managerial Remuneration

Particulars of remuneration paid/payable to Directors in accordance with approval of the Central Government:

₹ Lakhs

Particulars	2010-11	2009-10
Salary and allowances	82.65	46.25
Medical reimbursement	1.95	0.77
Electricity & water	0.76	0.98
Others (Including provision)	8.69	34.80
Sitting fee	0.70	0.55
TOTAL	94.75	83.35
Provident Fund	0.18	0.18



15. Related Party Disclosures

i. Related Parties and Nature of Relationship

- a. Cross Roads Detailing Inc., Indiana - Subsidiary company
- b. RMM Global Inc., Indiana - Subsidiary company
- c. J. Rana Pratap - Management Trainee - Son of Chairman & Managing Director
- d. J. Sudharani- Wholetime Director, wife of Chairman & Managing Director

ii. Key Management Personnel

- a. J. Lakshmana Rao, Chairman & Managing Director
- b. J. Sudharani, Wholetime Director

iii. Associated Companies

Mold-Tek Packaging Ltd (Comprising the plastic division demerged from your Company effective 1st April, 2007).

Related Party Transactions

₹ Lakhs

Particulars	Subsidiaries		Associate Companies		Key Management Personnel		Others	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales								
Crossroads Detailing, Inc.	1,39.26	4,29.37	-	-	-	-	-	-
RMM Global Inc., USA	8,46.45	4,47.06	-	-	-	-	-	-
Mold-Tek Packaging Limited (Rent)	-	-	-	32.97	-	-	-	-
Remuneration								
J. Lakshmana Rao	-	-	-	-	72.45	30.00	-	-
J. Sudharani	-	-	-	-	21.60	18.00	-	-
Dividend								
J. Lakshmana Rao					0.34	0.46		
J. Sudharani					3.71	13.48		
Other Transactions								
Mold-Tek Packaging Limited	-	-	(35.26)	(2,47.18)	-	-	-	-
J. Rana Pratap	-	-	-	-	-	-	4.46	2.76
Outstanding receivable as at 31st March, 2011								
Crossroads Detailing, Inc.	72.05	3,80.43	-	-	-	-	-	-
RMM Global Inc., USA	1,48.20	1,16.51	-	-	-	-	-	-
Other Payables								
Mold-Tek Packaging Limited	-	-	0.16	35.42	-	-	-	-

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



K. SRIRAM

Partner

Membership No. 37821

Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors



A. SUBRAHMANYAM

Director-Technical



J. LAKSHMANA RAO

Chairman & Managing Director



Balance Sheet Abstract and Company Business Profile

I. Registration Details

Registration No.

0	5	6	3	1
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 State Code

0	1
---	---

Corporate Identification No.

L	2	5	2	0	0	A	P	1	9	8	5	P	L	C	0	0	5	6	3	1
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Balance Sheet Date

3	1		0	3		2	0	1	1
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II. Capital raised during the year (₹ in Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
N I L	N I L	N I L	5 2 5 0

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

Total Liabilities	Total Assets
2 8 2 9 6 7	2 8 2 9 6 7

Sources of Funds

Paid-up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
8 3 0 5 1	9 3 2 1 1	1 0 6 1 4 5	5 6 0

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Miscellaneous Expenditure
2 4 7 7 5 8	2 4 5 8	2 7 5 7 6	5 1 7 5

Accumulated Losses

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

IV. Performance of Company (₹ in Thousands)

Turnover & Other Income	Total Expenditure	Profit Before Tax	Profit After Tax
1 9 7 9 9 8	1 8 7 6 6 4	1 0 3 3 4	8 5 7 9
Earnings per Share (₹) 2 . 7 1	Dividend Rate (%) 1 5		

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

The Company provides structural engineering services to clients

Item code No.	Product Description
	NA

RMM Global Inc, USA

BALANCE SHEET AS AT 31ST MARCH, 2011

	31st March, 2011		31st March, 2010	
	USD	₹'000	USD	₹'000
ASSETS				
Current Assets				
Corporate Checking/Savings	1,69,47	7,56	4,63,57	20,81
FIXED ASSETS				
Accumulated Depreciation	(15,63)	(71)	-	-
Vehicle	65,63	2,93	-	-
Total Fixed Assets	50,00	2,22	-	-
Current Assets				
Work-in-Process	2,76,28	12,58	7,86,39	37,14
Loans & Advances	6,50	29	-	-
Accounts Receivable	31,14,55	1,38,88	21,35,41	95,87
Total Current Assets Others	33,97,33	1,51,75	29,21,80	1,33,01
TOTAL ASSETS	36,16,80	1,61,53	33,85,37	1,53,82
LIABILITIES & EQUITY				
Current Liabilities				
Accounts Payable	3,47,69	15,50	7,20,50	32,35
Other Liabilities				
Related Party Due	33,23,77	1,48,21	25,95,06	1,16,51
Total Liabilities	36,71,46	1,63,71	33,15,56	1,48,86
Equity				
Equity	10,00	51	10,00	51
Retained Earnings	59,81	2,81	12,17	56
Foreign Currency Translation Reserve				
Opening Balance	-	1,65	-	5
Add: For the year	-	(1,49)	-	1,59
Current year earnings	(1,24,47)	(5,66)	47,64	2,25
Total Equity	(54,66)	(2,18)	69,81	4,96
TOTAL LIABILITIES & EQUITY	36,16,80	1,61,53	33,85,37	1,53,82



RMM Global Inc, USA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	31st March, 2011		31st March, 2010	
	USD	₹'000	USD	₹'000
Ordinary Income/Expense				
Income				
Detailing	2,19,57,27	9,99,71	1,11,48,93	5,26,52
Other Income	19,15	87	9,25	44
Total Income	2,19,76,42	10,00,58	1,11,58,18	5,26,96
Cost of Goods Sold				
Cost of Goods Sold	1,87,28,38	8,52,70	96,02,83	4,53,50
Less: Bad Debts	1,11,57	5,08	-	-
Total Cost of Goods Sold	1,86,16,81	8,47,62	96,02,83	4,53,50
Gross Profit	33,59,61	1,52,96	15,55,35	73,46
Expense				
Work-in-process	5,10,11	23,23	(7,86,39)	(37,14)
Provision for Bad Debts	2,91,96	13,29	-	-
Bank Service Charges	1,65	7	1,02	5
Insurance	1,75,12	7,97	1,31,68	6,22
Office Supplies	28,86	1,31	26,76	1,26
Payroll Expenses	15,42,96	70,25	12,49,82	59,02
Payroll Taxes	1,54,51	7,03	3,38,28	15,98
Travel & Entertainment	3,05,69	13,92	93,38	4,41
Rent	1,23,41	5,62	1,23,42	5,83
Communication Expenses	95,58	4,35	56,14	2,65
Professional Fees	1,03,94	4,73	75,00	3,54
Printing & Reproduction	15,98	73	10,65	50
Repairs & maintenance	9,49	43	5,45	26
Selling Expenses	64,74	2,95	1,06,10	5,02
Taxes	33,57	1,53	73,74	3,48
General Expenses	9,40	43	-	-
Depreciation	15,63	71	-	-
Equipment & Service Account	1,50	7	2,66	13
Total Expense	34,84,08	1,58,62	15,07,71	71,21
Net Income	(1,24,47)	(5,66)	47,64	2,25

RMM Global Inc.

Compilation Report

The Shareholders,
RMM Global, Inc.

We have compiled the accompanying Balance Sheet of RMM Global, Inc. as of March 31, 2011 and the related statement of income and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, we do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with statements on standards for accounting and Review Services issued by the American Institute of Certified Accountants. The objective of a compilation is

to assist the company in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The report is intended solely for the information and use of the owners and management of RMM Global, Inc and should not be used for any other purpose.

Ami Shah
Certified Public Accountants

Indiana
July 14, 2011

Crossroads Detailing, Inc. Compilation Report

The Shareholders,
Crossroads Detailing, Inc.

We have compiled the accompanying Balance Sheet of Crossroads Detailing, Inc. as of March 31, 2011 and the related statement of income and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, we do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with statements on standards for accounting and Review Services issued by the American Institute of Certified Accountants. The objective of a compilation is

to assist the company in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The report is intended solely for the information and use of the owners and management of Crossroads Detailing, Inc and should not be used for any other purpose.

Ami Shah
Certified Public Accountants

Indiana
July 14, 2011

Crossroads Detailing Inc, USA

BALANCE SHEET AS AT 31ST MARCH, 2011



	31st March, 2011		31st March, 2010	
	USD	₹'000	USD	₹'000
ASSETS				
Current Assets				
Corporate Checking/Savings	(89,91)	(4,01)	19,33	87
Work-in-Process	1,15,00	5,24	46,13	2,18
Accounts Receivable				
Accounts Receivable	45,67,74	2,03,68	53,81,66	2,41,61
Less: Provision for Bad Debts	23,99,25	1,06,98	8,34,29	37,46
Total Accounts Receivable	21,68,49	96,70	45,47,37	2,04,15
Total Current Assets	21,93,58	97,93	46,12,83	2,07,20
Fixed Assets				
Accumalated Depreciation	-	-	(22,75,85)	(91,87)
Building, Equipment & software	-	-	27,82,09	1,11,34
Land	-	-	23,00	92
Total Fixed Assets	-	-	5,29,24	20,39
Other Assets				
Ohio Gas Deposit	-	-	16,74	75
TOTAL ASSETS	21,93,58	97,93	51,58,81	2,28,34
LIABILITIES & EQUITY				
Current Liabilities				
Other Payables	3,11,18	13,88	2,17,98	9,79
Accounts Payable	87,30,33	3,89,29	93,86,79	4,21,42
Less: Back Charges	72,14,03	3,21,67	9,13,06	40,99
Total Accounts Payable	18,27,48	81,50	86,91,71	3,90,22
Long Term Liabilities				
Building Loan	-	-	1,28,96	5,79
Total Liabilities	18,27,48	81,50	88,20,68	3,96,01
Equity				
Opening Balance Equity	8,44,41	33,79	8,44,41	33,79
Retained Earnings	(45,06,28)	(2,32,18)	(8,14,17)	(57,81)
Foreign Currency Translation Reserve				
Opening Balance	-	30,72	-	17,53
Add: For the year	-	70	-	13,19
Profit and Loss current year	40,27,97	1,83,40	(36,92,11)	(1,74,37)
Total Equity	3,66,10	16,43	(36,61,87)	(1,67,67)
TOTAL LIABILITIES & EQUITY	21,93,58	97,93	51,58,81	2,28,34

Crossroads Detailing Inc, USA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	31st March, 2011		31st March, 2010	
	USD	₹'000	USD	₹'000
Ordinary Income/Expense				
Income				
Consulting Income	14,84,92	67,61	8,06,60	38,09
Detailing	62,75,88	2,85,74	1,28,99,96	6,09,21
Less: Back Charges	8,80,59	40,09	1,38,08	6,52
Negotiated cost	-	-	11,74	55
Provision for Back Charges	23,99,25	1,09,24	8,26,16	39,02
	<u>32,79,84</u>	<u>1,49,33</u>	<u>9,75,98</u>	<u>46,09</u>
Total Income	<u>44,80,96</u>	<u>2,04,02</u>	<u>1,27,30,58</u>	<u>6,01,21</u>
Cost of Goods Sold				
Cost of Goods Sold - MTTL	30,73,36	1,39,93	90,39,78	4,26,91
Less: Back Charges	72,14,03	3,28,45	9,13,06	43,12
Opening Work-in-Process	46,13	2,10	3,28,40	15,51
Closing Work-in-Process	1,15,00	5,24	46,13	2,18
Total Cost of Goods Sold	<u>(42,09,54)</u>	<u>(1,91,66)</u>	<u>84,08,99</u>	<u>3,97,12</u>
Gross Profit	86,90,50	3,95,68	43,21,59	2,04,09
Expense				
Printing & Reproduction	2,07	9	29,00	1,37
Rent	1,24,25	5,66	-	-
Bank Service Charges	7,43	34	8,60	41
Contract Labor	4,02,13	18,31	3,49,30	16,50
Depreciation Expenses	14,14	64	58,57	2,77
Insurance				
Health Insurance	1,76,56	8,04	4,48,99	21,20
Insurance - Other	13,90	63	33,12	1,56
Miscellaneous	5,50	25	21,69	1,02
Office Supplies	7,83	36	37,24	1,76
Payroll Expenses	37,33,52	1,69,99	65,32,37	3,08,48
Postage and Delivery	-	-	1,83	9
Professional Fees				
Accounting	20,94	95	52,35	2,47
Legal Fees	1,03,45	4,71	45,64	2,16
Professional Fees - Other	-	-	3,40	16
Repairs				
Building Repairs	96	4	6,10	29
Equipment Repairs	-	-	1,25	6
Taxes				
Federal Tax	3,09	14	-	-
State Tax	31,70	1,44	-	-
Property	22,54	1,03	23,66	1,12
Telephone	29,61	1,35	43,17	2,04
Utilities				
Gas and Electric	8,98	41	67,70	3,20
Internet	1,37	6	3,40	16
Water	2,50	11	17,32	82
Total Expense	<u>47,12,46</u>	<u>2,14,55</u>	<u>77,84,69</u>	<u>3,67,64</u>
Net Ordinary Income	39,78,04	1,81,13	(34,63,10)	(1,63,55)
Other Income	25,96	1,18	3,80,60	17,97
Prior period adjustments	(23,96)	(1,09)	6,09,60	28,79
Net Income	<u>40,27,97</u>	<u>1,83,40</u>	<u>(36,92,11)</u>	<u>(1,74,37)</u>

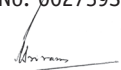


Auditors' Report on Consolidated Accounts

The Board of Directors
Mold-Tek Technologies Limited

1. We have audited the attached Consolidated Balance Sheet of MOLD-TEK TECHNOLOGIES LIMITED, 'the Company' and its subsidiaries, together referred to as 'the Group' as at March 31, 2011, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statements of the Group for the year ended on the date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, M/s. Crossroads Detailing Inc., and M/s. RMM Global Inc. for the year ended on 31st March, 2011. These financial statements and other financial information have been compiled by external auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of such external auditors.
4. We report that the Consolidated Financial Statements have been prepared, *subject to our comments in para 5 below*, by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, and notified by the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the financial information of the components, in our opinion and to the best of our information and according to the explanations given to us the attached Consolidated Financial Statements, *subject to the impact of the net adjustment of Rs.2,19,21,693 (USD 4,81,478), which have been considered in the books of the subsidiary M/s. Crossroads Detailing Inc, and in the Consolidated Financial Statements as profits of the year whereas the same are adjusted to the Reserves and Surplus in the Balance Sheet of the parent company, which is not in accordance with the principles of consolidation per Accounting Standard 21 (Refer Note 3 to Consolidated Accounts)* give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011
 - b. In the case of the Consolidated Profit and Loss Account, of the profit of the Group of the year ended 31st March, 2011 and;
 - c. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended 31st March, 2011.

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


K. SRIRAM
Partner
Membership No. 37821

Hyderabad
14th July, 2011

Consolidated Balance Sheet

AS AT 31st MARCH, 2011

₹ '000

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	4,11,50	3,59,00
Share Application Money	1A	4,19,01	5,24,72
Reserves & Surplus	2	9,12,04	12,43,03
Capital Reserve on consolidation		9,71	-
Loan Funds			
Secured Loans	3	10,61,45	13,12,90
Unsecured Loans	4	5,60	1,24,53
TOTAL		28,19,31	35,64,18
APPLICATION OF FUNDS			
Goodwill on Consolidation		-	4,32,30
Fixed Assets - Net Block	5A	24,48,60	26,99,36
Capital Work-in-Progress	5B	31,20	53,42
Current Assets, Loans and Advances			
Current Assets	6	6,71,79	6,73,85
Loans and Advances	7	1,79,42	1,45,73
Less: Current Liabilities & Provisions	8	(5,63,45)	(5,09,47)
Miscellaneous & Deferred Expenditure to the extent not written off	9	51,75	68,99
TOTAL		28,19,31	35,64,18
Significant Accounting Policies and Notes to Accounts	18		

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



K. SRIRAM

Partner

Membership No. 37821

Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors


A. SUBRAHMANYAM

Director-Technical


J. LAKSHMANA RAO

Chairman & Managing Director



Consolidated Profit and Loss Account

FOR THE YEAR ENDED 31st MARCH, 2011

₹'000

	Schedule	2010-2011	2009-2010
INCOME			
Sales			
Services Sales		32,53,46	27,59,87
Less: Cost of Goods Sold		6,59,10	8,80,41
Net Sales		25,94,36	18,79,46
Other Income	10	62,78	1,78,92
Increase/(Decrease) in Work-in-Process	11	(1,23)	1,84,19
TOTAL		26,55,91	22,42,57
EXPENDITURE			
Employees Remuneration & Benefits	12	13,45,12	11,73,91
Selling & Distribution Expenses	13	15,90	20,01
Other Expenses	14	2,80,69	3,63,61
Interest & Financial Charges	15	1,65,72	2,00,32
Derivative Loss		1,24,13	1,36,92
Bad debts & back charges		1,82,76	87,14
Preliminary & Deferred Expenses written off		17,23	12,28
Depreciation	5A	2,43,98	1,96,34
TOTAL		23,75,53	21,90,53
PROFIT BEFORE PRIOR PERIOD ADJUSTMENTS & TAX		2,80,38	52,04
Provision for Taxation for the year	16	17,96	15,83
PROFIT AFTER TAX		2,62,42	36,21
Extraordinary Items & prior period adjustments	17	(27,02)	31,24
NET PROFIT FOR THE YEAR		2,89,44	4,97
Transferred to General Reserve		16,76	26,56
Proposed Dividend for the year		69,93	61,72
Provision for Corporate Dividend Tax		11,88	10,49
Profit transferred to Balance Sheet		1,90,87	(93,81)
Earning per Share - Basic (₹)		7.03	0.14
- Diluted (₹)		4.82	0.13
Significant Accounting Policies and Notes on Accounts	18		

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


K. SRIRAM
Partner
Membership No. 37821

Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors


A. SUBRAHMANYAM
Director-Technical


J. LAKSHMANA RAO
Chairman & Managing Director

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2011

₹'000

	2010-2011	2009-2010	
A. CASH FLOW FROM OPERATIONS			
Net Profit as per Profit and Loss Account	2,80,38		52,04
Adjustment for			
Depreciation	2,43,98	1,96,34	
Preliminary Expenses & Deferred Expenses	17,23	(68,85)	
Interest Paid	1,65,72	2,00,32	3,27,81
Operating profit before working capital changes	7,07,31		3,79,85
Adjustment for			
Trade and other receivables	(18,20)	95,00	
Work-in-Process	2,65	(1,84,48)	
Trade Payables & Other Liabilities (Including Derivatives Loss)	54,00	(4,18,61)	
Advances/Receivables	(33,69)	(10,18)	(5,18,26)
Net cash from operating activities	7,12,07		(1,38,41)
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(1,24,94)	(1,74,81)	
Sale of Fixed Assets	1,31,71	3,62,96	
Investment written off	4,42,01	-	
Capital Work-in-Progress and pending capitalisation	22,22	38,90	2,27,05
	11,83,07		88,64



₹'000

	2010-2011	2009-2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	52,50	-
Share Application Money	(1,05,71)	5,24,72
Share Premium	3,41,22	-
Employee Stock Option Scheme	19,74	-
Reserves adjusted against impairment of Investment, Goodwill & Bad debts	(8,98,79)	-
Provision for taxation	(17,96)	(15,83)
Provision for Proposed Dividend	(69,93)	(61,72)
Additions/Repayment of Secured Loans	(2,51,45)	(4,22,38)
Unsecured Loans	(1,18,93)	1,01,57
Foreign Currency Reserve	(80)	14,78
Provision for Corporate Dividend Tax	(11,88)	(10,49)
Interest Paid	(1,65,72)	(2,00,32)
Prior period & Extraordinary Items	27,02 (12,00,69)	(31,24) (1,00,92)
Net Increase/(Decrease) in cash & cash equivalents	(17,62)	(12,28)
Opening balance of cash & cash equivalents	30,99	43,27
Closing balance of cash & cash equivalents	13,37	30,99

Per our Report of even date
for **PRATURI & SRIRAM**
Chartered Accountants
Firm Registration No. 0027395

K. SRIRAM

Partner

Membership No. 37821

Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors

A. SUBRAHMANYAM

Director-Technical

J. LAKSHMANA RAO

Chairman & Managing Director

Schedules forming part of the Consolidated Balance Sheet

	As at 31st March, 2011		As at 31st March, 2010	
			₹'000	
1A. SHARE CAPITAL				
Authorised				
1,30,00,000 Equity Shares ₹10 each	13,00,00		13,00,00	
Issued, Subscribed & Paid-up (Note 1)				
41,14,981 Equity Shares of ₹10 each	<u>4,11,50</u>		<u>3,59,00</u>	
(Previous year 35,90,024 Equity Shares of ₹10 each)				
TOTAL	<u>4,11,50</u>		<u>3,59,00</u>	
1B. SHARE APPLICATION MONEY				
Being 25% of 6,55,000 Warrants of ₹10 (at a premium of ₹70)	1,31,00		1,31,00	
Being 25% of 16,60,000 Warrants of ₹10 (at a premium of ₹59.40)	2,88,01		-	
5,24,957 shares of ₹10 each fully paid (including premium of ₹65)	-		3,93,72	
TOTAL	<u>4,19,01</u>		<u>5,24,72</u>	
2. RESERVES & SURPLUS				
Share Premium as per last Balance Sheet	3,70,08		3,70,08	
Add: Premium on preferential offer	<u>3,41,22</u>	7,11,30	-	3,70,08
General Reserve				
Opening Balance	1,73,58		1,47,02	
Less: Amounts adjusted [Refer Note 5.3, 11(a)(i)]	1,03,25		-	
Add: Accretion from Profit and Loss Account for the year	<u>16,76</u>	87,09	<u>26,56</u>	1,73,58
Profit and Loss Account				
Opening Balance	6,67,01		7,78,40	
Less: Transfer to Foreign Currency Translation Reserve	-		17,58	
Less: Amounts adjusted [(Refer Note 5.4, 11(a)(ii), 9(b), 10(b))]	7,95,54		-	
Add: Accretion/(Diminution) for the year	<u>1,90,87</u>	62,34	<u>(93,81)</u>	6,67,01
Employee Stock Option Scheme				
Employee Stock Option Scheme Outstanding	63,00		-	
Less: Deferred Employee Compensation Expenses	<u>43,26</u>	19,74	-	-
Foreign Currency Translation Reserve				
Transfer in Profit and Loss Account Current Year	32,36		17,58	
	<u>(79)</u>	31,57	<u>14,78</u>	32,36
TOTAL	<u>9,12,04</u>		<u>12,43,03</u>	



	As at 31st March, 2011	₹'000 As at 31st March, 2010
3. SECURED LOANS		
Loans and Advances from Banks		
Cash Credit from ICICI Bank	4,07,05	2,99,21
Term Loans		
ICICI Bank	6,54,40	10,07,90
Building Loan - Relating to Cross Roads Detailing Inc., USA, suitably translated	-	5,79
TOTAL	<u>10,61,45</u>	<u>13,12,90</u>
4. UNSECURED LOANS		
Hire Purchase Finance (including future interest liability)	5,60	4,87
Temporary Overdraft	-	60,25
Short Term loan	-	59,41
TOTAL	<u>5,60</u>	<u>1,24,53</u>

₹'000

5A. FIXED ASSETS	Gross Block			Depreciation			Net Block	
	As at 1st April, 2010	Additions during the year	Adjustments/ Deletions during the year	As at 31st March, 2011	For the year	Adjustments/ Deletions during the year	As at 31st March, 2011	As at 31st March, 2010
Goodwill	3,09,51	19,92	78,19	2,51,24	50,25	-	50,25	3,09,51
Land	7,10,06	-	92	7,09,14	-	-	-	7,10,06
Building	5,51,65	22,32	-	5,73,97	18,21	-	42,05	5,31,92
Electrical Installations	1,97,34	11,97	-	2,09,31	14,05	-	42,20	1,67,11
Office Equipments	1,99,50	22	7,77	1,91,95	13,60	4,08	40,82	1,51,13
Computers	8,27,35	59,22	-	8,86,57	1,26,20	-	4,23,21	4,63,36
Furniture & fixtures	2,34,78	1,40	-	2,36,18	14,15	-	35,77	2,00,41
Vehicles	70,43	6,96	46,12	31,27	6,16	16,03	8,95	22,32
Building & Equipment (W.S)	1,11,34	2,93	1,11,34	2,93	1,36	92,52	71	2,22
TOTAL	32,11,97	1,24,94	2,44,34	30,92,56	2,43,98	1,12,63	6,43,96	24,48,60
Previous year	34,17,51	1,74,81	3,80,37	32,11,97	1,96,34	17,41	5,12,59	26,99,36

5B. CAPITAL WORK-IN-PROGRESS

	As at 1st April, 2010	Additions during the year	Capitalised during the year	As at 31st March, 2011
Jubilee Hills Office Building	16,46	11,54	26,80	1,20
Capital Advances	36,96	-	6,96	30,00
TOTAL	53,42	11,54	33,76	31,20
Previous year	92,33	1,07,16	1,46,07	53,42



	As at 31st March 2011	As at 31st March 2010	₹'000
6. CURRENT ASSETS			
Inventories			
Work-in-Process	2,05,98	2,08,63	
Sundry Debtors [Refer Note 11(a), 11(b)]			
Outstanding for more than 6 months			
Considered Good	39,58	1,65,52	
Considered Doubtful	4,58,84	1,09,80	
Outstanding for less than 6 months			
Considered Good	4,02,06	2,57,93	
	<u>9,00,48</u>	<u>5,33,25</u>	
Less: Amounts unrecoverable adjusted to			
General Reserve	1,03,25	-	
Profit and Loss Account (B/S)	2,75,34	-	
	<u>3,78,59</u>	-	
Less: Provision for Doubtful Debts &			
Back Charges			
Opeing Balance	1,09,76	38,56	
Less: Write off during the year	(90,63)	(19,43)	
Add: Provision for the year	61,11	90,67	
	<u>80,24</u>	<u>1,09,80</u>	
Net Sundry Debtors	4,41,65	4,23,45	
Cash and Bank Balances			
Cash in hand	12	14	
With Scheduled Banks			
Current Accounts	3,88	21,92	
Margin Money	4,22	5,23	
Dividend Accounts	5,15	3,69	30,98
	<u>13,37</u>	<u>3,69</u>	
Other Current Assets	10,79	10,79	
37,520 Equity shares of ₹10 each held in Mold-Tek Technologies Limited pending transfer to a proposed trust per scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July, 2008.			
TOTAL	<u>6,71,79</u>	<u>6,73,85</u>	

	As at 31st March, 2011		As at 31st March, 2010	
₹'000				
7. LOANS AND ADVANCES				
Advances recoverable in cash or in kind or for value to be received, considered good				
Staff Advances	33,46		18,93	
Prepaid Expenses	7,23	40,69	1,45	20,38
Deposits/Balances with government bodies		6,61		11,07
Other Deposits		1,55		1,67
Advance Tax, Tax Deducted at Source and income taxes		1,29,29		1,07,65
Deferred Interest on Hire Purchase Finance		1,28		4,96
TOTAL		1,79,42		1,45,73
8. CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Mold-Tek Plastics Limited		16		35,42
Creditors for goods & expenses				
Creditors for Goods & Software Licenses	66,09		59,20	
Outstanding Expenses	2,81,21	3,47,30	2,23,00	2,82,20
Other Liabilities		38,64		45,36
Provisions				
Provision for Gratuity	32,72		29,01	
Proposed Dividend & Tax thereon	81,82		72,21	
Provision for Income Tax	62,81	1,77,35	45,27	1,46,49
TOTAL		5,63,45		5,09,47
9. MISCELLANEOUS EXPENDITURE				
Preliminary Expenses	-		13	
Less: Written off during the year	-	-	13	-
Deferred Revenue Expenditure	68,98		-	
Add: During the current year	-		81,14	
Less: Written off during the year	17,23	51,75	12,15	68,99
TOTAL		51,75		68,99



Schedules forming part of the Consolidated Profit and Loss Account

₹'000

	2010-2011	2009-2010
10. OTHER INCOME		
Profit on Sale of Assets	–	1,09,63
Miscellaneous Income	2,05	19,81
Rental income received	60,73	49,48
TOTAL	62,78	1,78,92
11. INCREASE/(DECREASE) IN WORK-IN-PROCESS		
Opening Work-in-process	2,07,21	24,43
Closing Work-in-process	2,05,98	2,08,62
TOTAL	(1,23)	1,84,19
12. EMPLOYEES REMUNERATION & BENEFITS		
Salaries, Wages, Allowances & Bonus	11,57,16	10,14,23
Contribution to Provident Fund & ESIC	42,78	40,88
Welfare Expenses	25,62	19,50
Gratuity	6,50	–
Directors Remuneration & Perquisites	94,75	82,80
Contract Labour	18,31	16,50
TOTAL	13,45,12	11,73,91
13. SELLING & DISTRIBUTION EXPENSES		
Sales Promotion & Commission	15,47	18,38
Advertisement Expenses	43	1,63
TOTAL	15,90	20,01

	₹'000	
	2010-2011	2009-2010
14. OTHER EXPENSES		
Rent	15,73	22,52
Rates & Taxes	23,02	22,76
Insurance	19,76	34,80
Communication Expenses	19,97	17,94
Power & Fuel	25,89	35,04
Travelling Expenses & Conveyance		
Foreign Travel	24,82	24,07
Travelling Expenses in India	25,14	25,94
Printing & Stationery	12,45	14,31
Repairs & Maintenance	51,58	52,09
Professional Charges	32,08	28,93
Jobwork Charges	8,81	-
Bank Charges	21,15	25,17
Exchange Rate Fluctuation	(15,40)	43,52
General Expenses	15,69	16,52
TOTAL	2,80,69	3,63,61
15. INTEREST & FINANCIAL CHARGES		
Interest on Term Loans	1,05,39	1,60,25
Interest on Working Capital	52,28	37,12
Interest Charges on Other Loans	8,45	3,89
Interest received on Margin Money	(40)	(94)
TOTAL	1,65,72	2,00,32
16. PROVISION FOR TAXATION		
Provision for Income Tax	17,96	15,83
TOTAL	17,96	15,83
17. EXTRA-ORDINARY ITEMS & PRIOR PERIOD ADJUSTMENTS		
Prior period adjustment	(27,02)	31,24
TOTAL	(27,02)	31,24



18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

Method of accounting

- a. The Consolidated Financial Statements relate to Mold-Tek Technologies Limited and its subsidiaries. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS21) 'Consolidated Financial Statements,' on a going concern basis with historical cost convention, in accordance with accounting principles generally accepted in India and as per Accounting Standards specified in sub-section (3C) of Section 211 of the Companies Act 1956, to the extent applicable to the Company.
- b. The Company generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- c. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- d. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.

Fixed assets

- a. Fixed assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits if any.

Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India (ICAI).

- b. Straight line method of depreciation is adopted on all fixed assets on the basis of and at rates prescribed by Schedule XIV to the Companies Act, 1956 as amended from time to time.
- c. Expenditure not specifically related to any asset and incurred in respect of fixed assets not commissioned is carried forward as an expenditure pending allocation and forms part of capital work in progress.

Investments

Investments are carried in the books of accounts at cost of acquisition. Decline in market value if any, is considered in accordance with Accounting Standard 13. Impairment/decline in carrying cost of investments considered to be of permanent nature is provided for/adjusted in accordance with the said Standard.

The difference between the costs of investment in the subsidiaries over the Company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve.

The financial statements of the subsidiaries are drawn up to 31st March, 2011.

Interest and financial charges

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

Loans under deferred credit/Hire purchase

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

Revenue recognition

Income from services is recognized when the same are fully rendered and billable. The Company adopts the percentage of completion basis for certain customers, and for certain customers on monthly fixed billing basis.

Work-in-process on incomplete service assignments and works are estimated based on percentage of completion as at the end of the year.

Derivatives and unhedged foreign exchange exposures have been provided for in full based on the values applicable on either the closure of contractual obligations, or as at the year end.

Employee benefits

Liability for employees benefits which are due as per the terms of the employment are recorded in accordance with the Accounting Standard 15 (Revised).

In respect of overseas subsidiaries, contributions payable under employee social security schemes which are defined contribution schemes, are charged to the Profit and Loss Account.

Foreign currency transactions

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

monetary transactions as at the Balance Sheet date.

The financial statements of the subsidiary are considered using the following conversion rates into Indian rupees:

- a. All assets and liabilities are converted into Indian rupees at the closing rates.
- b. All revenue and expenditure items are converted into Indian rupees using the average rate for the period of consolidation.
- c. Contingent liabilities are converted into Indian rupees using the closing rates.
- d. In accordance with Accounting Standard 11, a suitable foreign currency translation reserve has been created in the books as stipulated in the said Standard and appears in the books at ₹32.36 lakhs. The operations of the subsidiaries have been considered as non-integral operations.

Taxes on income

Current tax expense is calculated in accordance with the applicable tax laws of the respective country for the subsidiaries.

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax provisioning on account of timing and permanent difference between taxable and accounting income, is made in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India. Deferred Tax Asset is not recognized based on principles of conservatism.

Miscellaneous expenditure

Are amortized over a period of 5 years.

Impairment of assets

Assets of the Company whose realizable value stands diminished vis-à-vis their carrying cost are normally provided for in accordance with Accounting Standard 28.

Earnings per Share

The basic earning per share ('BEPS') is



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

NOTES TO THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT

1. Principles of Consolidation

- a. The Consolidated Financial Statements relate to Mold-Tek Technologies Limited, the parent company, (hereafter referred to as the Company) and its subsidiaries, Crossroads Detailing Inc., and RMM Global Inc., Indiana, both of which are US based companies.
- b. The consolidated statements are prepared on the following basis:
 - The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of the items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.
 - All assets and liabilities are converted at the exchange rate prevailing on the balance sheet date. Revenue items are converted at the average rate prevailing during the year. The financial statements of the subsidiaries used in the consolidation are drawn up to

the same reporting date as that of the Company, 31st March, 2011.

- The excess of cost to the Company, of its investments in the subsidiary companies over the equity is recognized in the Consolidated Financial Statements as Goodwill.
 - There is no minority interest in the consolidated subsidiary as both the subsidiaries are fully owned by the Company.
2. The subsidiaries considered in the preparation of Consolidated Financial Statements along with the parent company, Mold-Tek Technologies Limited, are Crossroads Detailing Inc. and RMM Global Inc., Indiana, both incorporated in USA respectively, The parent company's ownership interest in both of them is 100% as on 31st March, 2011.
 3. In the consolidation, an amount of USD 7,21,403 (₹3,44,03,240) due from the subsidiary Crossroads Detailing Inc. has been adjusted in the books of the parent company to the Profit and Loss Account and General Reserve in the Balance Sheet. The proportionate net figure taken to income in the books of the said subsidiary in the year as current income to the extent of USD 4,81,478 (₹2,19,21,693) after adjustment of said subsidiary's share of the overall billing. This will impact the disclosure under the consolidations of financial statements and hence disclosed as a measure of transparency.
 4. **Share capital**
 - 4.1 As per the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July, 2008, the entire share capital of the Company was restructured into 30,90,024 equity

shares of ₹10 each consequent to the demerger of the plastics division of the Company into a separate company, viz., Mold-Tek Plastics Limited (now Mold-Tek Packaging Limited).

- 4.2 Separately 5,00,000 equity shares of ₹10 each were issued on 24th April, 2006 (referred to in clause 19.3 of the scheme of arrangement) at a premium of ₹38 per share on conversion of share warrants arising out of the preferential offer.
- 4.3 Share application monies received in the previous year ₹393.72 lakhs (Share Capital of ₹52.50 lakhs and Share Premium of ₹341.22 lakhs) were adjusted by allotment of 5,24,957 equity shares in terms of preferential offer at ₹75 per share to the following companies on 8th April, 2010:

a. Mold-Tek Packaging Limited	3,80,000 shares
b. RMM Global, Inc.	1,31,624 shares
c. Technet Engineering Services	13,333 shares

- 4.4 During the year, the Company allotted 16,60,000 Fully Convertible Warrants (Convertible into equal number of Equity Shares within a period of 18 months from the date of allotment of Warrants i.e. at a price ₹69.40 per Warrant (comprising face value of ₹10 and premium of ₹59.40 each), the issue price being not less than the price as arrived at, in accordance with the terms of Chapter XIII of Securities and Exchange Board of India Regulations, 2000), vide Special

Resolution passed at Extraordinary General Meeting held on 1st day of July, 2010.

The Company has received ₹288 lakhs being the 25% of the value of the said warrants which is reflected as share application monies. The balance amount is to be received within 18 months from the date of allotment of warrants.

5. Reserves & surplus

- 5.1 Share premium of ₹3,41,22,205 arose by allotment of 5,24,957 equity shares in terms of preferential offer on 8th April, 2010.
- 5.2 In respect of 1,50,000 Options granted to employees on 21st April, 2010 under the Employees Stock Option Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, at ₹28 per option (The Exercise price for the purpose of the grant of options shall be the price as reduced by 60% of the closing market price (₹70.00) of the equity shares of the Company available on the Bombay Stock Exchange on the date immediately preceding the grant date, subject to minimum of the face value of equity share). The discount value (₹42.00) of Option is accounted as deferred Employee Compensation, which is amortized on a straight line basis over the vesting period. Consequently an amount of ₹19.74 lakhs has been amortized for the current year. The Scheme vesting schedule is as follows:



Category - A

Vesting Schedule

Year	Date of vesting	Date of expiration	Percentage of Options subject to grant that shall vest (%)	No. of Options
Year 1	20-04-2011	19-04-2013	50	33,000
Year 2	20-04-2012	19-04-2014	25	16,500
Year 3	20-04-2013	19-04-2015	25	16,500
TOTAL				66,000

Category - B

Vesting Schedule

Year	Date of vesting	Date of expiration	Percentage of Options subject to grant that shall vest (%)	No. of Options
Year 1	20-04-2011	19-04-2013	25	12,000
Year 2	20-04-2012	19-04-2014	35	16,800
Year 3	20-04-2013	19-04-2015	40	19,200
TOTAL				48,000

Category - C

Vesting Schedule

Year	Date of vesting	Date of expiration	Percentage of Options subject to grant that shall vest (%)	No. of Options
Year 1	20-04-2012	19-04-2014	30	10,800
Year 2	20-04-2013	19-04-2015	30	10,800
Year 3	20-04-2014	19-04-2016	40	14,400
TOTAL				36,000

- 5.3 The following amounts are directly reduced from the opening value of general reserves, being billing amounts considered unrecoverable and pertaining to previous years as of 31st March, 2010:

Particulars	Foreign Currency	₹
Crossroads Detailing Inc.	USD 1,48,031	68,69,464
RMM Global Inc.	USD 11,172	5,01,511
Direct billing debtors	USD 60,398	29,29,979
Direct billing debtors	AED 1,927	24,455
TOTAL		1,03,25,409

5.4 The following amounts are directly reduced from the opening value of Profit and Loss Account being:

Particulars	(₹)
Goodwill arising on acquisition of M/s. Technet Engineering Services Private Limited, since closed and not in operation	78,18,997
Amounts expended by subsidiary M/s. Crossroads Detailing Inc. and reflected as advances hitherto, which are not recoverable	2,75,33,776
Impairment of investment cost in subsidiary M/s. Crossroads Detailing Inc. adjusted for net equity as per subsidiary's books	4,42,01,450
TOTAL	7,95,54,223

6. Secured loans & Scheme of arrangement

During the year, the Company's working capital limit is increased from ₹3 crore to ₹5 crore on 7th May, 2010.

During the period, the Company has been sanctioned long term loan of ₹1.8 crore from ICICI Bank Limited for the purpose of software purchase. The Company has availed ₹0.92 crore @ 11.75% interest per annum and is repayable in 12 quarterly installments starting from November 2011.

Long term loan and working capital facilities from the ICICI Bank is secured by hypothecation by way of first charge on the following assets of the-Company:

- a. Exclusive first charge by way of hypothecation of the borrower's entire current assets which inter-alia include stocks of raw material, work in process, finished goods, consumable stores & spares and such other movables including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- b. Exclusive first charge on the movable fixed assets of the Company.
- c. First charge by way of equitable mortgage of land measuring 988 Sq. Yards & building there on in Municipal No.8-2-293/82/A/700 and 967 Sq. Yards & buildings there on in Municipal No.8-2-293/82/A/700/1, in Survey No. 403/1(Old), 120(New) of Shaikpet Village and 102/1 of Hakeempet Village, Road No.36, Jubilee Hills, Hyderabad belonging to the Company; Of the above, undivided share of 400 sq. yards and building of 8,258 sq. feet are sold by the Company to M/s. Mold-Tek Packaging Limited under NOC from M/s. ICICI Bank Limited.
- d. Personal guarantees of Directors namely J. Lakshmana Rao, A. Subrahmanyam, J. Mytreya and P. Venkateswara Rao.



7. Foreign currency exposures

The amounts receivable in foreign currency as on 31st March, 2011 on account of export of services:

Particulars	31st March, 2011		31st March, 2010	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Debtors	324.35	USD 7,26,870	596.97	USD 13,29,701
	33.97	EURO 53,632	13.39	EURO 22,120
	–	–	0.24	AED 1,927
	3.47	BRL 12,619	–	–

The amounts payable in foreign currency as on 31st March, 2011 on account of the creditors and other payables:

Particulars	31st March, 2011		31st March, 2010	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Other payables	–	–	21.46	USD 47,794
Creditors	4.90	USD 11,000	19.08	USD 42,500

8. Derivatives & options

The Company has entered into the following derivative instruments:

- Foreign exchange exposure of the nature of a hedging contract by way of an option confirmation with ICICI bank vide OP 202804 to 921, & 203502 dated 31st October, 2007 with the following particulars:

Currency	Buy	Sell	Cross Currency	Period	Strike Price ₹
USD	1,00,000	2,00,000	INR	April 2008 to October 2008	43.00
USD	1,00,000	2,00,000	INR	November 2008 to October 2009	42.00
USD	1,00,000	2,00,000	INR	November 2009 to October 2010	41.00
USD	1,00,000	2,00,000	INR	November 2010 to October 2011	39.50
USD	1,00,000	2,00,000	INR	November 2011 to October 2012	39.00

The impact of the actual exposures to March 31, 2011 are separately quantified and suitably disclosed in the accounts.

9. Fixed assets

- a. Physical verification of fixed assets has not been conducted during the year under review by the Company.
- b. Goodwill of ₹3,29,42,533 (P.Y. ₹3,09,50,753) arising from the acquisition of the assets and liabilities acquired from M/s. RMM Global LLC, Akron, Ohio and its subsidiary in India, M/s. Technet Engineering Services Private Limited, has been reflected under fixed assets.

Of the above, a sum of ₹78,18,997 pertaining to M/s. Technet Engineering Services Private Limited, the offices of which were closed during the year, has been charged off by deletion directly from the gross block of assets (Goodwill), and thereby the element of goodwill pertaining to the latter company in the process of acquisition is eliminated.

Additionally, 20% of the balance goodwill of ₹2,51,23,536 i.e. ₹50,24,707 is charged off during this year in consonance with the accounting policy stated below:

The amortization of such goodwill will be over a period of 5 years commencing from financial year 2010-11.

10. Investments

- a. Investments are stated at cost of acquisition as they are considered as long term investment in accordance with Accounting Standard 13.
- b. The Company has a 100% subsidiary in the USA, M/s Crossroads Detailing Inc., Ohio. The cost of acquisition of M/s. Crossroads Detailing Inc, its assets, liabilities and business etc., was reflected as investments at ₹4,58,44,700. M/s. Crossroads Detailing Inc. has incurred accumulated losses which have permanently impaired the value of the investment. Accordingly, it is considered prudent to recognize the diminution in value of the said investment of ₹4,42,01,450 by adjustment to the Profit and Loss Account forming part of reserves, in accordance with the financial statements of the subsidiary as at 31st March, 2011.
- c. Investments in M/s. RMM Global Inc., Indiana, another 100% American subsidiary is reflected separately at ₹8,15,418.

11. Current Assets, Loans & Advances; and Current Liabilities & Provisions

- a. Out of gross Sundry Debtors of ₹9,00,48,263 the Company has adjusted a sum of ₹3,78,59,185 to General Reserve and Profit and Loss Account accumulated balance as per following details:
 - i. Billed amounts from Sundry Debtors of subsidiary companies in USA up to 31st March, 2010 and considered unrecoverable an account of back charges and other various reasons adjusted directly to General Reserve of ₹1,03,25,409.
 - ii. Amounts expended by 100% subsidiary M/s. Crossroads Detailing Inc., Ohio out of amounts recovered by them towards their operating costs up to 31st March, 2010 of ₹2,75, 33,776.

The adjustments/write offs are subject to necessary approvals and permissions with regard to usage of foreign currency amounts from the Reserve Bank of India.

- b. Apart from the above, the Company has charged off a sum of ₹90,62,693 during the year against provision for doubtful debts ₹1,09,76,260 existing as on 1st April, 2010, leaving a residuary balance of ₹19,13,567. To this residuary figure, a further provision of ₹61,10,984



is made during the year, thus retaining a total provision of ₹80,24,551 towards doubtful debts in the books on 31st March, 2011. Necessary approvals and permissions for the write offs from the Reserve Bank of India remain pending.

- c. Current assets include 37,520 shares of your Company, M/s. Mold-Tek Technologies Limited (being 28% of 1,34,000 equity shares originally held by M/s. Teckmen Tools Private Limited, prior to amalgamation of that company with Mold-Tek Technologies Limited) held in accordance the scheme of arrangement, and pending the vesting of the same into a separate trust/trustee along with dividend for financial year 2007-08, financial year 2008-09 and financial year 2009-10, in keeping with the approval of the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh. The corresponding dividend amounts due for the year 2007-08 & 2008-09 & 2009-10, total of ₹2,06,360 and an additional amount of ₹56,280 is proposed for the current financial year 2010-11.
- d. The Company opted for actuarial valuation and provided for gratuity as per the notified norms per Accounting Standard 15 (Revised).

12. Earnings per Share

Particulars	2010-11	2009-10
Profit available for equity shareholders ₹ '000	2,89,45	4,97
Weighted average No. of equity shares outstanding	41,14,981	35,90,024
Effect of potential equity shares (Nos.)	18,92,425	1,68,342
Weighted average number of equity shares	60,07,406	37,58,366
Earning per share - Face Value of ₹10		
- Basic (₹)	7.03	0.14
- Diluted (₹)	4.82	0.13

13. Related Party Disclosures

i. Related Parties and Nature of Relationship

- a. Cross Roads Detailing Inc., Indiana - Subsidiary company
- b. RMM Global Inc., Indiana - Subsidiary company
- c. J. Rana Pratap - Management Trainee - Son of Charman & Managing Director
- d. J. Sudharani - Whole-time director, wife of Chairman & Managing Director

ii. Key Management Personnel

- a. J. Lakshmana Rao, Chairman & Managing Director
- b. J. Sudharani, Whole-time Director

iii. Associated Companies

Mold-Tek Packaging Ltd (Comprising the plastic division demerged from your Company effective 1st April, 2007).

Related Party Transactions

Particulars	Subsidiaries		Associate Companies		Key Management Personnel		Others	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales								
Crossroads Detailing, Inc.	139.26	429.37	-	-	-	-	-	-
RMM Global Inc., USA	846.45	447.06	-	-	-	-	-	-
Mold-Tek Packaging Limited (Rent)	-	-	-	32.97	-	-	-	-
Remuneration								
J. Lakshmana Rao	-	-	-	-	72.45	30.00	-	-
J. Sudharani	-	-	-	-	21.60	18.00	-	-
Dividend								
J. Lakshmana Rao					0.34	0.46		
J. Sudharani					3.71	13.49		
Other Transactions								
Mold-Tek Packaging Limited	-	-	(35.26)	(247.18)	-	-	-	-
J. Rana Pratap	-	-	-	-	-	-	4.46	2.76
Outstanding receivable as at 31st March, 2011								
Crossroads Detailing, Inc.	72.05	380.43	-	-	-	-	-	-
RMM Global Inc., USA	148.20	116.51	-	-	-	-	-	-
Other Payables								
Mold-Tek Packaging Limited	-	-	0.16	35.42	-	-	-	-

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



K. SRIRAM
Partner
Membership No. 37821
Hyderabad, 14th July, 2011

for and on behalf of the Board of Directors



A. SUBRAHMANYAM
Director-Technical



J. LAKSHMANA RAO
Chairman & Managing Director



ADMISSION SLIP

MOLD-TEK

Technologies Limited

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

Name & Address of Member



Folio No.

DP ID No.

Client ID No.

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

I hereby record my presence at the Twenty Seventh ANNUAL GENERAL MEETING of the Company on 19th day of August, 2011 at 11.00 a.m. at Swagath-De-Royal Hotel, #2-36, Kothaguda X Roads, Cyberabad, Hyderabad - 500 081.

Please indicate whether Member/Proxy.

Member's/Proxy's Signature

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



PROXY FORM

MOLD-TEK

Technologies Limited

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



Folio No.

DP ID No.

Client ID No.

I/We _____

of _____ in the district of _____

a Member/Members of **MOLD-TEK TECHNOLOGIES LIMITED** hereby appoint _____

of _____ in the district of _____ or failing him

of _____ in the district of _____

my/our Proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11.00 a.m. on Friday, 19th August, 2011 or at any adjournment thereof.

AS WITNESS my hand/our hands this _____ day of 2011 _____.

NOTE

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

Affix
15 P.
Revenue
Stamp

Signed by the said



Book-Post

If undelivered, please return to



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

