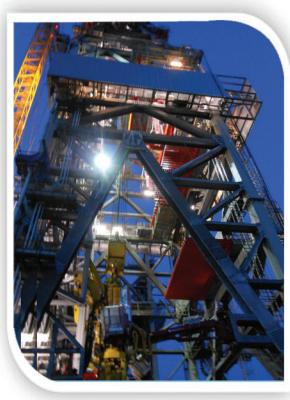
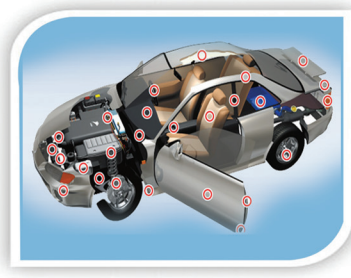


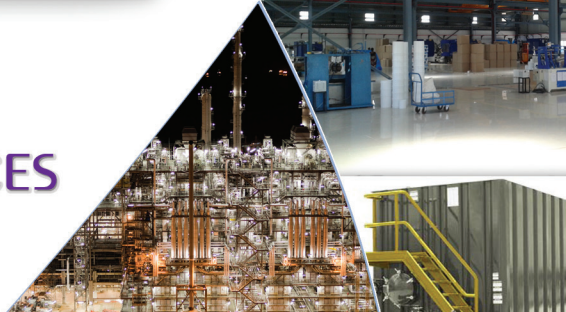


**MOLD-TEK**  
*Technologies Limited*

# 29TH ANNUAL REPORT 2012-13



...PIONEERS IN  
ENGINEERING KPO SERVICES



## ANNUAL REPORT

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Design & Production

**Capricorn**

Hyderabad



## Board of Directors

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

**J. Sudha Rani**, Wholetime Director

**A. Subramanyam**, Director - Technical

**P. Venkateswara Rao**, Director - Commercial

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

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

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

**Dr. Surya Prakash Gulla**, Non-Executive Director

**C. Vasanth Kumar Roy**, Non-Executive Director

<p><b>Statutory Auditors</b> Praturi &amp; Sriram Chartered Accountants 201, Sapthagiri Residency 1-10-98/A, Chikoti Gardens Begumpet, Hyderabad - 500 016</p>	<p><b>Registered Office</b> 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 <a href="mailto:ir@moldtekindia.com">ir@moldtekindia.com</a> <a href="mailto:finance@moldtekindia.com">finance@moldtekindia.com</a></p>			
<p><b>Internal Auditors</b> GMK Associates Chartered Accountants 607, Raghava Ratna Towers Chirag Ali Lane Hyderabad - 500 001</p>	<p><b>Subsidiary Companies</b></p> <table border="0"> <tr> <td data-bbox="559 1135 821 1246"> <p><b>Crossroads Detailing, Inc.</b> 6319 East US HWY 36 Suite #4 Avon, IN 46123, USA.</p> </td> <td data-bbox="951 1135 1130 1246"> <p><b>RMM Global, Inc.</b> 2841 Riviera Drive Suite 306, Akron, Ohio 44333, USA</p> </td> </tr> </table>	<p><b>Crossroads Detailing, Inc.</b> 6319 East US HWY 36 Suite #4 Avon, IN 46123, USA.</p>	<p><b>RMM Global, Inc.</b> 2841 Riviera Drive Suite 306, Akron, Ohio 44333, USA</p>	
<p><b>Crossroads Detailing, Inc.</b> 6319 East US HWY 36 Suite #4 Avon, IN 46123, USA.</p>	<p><b>RMM Global, Inc.</b> 2841 Riviera Drive Suite 306, Akron, Ohio 44333, USA</p>			
<p><b>Legal Advisor</b> M. Radhakrishna Murthy, Advocate Vidya Nagar, Hyderabad</p>	<p><b>Branches of Mold-Tek Technologies Limited</b></p> <table border="0"> <tr> <td data-bbox="559 1308 787 1420"> <p><b>Germany</b> Heinrich Lanz Ring 41a 68519 Viernheim, Germany</p> </td> <td data-bbox="830 1308 999 1447"> <p><b>Ireland</b> 9, Mount Garrett Walk Tyrrelstown, Dublin-15, Ireland</p> </td> <td data-bbox="1053 1308 1181 1420"> <p><b>Netherlands</b> IJdok 23 1013MM Amsterdam</p> </td> </tr> </table>	<p><b>Germany</b> Heinrich Lanz Ring 41a 68519 Viernheim, Germany</p>	<p><b>Ireland</b> 9, Mount Garrett Walk Tyrrelstown, Dublin-15, Ireland</p>	<p><b>Netherlands</b> IJdok 23 1013MM Amsterdam</p>
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[www.moldtekindia.com](http://www.moldtekindia.com)

## Notice

NOTICE is hereby given that the 29th Annual General Meeting of the Members of MOLD-TEK TECHNOLOGIES LIMITED will be held on **Friday, 20th day of September, 2013 at 11.00 a.m. at Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri hills, Road No.36, Jubilee Hills, Hyderabad - 500033** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2013 and Statement of Profit and Loss Account for the period ended 31st March, 2013 and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2013.
3. To appoint a Director in place of M. Srinivas, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of P. Shyam Sunder, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Surya Prakash Gulla, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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

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

"RESOLVED THAT in modification to the resolution passed by the Members of the Company at the 26th Annual General Meeting

held on 30th September, 2010 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 of J. Lakshmana Rao, Chairman & Managing Director of the Company for a period of 5 years from 1st April, 2014 up to 31st March, 2019 and increase of remuneration to J. Lakshmana Rao, Chairman & Managing Director of the Company to ₹6,33,000 per month plus perquisites for the period from 1st October, 2013 to 30th September, 2016 in the following manner to be drawn either from Mold-Tek Packaging Limited or from Mold-Tek Technologies Limited or partly from Mold-Tek Packaging Limited and remaining from Mold-Tek Technologies Limited.

#### i. Salary

The Company shall pay to J. Lakshmana Rao in consideration of the performance of his duties a salary of ₹6,33,000 per month, in the scale of ₹6,33,000 - 1,00,000 - 8,33,000 to be drawn either from Mold-Tek Packaging Limited or from Mold-Tek Technologies Limited or partly from Mold-Tek Packaging Limited and remaining from Mold-Tek Technologies Limited.

#### ii. Perquisites & allowances

In addition to the above salary, J. Lakshmana Rao shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, reimbursement of expenses or allowance



for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowances, club fee, stock options and such other perquisites and allowances under the Company's rules. The total cost of the aforesaid perquisites, allowances and other benefits (including Rent/HRA) shall be restricted to 50% of the salary per month.

**iii. Commission**

In addition to the salary and perquisites as above, J. Lakshmana Rao shall be entitled to commission at the rate of 1.50% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956.

**iv. Other benefits**

In addition to the above salary and perquisites, J. Lakshmana Rao shall be entitled to the following annual benefits which shall not be included in the computation of the ceiling of remuneration specified in paragraph (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. Lakshmana Rao shall be entitled to a motor car for use on Company's business and telephone at residence; however use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to J. Lakshmana Rao.
- e. J. Lakshmana Rao shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.
- f. He will not be eligible for any sitting fees of the Company's board/committee meetings.

"RESOLVED FURTHER THAT notwithstanding anything contained herein above, where, during the term of employment of the Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any statutory authority, as may be required, the remuneration payable to the Managing Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the government from time to time as minimum remuneration.

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

resolution, or as may be otherwise considered by it to be in the best interest of the Company.

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

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

"RESOLVED THAT subject to the approval of Central Government, if required, pursuant to the provisions of Sections 316(2), 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), A. Subramanyam be and is hereby re-appointed as Wholetime Director (Director-Technical) for a period of five years with effect from 1st September, 2014 at a remuneration of 0.5% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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."
9. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as a **Special Resolution**:
 

"RESOLVED THAT subject to the approval of Central Government, if required, pursuant to the provisions of Sections 316(2), 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), P. Venkateswara Rao be and is hereby re-appointed as Wholetime Director (Director-Technical) for a period of five years with effect from 1st September, 2014 at a remuneration of 0.5% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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."
10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:
 

"RESOLVED THAT pursuant to Section 314 and other applicable provisions of the Companies Act, 1956, read with Director's Relatives (Office or Place of Profit) Rules, 2003, as amended from time to time, and all other applicable provisions, if any, of the Act, the consent/approval of the Company be and is hereby accorded to appoint



J. Rana Pratap as Corporate Manager - NBD, holding office of profit under the Company, he being a relative of J. Lakshmana Rao, Managing Director and J. Sudha Rani, Wholetime Director of the Company, with effect from 8th April, 2013 on a monthly remuneration not exceeding ₹2,45,000 p.m. 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 are hereby authorized and empowered as and when they may determine and deem fit and proper, to revise the above terms of remuneration and to promote/re-designate him to the higher grade(s)/scale(s) with all perquisites, usual allowances, incentives, facilities and benefits as applicable to such grade(s)/scale(s) within the limit of remuneration prescribed by the central government without requiring their prior approval for holding an office or place of profit in the Company from time to time under the applicable rules of Director's Relatives (Office or Place of Profit) Rules, 2003 read with Section 314 (1B) of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to Section 314 and other applicable provisions of the Companies Act, 1956, read with Director's Relatives (Office or Place of Profit) Rules, 2003, as amended from time to time, and all other applicable provisions, if any, of the Act, the consent/approval of the Company be and is hereby accorded to appoint

A. Durga Sundeep as Chief Manager - ITB, holding office of profit under the Company, he being a relative of A. Subramanyam, Wholetime Director of the Company, with effect from 8th April, 2013 on a monthly remuneration not exceeding ₹2,45,000 p.m. including all perquisites.

"RESOLVED FURTHER THAT A. Durga Sundeep, 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 are hereby authorized and empowered as and when they may determine and deem fit and proper, to revise the above terms of remuneration and to promote/re-designate him to the higher grade(s)/scale(s) with all perquisites, usual allowances, incentives, facilities and benefits as applicable to such grade(s)/scale(s) within the limit of remuneration prescribed by the Central Government without requiring their prior approval for holding an office or place of profit in the Company from time to time under the applicable rules of Director's Relatives (Office or Place of Profit) Rules, 2003 read with Section 314 (1B) of the Companies Act, 1956."

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

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

Hyderabad  
21st August, 2013

## NOTES

1. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself/herself and such proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.**
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of items 7 to 11 is annexed.
3. In terms of Articles of Association of the Company, M. Srinivas, P. Shyam Sunder and Dr. Surya Prakash Gulla, Directors of the Company retire by rotation at 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.
4. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with the copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of board resolution authorizing their representatives to attend and vote on their behalf in the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2013 to 20th September, 2013 (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 17th September, 2013 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 Members can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard Members may contact the Registrar and Share Transfer Agent of the Company, M/s. XL Softech Systems Limited, 3 Sagar Society, Road





- No. 2, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh.
10. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take a note of the same.
  11. Members are requested to note that as per Section 205A of the Companies Act, 1956 dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid dividend account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. Members who have not yet encashed the Dividend warrant(s) for the year 2005-06 to 2011-12 are requested to forward their claims to the Company's Registrar and Share Transfer Agent. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as referred above, no claim shall lie with the Company in respect of such amount.
  12. The certificate from the auditors of the Company certifying that the Company's stock option schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolutions of the Members passed at the general meetings will be available for inspection by the Members at the Annual General Meeting.
  13. Company has established its credentials in ITES - KPO services in mechanical and civil engineering domains with many clients in USA & Europe. To grow rapidly using these client contacts and business development offices in various locations in USA & Europe, Company is diversifying into IT projects and staffing solutions. The rising demand for I.T. in all sectors of economy is expected to drive growth for our Company.
- Hence the main object clause of the Memorandum of Association needs to be amended to make them specifically align with the Company's current business operation and proposed diversification into I.T. services.

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## **Explanatory Statement**

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

### **Item 7**

J. Lakshmana Rao was re-appointed as Managing Director for a period of 3 years with effect from 1st April, 2011 and the Members of the Company approved his re-appointment at the 26th Annual General Meeting held on 30th September, 2010. J. Lakshmana Rao was re-appointed as Managing Director of Mold-Tek Packaging Limited for a period of 3 years with effect from 1st April, 2011 and the Members of the Mold-Tek Packaging Limited approved his re-appointment at its 14th Annual General Meeting held on 19th September, 2011.

Remuneration of J. Lakshmana Rao was revised with effect from 1st April, 2011 subject to approval of

Central Government and the Members of the Company approved the revision in remuneration at the 26th Annual General Meeting held on 30th September, 2010 and the revision in remuneration was approved by the members of Mold-Tek Packaging Limited at its 14th Annual General Meeting held on 19th September, 2011. The remuneration was proposed to be paid either from Mold-Tek Packaging Limited or from Mold-Tek Technologies Limited or partly from Mold-Tek Packaging Limited and remaining from Mold-Tek Technologies Limited.

Further, the Central Government vide its letter (letter dated 21st May, 2011 to Mold-Tek Technologies Limited and letter dated 4th June, 2011 to Mold-Tek

Packaging Limited) approved the payment of remuneration to J. Lakshmana Rao for a period of 3 years up to 31st March, 2014 to be paid either from Mold-Tek Packaging Limited or from Mold-Tek Technologies Limited or partly from Mold-Tek Packaging Limited and remaining from Mold-Tek Technologies Limited.

His present term as Managing Director expires on 31st March, 2014. The Board of Directors and Remuneration Committee at its meeting held on 21st August, 2013 subject to the approval of Members at general meeting, re-appointed J. Lakshmana Rao for a period of 5 years from 1st April, 2014 to 31st March, 2019.

Members may be aware that there has been substantial increase in overall growth and volume of business of the Company. In view of the increased volume of business, the duties and responsibilities of Managing Directors has also increased manifold and therefore the Board of Directors and Remuneration Committee at its meeting held on 21st August, 2013 reviewed remuneration payable to J. Lakshmana Rao from 1st October, 2013 to 30th September, 2016 keeping in view the objectivity of remuneration package payable to executives while striking a balance between the interest of the Company and the shareholders.

As per the provisions of Section 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 Managing 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 hereto.

The Explanatory Statement together with the accompanying notice should be treated as abstracts

of the terms of agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board recommends the Resolution for approval of the Members.

None of the Directors, except J. Lakshmana Rao, A. Subramanyam and J. Sudha Rani shall be deemed to be interested in the said Resolution.

#### **Items 8 & 9**

A. Subramanyam and P. Venkateswara Rao were appointed as Wholetime Directors of the Company with effect from 1st September, 2009 for a period of 5 years at its 25th Annual General Meeting held on 30th September, 2009. Their present term as Wholetime Director of the Company expires on 31st August, 2014. In view of the performance, capabilities and experiences of A. Subramanyam and P. Venkateswara Rao, the Board of Directors and Remuneration Committee at its meeting held on 21st August, 2013 subject to the approval of Members at General Meeting re-appointed A. Subramanyam and P. Venkateswara Rao as Wholetime Director for a further period of 5 years with effect from 1st September, 2014.

A. Subramanyam and P. Venkateswara Rao are also Deputy Managing Directors of Mold-Tek Packaging Limited.

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 appointment/re-appointment/ payment of remuneration to the Managing Director, Executive Director and Wholetime Director. Hence, the Resolutions are placed before you for approval. In case the remuneration proposed exceeds the limits prescribed under Schedule XIII, approval of central government i.e. Ministry of Corporate Affairs will be obtained.

The General Information as required pursuant to Clause 1(B) (iv) of Section II of Part II of Schedule



XIII of the Companies Act, 1956 is contained in the statement annexed hereto.

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

The Board recommends the Resolutions for approval of the Members.

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

#### **Item 10**

The Board of Directors and Remuneration Committee at its meeting held on 5th April, 2013 appointed J. Rana Pratap as Corporate Manager - NBD with effect from 8th April, 2013. J. Rana Pratap shall be responsible for New Business Development. J. Rana Pratap has completed his Engineering from IIT Delhi and P.G. in Business Management from IIM, Lucknow. He has good knowledge about the business and the products/market of the Company. Your Directors are fully confident that his services to the Company would be of great value.

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

The Board recommends the Resolution for approval of the Members.

Except J. Lakshmana Rao and J. Sudha Rani, Director

of the Company, being relatives of J. Rana Pratap, no other Director is concerned or interested in the said Resolution.

#### **Item 11**

The Board of Directors and Remuneration Committee at its meeting held on 5th April, 2013 appointed A. Durga Sundeep as Chief Manager - ITB, with effect from 8th April, 2013. A. Durga Sundeep shall be responsible for IT Business Development. A. Durga Sundeep has completed his Engineering from REC-Kurukshetra and P.G. in Business Management from Purdue University, USA. He has good knowledge about the business and the products/market of the Company. Your Directors are fully confident that his services to the Company would be of great value.

The terms of appointment of A. Durga Sundeep are at par with the employees similarly placed in the Company and are comparable with industry standards.

The Board recommends the Resolution for approval of the Members.

Except A. Subramanyam, Director of the Company, being relative of A. Durga Sundeep, no other Director is concerned or interested in the said Resolution.

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

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

Hyderabad  
21st August, 2013

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

Name of the Director	J. Lakshmana Rao	A. Subramanyam	P. Venkateswara Rao	M. Srinivas	P. Shyam Sunder Rao	Dr. Surya Prakash Gulla
Date of birth	19th April, 1959	8th July, 1954	18th January, 1957	13th May, 1966	21st January, 1941	1st July, 1959
Date of appointment	4th July, 1985	4th July, 1985	30th September, 1994	27th August, 2008	21st April, 1998	1st January, 2010
Relationship with other Directors	A. Subramanyam & J. Sudha Rani	J. Lakshmana Rao & J. Sudha Rani	Not Applicable	Not applicable	Not applicable	Not applicable
Expertise in specific functional area	Experience in industrial marketing and product launching and looks after the marketing and financial functions.	Experience in production, planning & control of manufacturing activities. His expertise is in overseeing CNC Programming	Looks after all the commercial and marketing activities of the Company. He is conversant with all aspects of the management and the affairs of the Company	Production management	Finance & accounts	Cardiologist
Qualification	B.Tech (Civil) M.B.A. (IIM-B)	B. E. (Mechanical) Diploma in Mould design & manufacturing	P.G. in Material Management	B.E. (Mech.)	B.Com, FCA, FCS	MD (AIIMS), D.M.
Directorships in other companies	Mold-Tek Packaging Limited	Mold-Tek Packaging Limited	Mold-Tek Packaging Limited	Nil	1. Mold-Tek Packaging Limited 2. C-Ta Software Private Limited 3. Vigilant Compu technologies Private Limited	Nil
Membership/ chairman of committees in other companies	Nil	Nil	Nil	Nil	Mold-Tek Packaging Limited	Nil
No of shares held in the Company as on 31st March, 2013	22,760	2,56,236	45,646	49,518	980	980



## 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. Lakshmana Rao, A. Subramanyam and P. Venkateswara Rao

### GENERAL INFORMATION

1. Nature of industry: Managing the operation of 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, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Turnover	35,16.53	29,82.10	19,00.39
Net profit before interest, depreciation & tax	6,09.68	5,86.03	5,28.91
Net profit as per Statement of Profit and Loss	1,18.30	1,00.14	85.79
Amount of dividend	56.25	46.88	69.93
Rate of dividend declared	12%	10%	15%

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

5. Exports performance and net foreign exchange earnings for the year ended 31st March, 2013 is ₹26,62.09 lakhs.
6. Foreign investments or collaborations, if any:  
The Company has two 100% wholly owned foreign subsidiary companies in U.S.A. namely, Crossroads Detailing Inc. and RMM Global Inc.

### Information about the appointees

#### 1. Background details

**J. Lakshmana Rao, Chairman & Managing Director**, is aged 54 years and has completed his Bachelor's degree in engineering from Sri Venkateshwara University in 1980. He stood first in the University's order of merit in his batch. He obtained his post graduate diploma in management from the Indian Institute of Management (IIM), Bangalore in 1982 specializing in marketing and finance areas. He joined Nagarjuna Steels Limited and worked on new product development for one year during which period he gained experience in industrial marketing and product launch.

He promoted Mold-Tek in 1985-86 with an overall project cost of ₹55 lakhs. This Company under his leadership has grown over the period to become a leader in pail packaging industry in India. Mold-Tek made an IPO in 1993 and diversified into structural engineering KPO services.

**A. Subramanyam, Director-Technical**, aged 59 years, has obtained his Bachelor's degree from Regional Engineering College, Suratkal in 1978. He worked in Nizam Sugars Limited and ACC Limited for a period of three years in the maintenance and workshop functions. He then joined a commercial tool room as its works manager and was responsible for manufacturing

many precision tools including moulds. After three years in tool room, he completed the diploma course in Mould Design and Manufacturing from Central Institute of Plastic Engineering & Technology (CIPET), Chennai.

He teamed with J. Lakshmana Rao in promoting Mold-Tek and in KPO services as a Director-Technical and oversees production, planning and control of technical aspects. His expertise is in modeling machines and new product development.

**P. Venkateswara Rao, Director-Commercial**, aged 56 years, is a post graduate in materials management. He has 25 years of industrial experience and has been associated with the Company since its inception (before demerger) and is conversant with all aspects of the day-to-day management and affairs of the Company.

## 2. Past remuneration

J. Lakshmana Rao - Total of ₹84 lakhs from Mold-Tek Packaging Limited & Mold-Tek Technologies Limited for the year ended 31st March, 2013.

A. Subramanyam - ₹83.93 lakhs for the year ended 31st March, 2013 from Mold-Tek Packaging Limited;

P. Venkateswara Rao - ₹52.17 lakhs for the year ended 31st March, 2013 from Mold-Tek Packaging Limited.

## 3. Recognition or awards: Nil

## 4. Job profile and his suitability

J. Lakshmana Rao looks after entire corporate affairs;

A. Subramanyam looks after technical aspect of the organization;

P. Venkateswara Rao looks after entire commercial and marketing activities.

## 5. Proposed remuneration

It is proposed to pay a maximum remuneration to them on the terms and conditions detailed in the resolutions referred above.

## 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Compared to the remuneration profile of position and person with respect to this industry and size, they are entitled to the proposed remuneration.

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

Except the remuneration drawn by them from the Company, they do not have any pecuniary relationship, directly or indirectly with the Company.

## Other Information

### 1. Reasons for inadequate profits:

There was inadequate profits due to derivative contracts for the past 5 years.

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

Company has come out of the derivative losses during September 2012, which has resulted in improved profitability. Since there are no further derivative losses and also due to increase in new business, we are expecting better profitability during the forthcoming years.

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

The Company is registering better traction in MES services and hopes to achieve better

revenues in coming years. The MES services have grown in the first half of the year but stagnation seen in the later half as Europe markets shrank. To tide over this situation, your Company has started to expand the range of MES services and even diversifying into IT projects and staffing solutions.

Branch Offices were opened in France, Netherlands and Ireland to penetrate wider markets for both MES & IT services. The Company is planning to open a CES office in Nasik, India to meet increasing traction for CES services from USA. With the derivative losses having ended last September, the Company hopes to achieve healthy growth in revenues and profits in the coming years.



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2013.

## Financial Results

The performance during the period ended 31st March, 2013 has been as under:

₹ Lakhs

Particulars	Standalone		Consolidated	
	Year ended 31st March		Year ended 31st March	
	2013	2012	2013	2012
Sales	<b>30,21.85</b>	25,80.41	<b>35,16.53</b>	29,82.09
Other income	<b>1,48.56</b>	1,43.75	<b>1,56.73</b>	1,21.88
Total income	<b>31,70.40</b>	27,24.16	<b>36,73.26</b>	31,03.97
Profit before interest, depreciation & tax	<b>6,16.84</b>	5,90.89	<b>6,25.90</b>	6,03.26
Interest	<b>1,27.36</b>	1,58.93	<b>1,27.36</b>	1,58.93
Depreciation & preliminary expenses written off	<b>2,78.87</b>	2,75.65	<b>2,82.81</b>	2,77.71
Profit before tax	<b>2,10.62</b>	1,56.31	<b>2,15.73</b>	1,66.62
Provision for tax	<b>92.58</b>	56.14	<b>95.44</b>	56.27
Profit after tax	<b>1,18.04</b>	1,00.17	<b>1,20.29</b>	1,10.35
Balance brought forward from previous year	<b>1,40.45</b>	1,13.97	<b>1,30.42</b>	93.76
Profit available for appropriation	<b>2,58.49</b>	2,14.14	<b>2,50.71</b>	2,04.11
<b>Appropriation</b>				
Extraordinary items	<b>(2.00)</b>	(10.20)	<b>(2.00)</b>	(10.20)
Transferred to general reserve	<b>(11.60)</b>	(9.00)	<b>(11.60)</b>	(9.00)
Proposed dividend	<b>(56.26)</b>	(46.88)	<b>(56.26)</b>	(46.88)
Corporate dividend tax	<b>(9.13)</b>	(7.61)	<b>(9.13)</b>	(7.61)
<b>Balance carried forward</b>	<b>1,79.50</b>	1,40.45	<b>1,71.72</b>	1,30.42

## Review of operations

Financial year 2012-13 was a challenging year all over the world. Against the backdrop of this challenging environment, your Company has turned in a reasonable performance on all key performance parameters. While there are number of challenges in the global macro-economic environment there are also a number of opportunities that emerged. Some mature markets, especially in Europe, are seeing de-growth but we could find few opportunities in other markets, especially in US.

On standalone basis for the year 2012-13, revenues at ₹30,21.85 lakhs were higher by 17.11% over the previous year's revenues of ₹25,80.41 lakhs. Profit after tax correspondingly increased to ₹1,18.04 lakhs from ₹1,00.17 lakhs at 17.84%. On consolidated basis, for the year 2012-13, revenues at ₹35,16.53 lakhs were higher by 17.93% over the previous year's revenues of ₹29,82.09 lakhs.

## Future outlook

The MES services have grown in the first half of the year, but stagnation seen in the latter half as Europe

markets shrank. To tide over this situation, your Company has started to expand range of MES services and even diversifying into IT projects and staffing solutions. Branch offices were opened in France, Netherlands and Ireland to penetrate wider markets for both MES & IT Services. Your Company is planning to open a CES office in Nasik, India to meet increasing traction for CES services from USA. With the derivative losses ended last September, your Company hopes to achieve healthy growth in revenues and profits in the coming years.

### **Dividend**

Your Company has recommended a dividend of ₹1.20 per equity share @ 12% of the equity share capital (Last year ₹1.00 per equity share @ 10%) for the financial year ended 31st March, 2013. The dividend will be paid to those members whose names appear in Register of Members as on 17th September, 2013. In respect of shares held in dematerialized form, it will be paid to members whose names 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 ₹65.39 lakhs (inclusive of tax thereon).

The dividend pay out 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 reserve**

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 ₹11.60 lakhs (10% of the net profits) to general reserve out of the profits earned by the Company.

### **Increase in share capital**

The Board of Directors at its meeting held on 29th May, 2012 (after Balance Sheet Date) allotted 26,200 equity shares of ₹10 each at a price of ₹28 [comprising nominal value of ₹10 and premium of ₹18 each] to its employees who have exercised the option vested on them under the Mold-Tek Technologies Employees Stock Option Scheme 2009.

### **Scheme of Arrangement**

In terms of Scheme of Arrangement, your Company is taking steps to complete the necessary action and 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 employee of the 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 Securities Exchange Board of India (Employee Stock Option 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, USA. 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 form 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 their certificate is annexed to the Report on Corporate Governance.

### **CEO/CFD certification**

J. Lakshmana Rao, Chairman & Managing Director and J. Sudha Rani, 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 Sec 383(A) of the Company's Act 1956 and (Compliance Certificate) Rules 2001, the Company has obtained a certificate from a Secretary in whole time 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 M. Srinivas, P. Shyam Sunder and Dr. Surya Prakash Gulla retire at the ensuing Annual General Meeting and being eligible, offer them 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 generally explained, wherever necessary, in appropriate notes to the accounts.

The Auditors have qualified the account with regard to under or non-provision towards gratuity and leave encashment. Your Company is keen and committed to employee retirement benefits, and is settling the gratuity payment from the existing provision, as the majority of the employees are between the age group of 25 to 35 years. The Company's existing provision will be sufficient for the current requirements, if any. With the ongoing business expansion and entry into new area of IT segment, your Company has not created and funded the gratuity trust for the employees; however, the Company is committed and keen to set up and fund 'Gratuity Trust for the Employee' soon to take care of gratuity payments.

As regards leave encashment, your Company's policy is to treat leave encashment as a short term liability and is making the payments to employees as and when claim comes from the employee.

The Auditors have qualified the accounts with regard to non-provision of cumulative deferred tax liability; this liability will be reduced soon since there are no major additions in the fixed assets of the Company.

### **Auditors**

The Company's Auditors M/s. Praturi & Sriram, Chartered Accountants, retires 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 Section. Members are requested to re-appoint them and to authorize the Board to fix their remuneration.

### **Directors' Responsibility Statement**

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

- a. in the preparation of the accounts for the financial year ended 31st March, 2013; the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. they 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. they 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. they have prepared the accounts for the financial year ended 31st March, 2013 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 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**

Hyderabad Chairman & Managing Director  
21st August, 2013

**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, 2013**

Name	Age (Years)	Qualifications	Date of Employment	Designation	Gross Remuneration ₹ Lakhs	Experience (Years)	Last Dmployment held
J. Lakshmana Rao	54	B.Tech. (Civil), M.B.A. (IIM -B)	4th July, 1985	Chairman & Managing Director	50.21	29	NA

For and on behalf of the Board of Directors



**J. LAKSHMANA RAO**

Chairman & Managing Director

Hyderabad  
21st August, 2013



## 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

	2012-13	2011-12
FOB value of exports		
- KPO Division	<b>28,53.56</b>	22,69.98
Foreign exchange earnings	<b>26,62.09</b>	19,70.72
Foreign exchange outgo	<b>68.74</b>	46.09

### Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's interest in subsidiary companies for the financial year 2012-13

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

The following are the financial summaries of the subsidiary companies accounts as at 31st March, 2013 not dealt with in the holding company's accounts:

₹ Lakhs

Particulars	Crossroads Detailing Inc., USA	RMM Global Inc., USA
Share capital	33.79	0.51
Reserves	(9.12)	2.52
Secured & unsecured loans	-	-
Current liabilities	2,58.61	3,59.61
Fixed assets	0	10.53
Current assets	2,83.28	3,52.11
Turnover	8,01.48	13,23.88
Profit before tax	0.23	2.02
Taxation	-	-
Profit after tax	0.23	2.02
Extraordinary & prior period adjustments	-	-
Net profit	0.23	2.02

for and on behalf of the Board of Directors

**A. SUBRAMANYAM**  
Director-Technical

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

Hyderabad  
21st August, 2013

## Annexure to the Directors' Report

**Annexure - 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, 2013
1.	Options granted during the year	Nil
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 BSE 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	89,100
4.	Options exercised	63,325
5.	The total number of shares arising as a result of exercise of option	63,325
6.	Options lapsed	7,875
7.	Variation of terms of options	Nil
8.	Money realized by exercise of options (₹)	17,73,100
9.	Total number of options in force	43,475
10.	Employee wise details of options granted: a. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year 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	Nil  Nil
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' (₹)	2.48



<p>12. i. Method of calculation of employee compensation cost</p> <p>ii. Difference between the employee compensation cost so computed as (i) above and the employee compensation cost that have been recognized had it been used in 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"> <li>● Profit after tax (₹ Lakhs) 123.01</li> <li>● Less: Additional employee compensation cost based on fair value (₹ Lakhs) 06.98</li> <li>● Adjusted profit after tax (₹ Lakhs) 116.04</li> <li>● Adjusted Earnings per Share (₹) 2.48</li> </ul>	<p>The Company has calculated the employee compensation cost using the fair value base</p> <p>₹63.00 Lakhs (increase) (₹6.97 Lakhs for current year increase)</p>
<p>13. Weighted-average exercise price and fair value of Stock Options granted:</p> <ul style="list-style-type: none"> <li>● Stock Options granted on 21st April, 2010</li> <li>● Weighted average exercise price (₹) 28</li> <li>● Weighted average fair value (₹) 28</li> <li>● Closing price on BSE on the date of grant of option (₹) 70</li> </ul>	
<p>14. A description of the method and significant assumptions used during the year to estimate the fair values of options</p>	<p>As per pricing formula</p>

## Management Discussion and Analysis

### GLOBAL KPO INDUSTRY

The National Association of Software & Service Companies (NASSCOM) has predicted that India will acquire a 70% share in the growing KPO industry. India's Knowledge Process Outsourcing (KPO) industry may touch \$30 billion by 2015-16 from the existing \$20 billion, on the back of growing demand for knowledge-based services, a study said.

Due to a large knowledge pool and significant cost arbitrage, India has become the most attractive location for KPO activities. The rising demand for professional-based services is expected to drive the growth in the industry. It would be in the areas of engineering, research for capital and financial markets, legal and editing jobs for international publishing houses, among many others.

### KPO INDUSTRY OVERVIEW

To fully understand Engineering Services Outsourcing (ESO) and its current state in the market, it is necessary to define the functions that are considered engineering services. Engineering services are tasks that involve the nonphysical acts of engineering, such as the preparation, design, and consulting work supporting engineering.

Multiple sources estimate the current size of the global R&D industry at \$1.1 trillion per year, or less than 2% of the world economy, and it is expected to grow to more than \$1.4 trillion by 2020. The same sources estimate the current amount of engineering services being offshored each year is less than 10% of total market share.

Historically, several factors were cause for concern when companies considered ESO; the largest concerns include turnaround time, quality and trust. ESO involves a higher level of functionality within a company and is strategic to a company's value proposition, as it drives innovation. Due to this, companies tend to keep engineering services on-site

and leverage outsourced services for lower-level functions, such as finance, accounting and manufacturing. However, because of the economic climate and cost-saving potential, many companies can no longer justify keeping their engineering services in-house.

Another primary concern with ESO is the perceived slow turnaround time. In today's market there is ever-increasing demand for faster delivery of products and services. Due to technology advancements significantly decreasing product lifecycles, clients are increasingly demanding faster delivery of services to obtain a competitive advantage over rivals. ESO vendors have realized this, and are now able to deliver their engineering services as fast as, or faster than, companies would be able to internally.

### IT INDUSTRY OVERVIEW

Across markets, technology and innovation are being seen as growth drivers. Investment in innovation has emerged as a differentiator in the market place. Investment in technology has been enabling companies to connect with customers and influence their purchase decisions on a real-time basis. As a result, spending on technology and related services grew at a rate faster than the GDP growth. The worldwide spending on technology and related services in 2012 was \$1.9 trillion, a growth of 4.8% over 2011. Spend on IT, BPO and software products, continued to have the majority share of 58% of total IT spend, standing at \$1 trillion. The global sourcing market reached a volume of \$124-130 billion in 2012 with a growth of 9% over 2011, which was twice the growth rate of the global IT spend. While banking, financial services & insurance (BFSI) and manufacturing remained the largest verticals in terms of total share in IT spending, emerging verticals such as healthcare, retail, government and utilities were the drivers of incremental growth in 2012. The large North American IT market continues to expand at a



faster pace (5%) than the economy. Investments by American corporations in innovation and digital technologies is driving the growth in technology spend. IT spend in emerging markets like Asia-Pacific continues to grow at a faster pace than in mature geographies on account of investments by corporations to bring their IT infrastructure on par with global standards. Despite the changing and volatile economic environment, the global market offers substantial opportunities.

India is widely recognized as the premier destination for offshore technology services. According to NASSCOM Performance Review 2013, IT-BPM exports (IT Services and Business Process Management) from India are estimated to grow in fiscal 2014 by 12-14%, to US \$ 85-87 billion. There are several key factors contributing to the growth of IT and IT Enabled Services (ITES) in India and by Indian companies.

The Indian IT and KPO industry is expected to experience strong growth, supported by its skilled workforce.

## OPPORTUNITIES & THREATS

### *Opportunity*

By opening offices in France, Ireland and Netherlands, Company will reach more clients in Europe in both ESO and IT segments. Widening service offerings in new segments of MES, auger well for the Company. In IT Services, the Company is focusing on CRM services using sales force. Mold-Tek is also tying up with other service providers in IT to expand rapidly in this vast segment.

### *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.

## PRODUCTWISE PERFORMANCE

The Company's provides structural engineering, detailing and mechanical engineering services as segmented below.

### Sales

₹ Lakhs

Particulars	2012-13	2011-12	Growth%
Structural engineering & detailing	<b>18,88.65</b>	18,81.33	0.39
Mechanical engineering services	<b>11,33.19</b>	6,99.08	62.10
TOTAL	<b>30,21.84</b>	25,80.42	

## OUTLOOK

With new offices being opened in 3 more locations in Europe the market search for the company will expand in this year. Entry into CRM and other IT services and staffing should ramp up revenues from the middle of the financial year 2013-14. With derivative contracts closed in September 2012, the profitability is poised to improve from this financial year. Company has plans to enter railway signaling, plant engineering and other new MES segments to ramp up revenues. In CES, the Company sees good traction from its US clients. The Company is planning to open a CES services office in Nasik to have advantages of low costs and skill resource availability. All these initiatives offer excellent outlook for the Company, in the near future.

## 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. Company's services mainly based on human resources, company is aggressively taking care of employee satisfaction and facilities to

mitigate the 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 the 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, Statement of Profit and Loss and other financial statements appearing separately. Highlights for the year 2012-13 are as under:

	₹ Lakhs
Service sales	3021.85
Profit before interest, depreciation & tax	600.62

#### **HUMAN RESOURCES**

The HRD department has been suitably enlarged to handle increasing number of skilled manpower in the KPO Division. The Company continues to benchmark and build its HR practices to help attract, retain and develop requisite talent to support its growth. HR's ability to support business strategy with its human capital strategy is an important determinant to the company's future business performance. The Company has put in place robust recruitment processes and helped scale critical engagements in a very short span of time. The principle feature of the company's HR strength is its multipronged talent acquisition and retention strategy.

Employee/employer relations were cordial throughout the year. Measures for safety of the employees, training and development continued to receive top priorities. HR at Mold-Tek plays a key strategic role to support the organization and its various ecosystems in achieving various goals and targets set by deploying best practices and measures.

#### **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 affect with the supply and demand situations, input prices and their availability, changes in government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above in mind.





## Compliance Certificate

Company Regn No : 01-005631  
Nominal Capital : ₹13,00,00,000  
Paid up Capital : ₹4,68,83,060

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, 2013. 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:

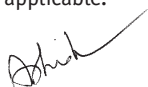
1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded;
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, 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 five times on 29th May, 2012; 4th August, 2012; 6th September, 2012; 12th November, 2012 and 12th February, 2013 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 17th September, 2012 to 22nd September, 2012 (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, 2012 was held on 22nd September, 2012 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. No extraordinary meeting was held during the financial year;
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 26th September, 2012 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 thirty days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Begumpet 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, Chairman & Managing Director, A. Subramanyam, 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	21st May, 2012	Re-appointment & payment of remuneration to J. Lakshmana Rao

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 26,200 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, 2013 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  
FCS: 6687  
CP No.: 7321
- Hyderabad  
21st August, 2013

## ANNEXURE - A

(forming part of the Compliance Certificate)

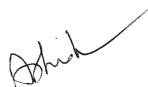
### STATUTORY REGISTERS/RETURNS AS MAINTAINED BY THE COMPANY

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  
21st August, 2013

  
**Ashish Kumar Gaggar**  
Company Secretary in Practice  
FCS: 6687  
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, 2013**

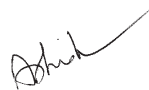
Form No./ Return	Filed under Section	Date of Filing	Whether filed within the prescribed time (Yes/No)	If delay in filing whether requisite fee paid (Yes/No)
Form 23AC and Form 23ACA - XBRL	220	15th January, 2013	Yes	Not applicable
Form 66	383A	11th October, 2012	Yes	Not applicable
Form 20B	159	16th November, 2012	Yes	Not applicable
Form 2	75	6th June, 2012	Yes	Not applicable
Form 21	141	17th July, 2012	Yes	Not applicable
Form 21	141	17th July, 2012	Yes	Not applicable
Form 21	141	17th July, 2012	Yes	Not applicable
Form 21	141	17th July, 2012	Yes	Not applicable
Form 21	141	17th July, 2012	Yes	Not applicable
Form 21	141	17th July, 2012	Yes	Not applicable
Form 61	141	12th May, 2012	Yes	Not applicable
Form 61	141	12th May, 2012	Yes	Not applicable
Form 61	141	12th May, 2012	Yes	Not applicable
Form 61	141	12th May, 2012	Yes	Not applicable
Form 61	141	12th May, 2012	Yes	Not applicable
Form 8	125/135	26th September, 2012	Yes	Not applicable
Form 8	125/135	20th September, 2012	Yes	Not applicable
Form 8	125/135	18th September, 2012	Yes	Not applicable
Form 8	125/135	13th July, 2012	No	Yes
Form INV 5	IEPF (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 for AGM dated 19th August, 2011	14th December, 2012	Yes	Not applicable

(Contd.)



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 INV 5	IEPF (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 for AGM dated 22th September, 2012	20th December, 2012	Yes	Not applicable
Form 17	141	2nd May, 2012	No	Application made to CLB for condonation of delay
Form 17	141	2nd May, 2012	No	Application made to CLB for condonation of delay
Form 17	141	2nd May, 2012	No	Application made to CLB for condonation of delay
Form 17	141	20th April, 2012	No	Application made to CLB for condonation of delay
Form 17	141	20th April, 2012	No	Application made to CLB for condonation of delay
Form 17	141	20th April, 2012	No	Application made to CLB for condonation of delay

Hyderabad  
21st August, 2013

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

# Report on Corporate Governance

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

Mold-Tek therefore believes that Corporate Governance is not an end in itself but is a catalyst in the process of maximization of share holder value. Therefore, Shareholder value as an objective is woven into all aspects of Corporate Governance- the underlying philosophy, development of roles, creation of structures and continuous compliance with standard practices. For Mold-Tek, 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 nine Directors comprising:

Four Executive Directors

Five 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 ten committees or chairman of more than five committees across all the Companies in which they are Directors.

### Board Meetings

The Board of Directors met five times during the financial year 2012-13:

29th May, 2012; 4th August, 2012; 6th September, 2012; 12th November 2012 and 12th February 2013.

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 during the year	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	5	Yes	1	-	-	-
J. Sudha Rani (Wholetime Director)	Executive Promoter Director	5	Yes	-	-	-	-
A. Subramanyam (Wholetime Director)	Executive Promoter Director	5	No	-	1	-	-
P. Venkateswara Rao (Wholetime Director)	Executive Promoter Director	4	Yes	-	1	-	-
P. Shyam Sunder Rao	Non-Executive Independent Director	4	Yes	-	1	1	-
M. Srinivas	Non-Executive Independent Director	4	Yes	-	-	-	-
Dr. K. Venkata Appa Rao	Non-Executive Independent Director	1	No	-	-	-	-
Dr. Surya Prakash Gulla	Non-Executive Independent Director	4	No	-	-	-	-
C. Vasant Kumar Roy	Non-Executive Independent Director	-	No	-	-	-	-

Note\*

- The Directorships held by Directors mentioned above, 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 five Non-Executive Directors and is chaired by P. Shyam Sunder Rao. J. Lakshmana Rao, Chairman & Managing Director, A. Subramanyam, Wholetime Director and P. Venkateswara Rao, Wholetime Director, J. Sudha Rani, 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.

Four meetings of the Audit Committee were held during the financial year 2012-13. The dates on which the said meetings were held are as follows:

29th May, 2012; 4th August, 2012; 12th November, 2012 and 12th February, 2013.

The composition of Audit Committee and particulars of meeting attended by the members of the Audit Committee during the year are given below.

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

### 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:

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

During the year, no Remuneration Committee meeting was held.

The Composition of Remuneration Committee is as follows

Name	Designation
P. Shyam Sunder Rao	Chairman
M. Srinivas	Member
Dr. K. Venkata Appa Rao	Member
Dr. Surya Prakash Gulla	Member
C. Vasanth Kumar Roy	Member





## Remuneration policy

The Company pays remuneration to the Managing Director and Wholtime 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'/Investors' Grievance Committee attended by them.

Details of the remuneration of Non-Executive Directors and Executive Directors for the year ended 31st March, 2013 are as follows:

₹ Lakhs

Name	Salary	Perquisites & Other benefits	Sitting Fees	Total
J. Lakshmana Rao	30.25	19.96	-	50.21
J. Sudha Rani	30.00	5.02	-	35.02
A. Subramanyam	-	-	-	-
P. Venkateswara Rao	-	-	-	-
P. Shyam Sunder Rao	-	-	0.40	0.40
M. Srinivas	-	-	-	-
Dr. K. Venkata Appa Rao	-	-	0.05	0.05
Dr. Surya Prakash Gulla	-	-	0.20	0.20
C. Vasant Kumar Roy	-	-	-	-

Shareholding of the Directors of the Company as on 31st March, 2013

Name	No of shares	% of Share capital
J. Lakshmana Rao	22,760	0.49
J. Sudha Rani	3,94,642	8.42
A. Subramanyam	2,56,236	5.47
P. Venkateshwara Rao	45,646	0.98
P. Shyam Sunder Rao	980	0.02
M. Srinivas	49,518	1.06
Dr. K. Venkata Appa Rao	22,550	0.48
Dr. Surya Prakash Gulla	980	0.02
C. Vasant Kumar Roy	-	-

Non-Executive Directors did not hold any fully convertible warrants as on 31st March, 2013.

## Shareholders'/Investors' Grievance Committee

The composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2013 was as under:

Name	Designation
P. Shyam Sunder Rao	Member
M. Srinivas	Member
Dr. K. Venkata Appa Rao	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 complaint is also reported to the Board of Directors. During the year 2012-13, 11 complaints were received and resolved and no complaints were pending as on 31st March, 2013.

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 past 3 years.

Year	Location	Date	Time
2010-11 (EGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	1st July, 2010	11.00 a.m.
2009-10 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	30th September, 2010	10.30 a.m.
2010-11 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	19th August, 2011	11.00 a.m.
2011-12 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	22nd September, 2012	11.30 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 AGM. No resolution is proposed to be passed by way of postal ballot in this Annual General Meeting.

However the Company along with the Notice of this Annual General Meeting is dispatching Postal Ballot Notice and Postal Ballot Form for approval of alteration in Main Objects of Memorandum of Association of the Company. The Members are requested to return the duly completed postal ballot form in the attached pre-paid self-addressed envelope, so as to reach the Scrutinizer on or before the close of the business hours on 30th September, 2013. The result of the voting on the resolution will be declared at the Registered Office of the Company on 4th October, 2013 at 1.00 p.m.

### 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 conflicts with the interest of the Company.

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

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

- c. *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 minimisation 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

29th Annual General Meeting

Date and Time : 20th September, 2013 at 11.00 a.m.

Venue : Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Road No.36,  
Jubilee Hills, Hyderabad - 500033

### Financial calendar (2013-14)

The financial year of the Company is 1st April to 31st March. For the year ending 31st March, 2014 quarterly un-audited/annual audited results shall be announced as follows :

Financial reporting for	Tentative Date
Unaudited results for the quarter ending: 30th June, 2013	On or before 14th August, 2013
30th September, 2013	On or before 14th November, 2013
31st December, 2013	On or before 14th February, 2014
Audited results for the year ended 31st March, 2014	On or before 30th May, 2014

Book Closure date : 18th September 2013 to 20th September 2013 (both days inclusive)

Registered Office : Plot No.700, Door No.8-2-293/82/A/700, Road No.36, Jubilee Hills,  
Hyderabad - 500 033, Andhra Pradesh

Listing of equity shares : BSE Limited, Mumbai (BSE)

Listing fees : Listing fee has been paid to BSE for the year 2013-14

Stock code : 526263

ISIN : INE835B01027

CIN Number : L25200AP1985PLC005631

### Market price data

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

Month	High ₹	Low ₹	No.of shares traded	
2012	April	48.75	40.50	1,09,620
	May	43.20	36.10	99,770
	June	50.95	38.20	2,31,294
	July	57.00	43.15	3,22,250
	August	51.60	37.30	2,07,935
	September	46.50	39.25	1,07,429
	October	50.90	39.05	1,65,686
	November	43.00	34.50	2,23,378
2013	December	43.40	34.80	2,05,418
	January	38.95	33.35	1,86,601
	February	37.60	29.80	1,21,782
	March	33.60	25.70	2,33,089

**Investor correspondence/Registrar & Share Transfer Agent****M/s XL Softech Systems Limited**

3, Sagar Society, Road No 2,  
Hyderabad - 500 034  
Tel : 91 40 2354 5913/14/15  
Fax : 91 40 2355 3214  
Email: xlfield@gmail.com

**Shareholding pattern as on 31st March, 2013**

Category	No. of shares held	Percentage of shareholding
Promoters	21,92,589	46.77
Banks, financial institutions, insurance companies	41,107	0.88
Private bodies corporate	2,33,983	4.99
Indian public	20,73,333	44.22
NRI/OCBs	1,04,492	2.23
Clearing members	42,802	0.91
<b>TOTAL</b>	<b>46,88,306</b>	<b>100.00</b>

**Distribution of shareholders as on 31st March, 2013**

Shareholding	Shareholders		Share amount	
	Number	Percentage	₹	Percentage
Upto - 5000	5,633	91.47	41,39,870	8.83
5001 - 10000	204	3.31	15,85,340	3.38
10001 - 20000	128	2.08	18,45,600	3.94
20001 - 30000	42	0.68	10,94,340	2.33
30001 - 40000	22	0.36	7,93,800	1.70
40001 - 50000	21	0.34	9,76,050	2.08
50001 - 100000	41	0.67	29,65,000	6.32
100001 and above	67	1.09	3,34,83,060	71.42
<b>TOTAL</b>	<b>6,158</b>	<b>100.00</b>	<b>4,68,83,060</b>	<b>100.00</b>

**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**

As on 31st March, 2013, NSDL & CSDL held in demat form 45,14,184 equity shares of Rs.10 each aggregating to 96.29% of the paid up capital & the rest 1,74,122 aggregating to 3.71% are in physical form.

ADR/GDR holding is Nil.



### Equity shares in the Suspense Account

In terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement, during the year ended 31st March 2013, no shares have been credited to the Demat Suspense Account.

### 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 the Managing Director of the Company forms part of this Report.

### 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 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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange 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  
FCS: 6687  
CP No.: 7321

Hyderabad  
21st August, 2013

## 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, 2013.

Hyderabad  
21st August, 2013

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

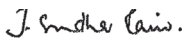
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## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors  
Mold-Tek Technologies Limited

We certify that:

- a. 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, 2013 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.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c. We 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;
- d. We have disclosed to the Company' Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any , of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- e. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in the Company's internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - iii. 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. SUDHA RANI**  
Chief Financial Officer  
21st August, 2013



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



# Independent Auditors' Report

The Members  
Mold-Tek Technologies Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Mold-Tek Technologies Limited, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to the following:

1. *Under or non-provision towards employee benefits in accordance with Accounting Standard - 15 (Employee Benefits), of gratuity liability and leave encashment, thereby adversely impacting long term liabilities, current liabilities and correspondingly profits for the current year and reserves. We are unable to quantify the extent of short provision in the absence of suitable actuarial valuation [Refer Note 7(b)].*
2. *Non-provision of cumulative deferred tax liability in accordance with Accounting Standard 22 Taxes on Income, of ₹147.52 lakhs (net), impacting noncurrent liabilities and reserves and surplus values as the year end [Refer Note 8].*
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
  - b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
  - c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards except for Accounting Standards 22 and 15, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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



**Sri Raghuram Praturi**  
Partner  
Membership No. 221770

Hyderabad  
30th May, 2013

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**The annexure referred to in paragraph 1 of the our report of even date to the members of Mold-Tek Technologies Limited on the accounts of the company for the year ended 31st March, 2013.**

- 1. In respect of its fixed assets:
  - a. The Company maintains a soft copy record of its depreciable assets, reflecting a year wise classification of assets of such category. The record does not include quantitative details and the situation/location of its depreciable assets.
  - b. We are informed that no physical verification of fixed assets has been carried out by the management during the year ended 31st March, 2013.
  - 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 at the Balance Sheet date as certified by management and 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 transactions with its associate/group company, M/s. Mold-Tek Packaging Limited.
- b. In respect of the debit balances, amounts due on current accounts, & advances in the nature of loans, 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 exist 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 services.
- b. Certain areas/procedures and control weaknesses identified during the course of internal/statutory audit and other reviews need to be considered for improvement and up-gradation to better levels.
- c. While we have not observed any continuing failure of intent to correct identified weaknesses in internal controls during the course of our audit,





- observations made need to be comprehensively addressed and rectified.
5. a. According to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, at prices which are prima facie reasonable having regard to prevailing market prices.
6. In our opinion and explanations given to us, the company has not invited or accepted any deposits from the public attracting the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board regarding compliance of above said provisions. However, security deposits received from employees ₹3,86,107 are not maintained in a separate bank account as stipulated in Section 417 of Companies Act, 1956.
  7. The Company presently has an internal audit conducted by an external agency, which needs to be modified/reviewed for its depth & scope so as to make it commensurate with the size of the Company & the nature of its business.
  8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the services of the Company, as per Cost Accounting Records Rules, 2011. A suitable compliance/report in this regard remains pending.
  9. a. According to the records of the Company furnished to us and information and explanations given to us by the management, the Company is regular in depositing undisputed statutory dues including, provident fund, employees state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues with delays of nominal nature.
  - b. According to the information and explanations given by the management, there are no undisputed amounts payable in respect of, service tax, wealth tax, customs duty and cess or other material statutory dues were in arrears as at 31st March, 2013 for a period of more than six months from the date they become payable.
  - c. However, according to the information and explanation given to us, the following are details of the issues on which the company is disputing the payment of taxes:

Name of the statute	Nature of dispute	Disputed tax amount ₹	Period to which the payment relates (AY)	Forum where dispute is pending
<b>Income Tax</b>				
Section 201(1)	TDS on payment made to purchase of software permanent use licenses	7,16,713	AY 2007-08	ITAT
Section 201(1)	TDS on payment made to purchase of software permanent use licenses	17,08,981	AY 2008-09	ITAT
Section 201(1)	TDS on payment made to purchase of software permanent use licenses	8,27,076	AY 2009-10	ITAT
Section 201(1)	TDS on payment made to purchase of software permanent use licenses	4,30,661	AY 2010-11	ITAT
		<b>36,83,431</b>		

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 defaults on dues payable to institutions/banks/ others on the date of the Balance Sheet.
12. We are informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. We are informed that the Company has not given any guarantees for loans taken by others from banks or financial institutions.
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 explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that during the period under review, long term funds have not been used for short term purposes.
18. According to information and explanations given to us, during the period covered by our audit report, the company has not made any preferential allotment to the parties covered in the register maintained under Section 301 of the companies act.
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 monies by means of 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



**Sri Raghuram Praturi**  
Partner  
Membership No. 221770

Hyderabad  
30th May, 2013



# Balance Sheet as at 31st March, 2013

₹'000

	Notes	As at 31st March	
		2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	<b>4,68,83</b>	4,66,21
Reserves & surplus	4	<b>17,27,09</b>	16,73,21
<b>Non-current liabilities</b>			
Long-term borrowings	5	<b>76,36</b>	1,84,83
Other long-term liabilities	6	<b>31,94</b>	37,42
Long-term provisions	7	<b>18,17</b>	27,66
<b>Current liabilities</b>			
Short-term borrowings	9	<b>5,84,24</b>	5,51,13
Trade payables	10	<b>68,89</b>	57,41
Other current liabilities	11	<b>3,47,11</b>	5,44,03
Short-term provisions	12	<b>1,57,97</b>	1,10,63
TOTAL		<b><u>34,80,60</u></b>	<u>36,52,53</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	13		
Tangible assets		<b>18,12,73</b>	18,92,50
Intangible assets		<b>3,04,30</b>	4,44,19
Non-current investments	14	<b>24,59</b>	24,59
Long-term loans & advances	15	<b>43,22</b>	38,33
Other non-current assets	16	<b>19,99</b>	39,45
<b>Current assets</b>			
Inventories	17	<b>1,34,38</b>	1,98,93
Trade receivables	18	<b>8,69,59</b>	8,00,24
Cash and cash equivalents	19	<b>25,41</b>	20,59
Short-term loans & advances	20	<b>2,35,60</b>	1,82,92
Other current assets	21	<b>10,79</b>	10,79
TOTAL		<b><u>34,80,60</u></b>	<u>36,52,53</u>

The accompanying notes 1 to 36 are an integral part of the financial statements.

Per our Report of even date

for **PRATURI & SRIRAM**

Chartered Accountants

Firm Registration No. 002739S

**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors

**A. SUBRAMANYAM**

Director-Technical

**J. LAKSHMANA RAO**

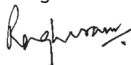
Chairman & Managing Director

## Statement of Profit and Loss for the year ended 31st March, 2013

₹'000

	Notes	For the year ended 31st March	
		2013	2012
<b>INCOME</b>	22		
Domestic sales		2,24,00	3,18,19
Export sales		27,97,85	22,62,22
Other income	23	1,48,56	1,43,75
Changes in work-in-process	24	(64,55)	10,76
<b>TOTAL</b>		<b>31,05,86</b>	<b>27,34,92</b>
<b>EXPENDITURE</b>			
Employees remuneration & benefits	25	18,24,67	16,07,89
Selling & distribution expenses	26	7,90	5,66
Other expenses	27	3,69,10	2,95,80
Interest & financial charges	28	1,27,36	1,58,93
Provision for bad debts & back charges		54,21	18,76
Derivative loss	29	2,33,13	2,15,92
Preliminary & deferred expenses written off	30	16,23	17,23
Depreciation		2,62,64	2,58,42
<b>TOTAL</b>		<b>28,95,24</b>	<b>25,78,61</b>
<b>Profit before prior period adjustments &amp; tax</b>		<b>2,10,62</b>	<b>1,56,31</b>
Provision for taxation for the year		92,58	56,14
<b>Profit after tax</b>		<b>1,18,04</b>	<b>1,00,17</b>
Extraordinary items & prior period adjustments	31	2,00	10,20
<b>Profit transferred to Balance Sheet</b>		<b>1,16,04</b>	<b>89,97</b>
Earning per share			
- Basic (₹)		2.48	1.99
- Diluted (₹)		2.45	1.94

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




**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**

Director-Technical



**J. LAKSHMANA RAO**

Chairman & Managing Director



## Cash Flow Statement for the year ended 31st March, 2013

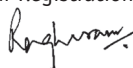
₹'000

	For the year ended 31st March	
	2013	2012
<b>A. CASH FLOW FROM OPERATIONS</b>		
Net profit as per Statement of Profit and Loss	2,10,62	1,56,31
Adjustment for		
Depreciation	2,62,64	2,58,42
Preliminary expenses & deferred expenses	16,23	17,23
Interest Paid	1,27,36	4,34,58
Operating profit before working capital changes	4,06,23	1,58,93
Adjustment for		
Trade and other receivables	(69,35)	(3,78,36)
Work-in-process	64,55	(10,76)
Trade payables & other liabilities (Including derivatives loss)	(1,53,05)	(5,36)
Advances/receivables	(54,36)	(58,23)
Cash generated from operations	(2,12,21)	(4,52,71)
	4,04,64	1,38,18
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of fixed assets	(42,98)	(1,56,72)
Sale of fixed assets	-	7,98
Capital work-in-progress and pending capitalisation	-	1,21
	(42,98)	(1,47,53)
	3,61,66	(9,35)

₹'000

	For the year ended 31st March	
	2013	2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital reserve	-	3,17,01
Share capital	2,62	54,71
Share application money	-	(4,19,01)
Share premium	15,72	3,79,28
Employee stock option scheme	(12,50)	9,35
Provision for taxation	(92,58)	(56,14)
Provision for proposed dividend	(56,26)	(46,88)
Additions/repayment of secured loans	(75,36)	(37,22)
Provision for corporate dividend tax	(9,13)	(7,61)
Interest paid	(1,27,36)	(1,58,93)
Prior period & extraordinary items	(2,00)	(3,56,84)
		(10,20)
		24,35
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>4,81</b>
		15,00
<b>D. Opening balance of cash &amp; cash equivalents</b>	<b>20,59</b>	<b>5,59</b>
<b>E. Closing balance of cash &amp; cash equivalents</b>	<b>25,41</b>	<b>20,59</b>

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



**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**

Director-Technical



**J. LAKSHMANA RAO**

Chairman & Managing Director



## Significant accounting policies and notes on accounts

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a. Method of accounting

- i. The financial statements are prepared on a going concern basis with historical costs, in accordance with the Accounting Standards specified in sub-section (3C) of Section 211 of the Companies Act 1956 to the extent applicable to the Company.
- ii. The Company generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- iii. The preparation of financial statements requires the management of the Company to make estimates and assumptions considered in the reported amount 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.

#### b. Fixed assets

- i. Fixed assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits. Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India (ICAI).
- ii. 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.

#### c. Depreciation

Straight-line method of depreciation is adopted on the basis of and at rates prescribed by Schedule XIV to the Companies Act, 1956 leasehold buildings, wherein depreciation is provided on the basis of estimated useful life.

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

#### d. Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

#### e. Investments

Investments are carried in accounts at cost of acquisition or declined value. Decline in value of the investments are considered in accordance with Accounting Standard 13. Decline in carrying value of investment considered to be permanent in nature, is provided for/adjusted in accordance with the said standard. Decline in value of investment charged to Statement of Profit and Loss in earlier accounting periods is reversed if the change of value is permanent in nature.

#### f. Interest and financial charges

- i. Documentation, commitment and service charges are spread over the tenure of the finance facility.
- ii. Interest on hire purchase finance is charged to Statement of Profit and Loss on diminishing balance method as per the guidance note of the ICAI.

#### g. Loans under deferred credit/hire purchase

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

#### h. 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 extent of completion as at the end of the year.

**i. Employee benefits****i. Gratuity & provident fund**

Post employment and other long term benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined based on actuarial valuation.

**ii. Liability for leave encashment**

Liability for leave is treated as a short term liability and accounted on actual disbursement.

**iii. Employee share based payments**

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities 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 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 the Statement of Profit and Loss on straight-line method over the vesting period or on exercising of the options. The unamortized portion of cost is shown under stock options outstanding.

**j. Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. 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 Statement of Profit and Loss. Outstanding monetary transactions denominated in foreign currencies at the yearend are restated at year end rates.

**k. Foreign exchange derivatives and hedging transactions**

Company uses foreign exchange forward to hedge its risk associated with foreign currency fluctuation. In respect of derivative and hedging transactions gains/losses arising on settlement

are recognized in Statement of Profit and Loss on settlement basis.

**l. Taxes on income**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax provisioning on account of timing difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by ICAI.

**m. Miscellaneous expenditure**

Preliminary and deferred expenses are amortized over a period of 5 years.

**n. Leases**

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of the cumulative minimum lease rentals along with other incidental expenses during the lease term or the asset's fair value. The rental obligations, net of interest charges, are reflected in loans and advances. Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made over the lease term.

**o. Earnings per share**

The basic earnings per share ('BEPS') is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The diluted earnings 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.

**p. Contingent liabilities & assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.





## Notes to the Balance Sheet & Statement of Profit and Loss

2. 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.

### 3. SHARE CAPITAL

₹'000

	As at 31st March	
	2013	2012
<b>a. Authorised</b>		
1,30,00,000 equity shares of ₹10 each (March 31, 2012: 1,30,00,000 equity shares of ₹10 each)	<b>13,00,00</b>	13,00,00
	<b>13,00,00</b>	13,00,00
<b>b. Issued, subscribed and paid up</b>		
46,88,306 equity shares of ₹10 each (March 31, 2012: 46,62,106 equity shares of ₹10 each)	<b>4,68,83</b>	4,66,21
	<b>4,68,83</b>	4,66,21

- 3.1 As per the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its order dated 25th July, 2008, entire share capital of the Company was restructured into 30,90,024 equity share of ₹10 each consequent to the demerger of the plastics division of the Company into a separate company, viz., Mold-Tek Plastics Limited (Since renamed as, Mold-Tek Packaging Limited).
- 3.2 5,00,000 equity shares of ₹10 each issued at a premium of ₹38 per share on 24th April, 2006 by way of preferential offer.
- 3.3 5,24,957 equity shares of ₹10 each issued at a premium of ₹65 per share on 8th April, 2010 by way of preferential offer.
- 3.4 37,125 equity shares of ₹10 each issued at a premium of ₹60 per share on 29th April, 2011 by way of Employee Stock Option Scheme.
- 3.5 5,10,000 equity shares of ₹10 each issued at a premium of ₹70 per share on 29th June, 2011 by way of preferential offer.
- 3.6 26,200 equity shares of ₹10 each issued at a premium of ₹60 per share on 29th May, 2012 by way of Employee Stock Option Scheme.

#### The reconciliation of the number of shares outstanding is set out below:

	As at 31st March, 2013		As at 31st March, 2012	
	Number	₹	Number	₹
<b>Shares outstanding at the beginning of the year</b>	<b>46,62,106</b>	<b>4,66,21,060</b>	41,14,981	4,11,49,810
Add: Shares issued on exercise of Employee Stock Option Scheme	<b>26,200</b>	<b>2,62,000</b>	37,125	3,71,250
Shares issued on exercise of warrants by preferential offer	-	-	5,10,000	51,00,000
<b>Shares outstanding at the end of the year</b>	<b>46,88,306</b>	<b>4,68,83,060</b>	46,62,106	4,66,21,060

**The details of shareholders holding more than 5% shares**

Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% Held	No. of shares	% Held
Mold-Tek Packaging Limited	<b>4,23,433</b>	<b>9.03</b>	4,23,433	9.08
J. Sudha Rani	<b>3,94,642</b>	<b>8.42</b>	2,34,642	5.03
A. Subramanyam	<b>2,56,236</b>	<b>5.47</b>	2,56,236	5.50
TOTAL	<b>10,74,311</b>	<b>22.92</b>	9,14,311	19.61

**MTL Employee Stock Option Scheme**

1,50,000 Options have been 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 the rate of ₹28 per Option.

The discount value (₹42) of Option is accounted as deferred employee compensation which is either amortised on a straight line basis over the vesting period or on the basis of option exercised, whichever is earlier.

	As at 31st March	
	2013	2012
Options outstanding, beginning of the year	<b>1,12,875</b>	1,50,000
Add: Granted	–	–
Less: Exercised	<b>26,200</b>	37,125
Less: Forfeited	<b>43,200</b>	–
Options outstanding, end of the year	<b>43,475</b>	1,12,875

During the year, 26,200 shares have been allotted to the employees against options exercised by them. The deferred employee compensation of ₹11,00,400 pertaining to such options exercised during the year have been charged off to the Statement of Profit and Loss as per the stated policy. During the year, the Company forfeited 43,200 unexercised options granted to employees, who have resigned from the Company. The compensation amounts charged off pertaining to such forfeited shares have accordingly been reversed.



#### 4. RESERVES & SURPLUS

₹'000

	As at 31st March, 2013		As at 31st March, 2012	
<b>Capital reserve</b>				
Opening balance	<b>3,17,01</b>		-	
Add: During the year	<b>-</b>	<b>3,17,01</b>	3,17,01	3,17,01
<b>Securities premium</b>				
Opening balance	<b>10,90,58</b>		7,11,31	
Add: During the year	<b>15,72</b>	<b>11,06,30</b>	3,79,27	10,90,58
<b>General reserve</b>				
Opening balance	<b>96,08</b>		87,08	
Add: Transfer from profit for the year	<b>11,60</b>	<b>1,07,68</b>	9,00	96,08
<b>Share options outstanding account</b>				
Opening balance	<b>29,09</b>		19,74	
Add: Current year transfer	<b>16,65</b>		24,94	
Less: Written back in current year	<b>29,15</b>	<b>16,59</b>	15,59	29,09
<b>Surplus</b>				
Opening balance	<b>1,40,45</b>		1,13,97	
Add: Profit for the year	<b>1,16,04</b>		89,97	
	<b>2,56,49</b>		2,03,94	
<b>Less: Appropriations</b>				
Proposed final dividend	<b>56,26</b>		46,88	
Tax on dividend	<b>9,13</b>		7,61	
General reserve	<b>11,60</b>		9,00	
	<b>76,99</b>	<b>1,79,51</b>	63,49	1,40,45
<b>TOTAL</b>		<b>17,27,09</b>		16,73,21

The Board of Directors at its meeting held on May 30, 2013 has recommended a dividend of ₹1.2 per equity share.

#### 5. LONG-TERM BORROWINGS

	As at 31st March, 2013		As at 31st March, 2012	
	Non-current	Other-current	Non-current	Other-current
<b>Secured loans</b>				
Term loan from banks	<b>68,83</b>	<b>1,37,66</b>	1,68,99	2,85,57
Hire purchase finance	<b>7,53</b>	<b>8,30</b>	15,84	8,30
<b>TOTAL</b>	<b>76,36</b>	<b>1,45,96</b>	1,84,83	2,93,87

**Notes:****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, work in process, and such other movable 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 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.
- d. Personal guarantees of Directors namely J. Lakshmana Rao, A. Subramanyam, J. Mytreyi and P. Venkateswara Rao.

The Company is availing four vehicle loans from various financial institutions. While for two vehicle loans, repayment schedule is over 36 monthly installments, the balance two vehicle loans are repayable in 60 monthly installments.

**6. OTHER LONG-TERM LIABILITIES**

₹'000

	As at 31st March	
	2013	2012
Rent deposits	<b>28,08</b>	31,80
Deposits collected from employees	<b>3,86</b>	5,62
<b>TOTAL</b>	<b>31,94</b>	37,42

The Company collected security deposits from employees and same is to be repaid to employees after completion of service agreement norms. The said security deposits remain to be maintained in a separate bank account.

**7. LONG-TERM PROVISIONS**

	As at 31st March	
	2013	2012
Gratuity (unfunded)	<b>18,17</b>	27,66
Leave encashment (unfunded)	-	-
<b>TOTAL</b>	<b>18,17</b>	27,66

- a. Gratuity settlements to the tune of ₹9.49 lakhs have been made during the year, which are adjusted against the opening provision of ₹27.66 lakhs, leaving a balance provision of ₹18.17 lakhs.
- b. Total gratuity liability on actuarial valuation in the previous year is ₹64.52 lakhs and for leave encashment ₹21.63 lakhs. Provision for gratuity liability as per books is maintained at 18.17 lakhs. However, as at March 31, 2013:
  - i. in respect of gratuity, the liability only for employees who have completed 5 years of service stands at ₹47.19 lakhs and
  - ii. In respect of leave encashment, value of encashable leave credits stands at ₹39.67 lakhs.
 No incremental provision, as per actuarial valuation, is made during the year.



## 8. DEFERRED TAX

Deferred tax provision in accordance with Accounting Standard 22, to the extent of ₹147.52 lakhs is not provided for in the books, net of ₹21.28 lakhs being deferred tax asset for the year under review.

## 9. SHORT-TERM BORROWINGS

₹'000

	As at 31st March, 2013		As at 31st March, 2012	
Secured loans				
ICICI Bank - cash credit	<b>5,84,24</b>		4,67,02	
Short term loans	-	<b>5,84,24</b>	84,11	5,51,13
<b>TOTAL</b>		<b>5,84,24</b>		<b>5,51,13</b>

The Company during the year under review has been sanctioned/availed enhanced fund based limit of ₹6.5 crore (31st March, 2012: ₹5 crore) & non-fund based limit of ₹5.0 crore (31st March, 2012: ₹3.20 crore) from ICICI Bank (See note for hypothecation clause referred in Note 6).

## 10. TRADE PAYABLES

	As at 31st March	
	2013	2012
Creditors for expenses	<b>30,88</b>	19,13
Creditors for capital items	<b>38,01</b>	38,28
<b>TOTAL</b>	<b>68,89</b>	<b>57,41</b>

Creditor's balances are subject to confirmations and reconciliation.

## 11. OTHER CURRENT LIABILITIES

	As at 31st March	
	2013	2012
Duties & taxes	<b>31,01</b>	14,90
Unpaid dividend	<b>10,00</b>	9,10
Outstanding expenses payable	<b>36,10</b>	99,50
Mold-Tek Packaging Limited	<b>1,12</b>	-
TDS payable	<b>10,98</b>	17,16
Employee salaries, benefits & contributions payable	<b>1,11,94</b>	1,09,50
<b>TOTAL</b>	<b>2,01,15</b>	<b>2,50,16</b>

Unpaid dividend of ₹10 lakhs above comprises of various unpaid dividend accounts and ₹2.62 lakhs on shares transferrable to a proposed employee trust in terms of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.

## 12. SHORT-TERM PROVISIONS

	As at 31st March	
	2013	2012
Provision for proposed dividend & tax thereon	<b>65,39</b>	54,49
Provision for current year income tax	<b>92,58</b>	56,14
<b>TOTAL</b>	<b>1,57,97</b>	<b>1,10,63</b>

13. FIXED ASSETS	₹'000									
	Gross block			Depreciation			Net block			
	As on 1st April, 2012	Additional during the year	Deletions during the year	As on 31st March, 2013	For the year	Deletions during the year	As on 31st March, 2013	As on 31st March, 2013	As on 31st March, 2012	
<b>TANGIBLE ASSETS</b>										
Land	7,09,14	-	-	7,09,14	-	-	-	7,09,14	7,09,14	
Building	5,91,67	-	-	5,91,67	18,77	-	79,40	5,12,27	5,31,05	
Electrical installations	2,11,66	2,93	-	2,14,59	14,32	-	70,68	1,43,91	1,55,30	
Office equipments	1,96,15	94	-	1,97,09	13,46	-	67,90	1,29,19	1,41,71	
Computers	2,74,10	19,74	-	2,93,84	38,24	-	1,87,19	1,06,65	1,25,15	
Furniture & fixtures	2,42,23	-	-	2,42,23	14,57	-	64,74	1,77,49	1,92,05	
Vehicles	44,54	-	-	44,54	4,02	-	10,46	34,08	38,10	
<b>TOTAL</b>	22,69,49	23,61	-	22,93,10	1,03,38	-	4,80,37	18,12,73	18,92,50	
<b>INTANGIBLE ASSETS</b>										
Goodwill	2,51,24	-	-	2,51,24	50,25	-	1,50,74	1,00,49	1,50,74	
Software	7,11,64	19,37	-	7,31,01	1,09,01	-	5,27,20	2,03,81	2,93,45	
<b>TOTAL</b>	9,62,88	19,37	-	9,82,25	1,59,26	-	6,77,94	3,04,30	4,44,19	
<b>GRAND TOTAL</b>	32,32,37	42,98	-	32,75,35	2,62,64	-	11,58,31	21,17,03	23,36,69	
Previous year	30,89,62	1,56,72	13,97	32,32,37	2,58,42	5,99	8,95,68	23,36,69	24,46,37	



#### 14. NON-CURRENT INVESTMENTS

₹'000

	As at 31st March	
	2013	2012
Long term investments (unquoted) (Lower of cost/impaired value)		
Crossroads Detailing Inc. (impaired value)	<b>16,43</b>	16,43
RMM Global Inc. (at cost)	<b>8,16</b>	8,16
<b>TOTAL</b>	<b>24,59</b>	24,59

The investment pertains to the investment in the Company's wholly owned subsidiaries. Crossroads Detailing Inc and RMM Global Inc, situated in the USA. The investments have been tested for impairment during the previous year and are disclosed at lower of impaired value or cost. A nominal increase in the value of the investment as on Balance Sheet date is not considered as permanent in nature and hence carried at previous year values.

#### 15. LONG-TERM LOANS AND ADVANCES

	As at 31st March	
	2013	2012
Deposits to government bodies	<b>12,97</b>	8,08
Capital advances	<b>30,00</b>	30,00
Other deposits	<b>25</b>	25
<b>TOTAL</b>	<b>43,22</b>	38,33

Of above, ₹30 lakhs against capital advances pertains to an advance given for land procurement for which the allotment of land is pending, failing which, the management expresses confidence in recovering the same.

#### 16. OTHER NON-CURRENT ASSETS

	As at 31st March	
	2013	2012
Preliminary expenses	<b>18,30</b>	34,53
Deferred interest	<b>1,69</b>	4,92
<b>TOTAL</b>	<b>19,99</b>	39,45

#### 17. INVENTORY AND WORK-IN-PROCESS

Pertains to cost of contractual partial work completion values as at March 31, 2013 amounting to ₹1.34 crore (March 31, 2012: ₹1.98 crore) which are as certified by the management.

**18. TRADE RECEIVABLES**

₹'000

	As at 31st March	
	2013	2012
<b>Over six months</b>		
Considered good	<b>97,06</b>	86,46
Considered doubtful	<b>39,27</b>	39,27
<b>Others</b>		
Considered good	<b>7,72,53</b>	7,13,78
Provision for doubtful debts	<b>(39,27)</b>	(39,27)
<b>TOTAL</b>	<b>8,69,59</b>	8,00,24

- Trade receivables are subject to confirmation and reconciliation.
- Total receivables include ₹793.10 lakhs realizable in foreign currency of which ₹608.79 lakhs are receivable from Company's wholly owned subsidiaries.
- Of the receivables outstanding for more than 6 months of ₹136.33 lakhs, amounts realizable in foreign currency are ₹77.67 lakhs, of which an amount of ₹75.93 lakhs are receivable from wholly owned subsidiaries. This disclosure is made in accordance with outstandings adopted on the basis of 'due date' in tune with Schedule VI requirements.
- In addition to the existing provision of ₹39.27 lakhs which is against domestic sales, during the year debts realizable in foreign currency to the tune of ₹54.20 lakhs (including receivables from subsidiaries ₹27.14 lakhs) have been written off.
- The Company has balance overdues of ₹85.91 lakhs in foreign currency and ₹23.03 lakhs on domestic sales which it has represented as being confident of recovery.

**19. CASH AND CASH EQUIVALENTS**

	As at 31st March	
	2013	2012
Cash in hand	<b>30</b>	38
Bank current & dividend accounts	<b>25,11</b>	20,21
<b>TOTAL</b>	<b>25,41</b>	20,59

Bank balances include unpaid dividend amounts of ₹2.62 lakhs pertaining to proposed employees trust and ₹7.38 lakhs pertaining to other shareholders for previous years.

**20. SHORT-TERM LOANS AND ADVANCES**

	As at 31st March	
	2013	2012
Advance tax & TDS receivable	<b>1,46,75</b>	1,24,27
Prepaid expenses	<b>19,99</b>	33,09
Staff advances	<b>68,86</b>	23,66
Mold-Tek Packaging Limited (associate company/related party)	<b>-</b>	1,90
<b>TOTAL</b>	<b>2,35,60</b>	1,82,92

Staff advances include an amount of ₹26 lakhs given to senior employees and ₹6.04 lakhs receivable for more than 3 years from a former employee on whom a legal case is filed for recovery. Management has represented that it is confident of recovering all the amounts including that of the former employee.





## 21. OTHER CURRENT ASSETS

₹'000

	As at 31st March	
	2013	2012
Others (Proposed Employee Welfare Trust)	10,79	10,79
<b>TOTAL</b>	<b>10,79</b>	<b>10,79</b>

Other current assets includes 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.

## 22. INCOME

	Year ended	
	2013	2012
Domestic sales	2,24,00	3,18,19
Export sales	27,97,85	22,62,22
<b>TOTAL</b>	<b>30,21,85</b>	<b>25,80,41</b>

## 23. OTHER INCOME

	Year ended	
	2013	2012
Rent received	70,64	65,92
Foreign exchange gain	77,50	77,64
Miscellaneous income	42	19
<b>TOTAL</b>	<b>1,48,56</b>	<b>1,43,75</b>

Foreign exchange gain mostly pertains to the fluctuation in the currency rates between billing and realization/year end reinstatement of receivables (Losses pertaining to such realizations are grouped under other expenses ₹22.41 lakhs).

## 24. CHANGES IN WORK-IN-PROCESS

	Year ended	
	2013	2012
<b>Work-in-process</b>		
Opening stocks	1,98,93	1,88,17
Closing stocks	1,34,38 (64,55)	1,98,93 10,76
<b>TOTAL</b>	<b>(64,55)</b>	<b>10,76</b>

Closing stock of work-in-process includes cost of contractual partial work completion values as at March 31, 2013 amounting to ₹1.34 crore (March 31, 2012: ₹1.98 crore) primarily comprising value in relation to efforts on contract on the basis of extent of completion.

**25. EMPLOYEE REMUNERATION & BENEFITS**

₹'000

	Year ended	
	2013	2012
Salaries, wages, allowances & bonus	<b>15,91,55</b>	13,35,32
Contribution to provident fund & ESIC	<b>43,07</b>	45,36
Welfare expenses	<b>87,38</b>	83,83
Gratuity	-	-
Leave encashment	<b>8,60</b>	3,97
Directors' remuneration & perquisites	<b>87,10</b>	1,14,47
Employee compensation expenses (ESOS)	<b>6,97</b>	24,94
<b>TOTAL</b>	<b>18,24,67</b>	16,07,89

- Employee gratuity amounts settled during the year ₹9.49 lakhs has been adjusted completely against provision.
- Leave encashment payments made during the year are amounting to ₹8.60 Lakhs is charged to the Statement of Profit and Loss.
- Directors' remuneration for the year excludes a sum of ₹10.47 lakhs (31st March, 2012: Nil) paid towards gratuity for earlier years which is accounted and disclosed as prior period expenditure.

**26. SELLING & DISTRIBUTION EXPENSES**

	Year ended	
	2013	2012
Sales promotion & commission	<b>7,19</b>	5,06
Advertisement expenses	<b>71</b>	60
<b>TOTAL</b>	<b>7,90</b>	5,66



## 27. OTHER EXPENSES

₹'000

	Year ended	
	2013	2012
Rent	13,62	6,14
Rates & taxes	20,37	22,71
Insurance	4,01	2,05
Communication expenses	14,95	14,25
Power & fuel	41,38	40,72
Foreign travel	68,72	46,10
Travelling and conveyance - others	27,59	15,63
Printing & stationery	7,92	9,61
Repairs & maintenance	73,20	56,37
Professional charges	31,93	17,49
Payments to auditors	3,50	3,00
Job work charges	15,05	12,81
Bank charges	16,30	7,92
Loss on exchange rate	22,41	28,17
Loss on sale of assets	-	3,88
General expenses	8,15	8,95
<b>TOTAL</b>	<b>3,69,10</b>	<b>2,95,80</b>

### Auditors' remuneration

	2012-13	2011-12
Statutory & tax audit fee including quarterly reviews	2,75	2,25
Retainer fee for tax and other matters	75	75
<b>TOTAL</b>	<b>3,50</b>	<b>3,00</b>

## 28. INTEREST & FINANCIAL CHARGES

	Year ended	
	2013	2012
Interest on term loans	44,15	76,86
Interest on working capital	72,85	70,65
Interest charges on other loans	10,36	11,42
<b>TOTAL</b>	<b>1,27,36</b>	<b>1,58,93</b>

**29. DERIVATIVES & FORWARDS**

During the year, the Company incurred loss of ₹233.13 lakhs on account of derivatives and forwards, comprising of ₹188.21 lakhs and ₹44.92 lakhs (net) on derivatives and forwards respectively.

**Derivatives**

Foreign exchange hedging contract with ICICI Bank vide OP 202804 to 921, & 203502 dated 31st October, 2007 by way of an option confirmation has come to an end by September 2012.

**Forwards**

The Company entered into foreign exchange hedging contracts by way of a forward confirmation with ICICI Bank. The following are the particulars of such unexpired cash flow hedging contracts as on 31st March, 2013:

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	20249951	50,000	30th April, 2013	55.20
USD	20219050	50,000	30th April, 2013	54.80
USD	20279479	50,000	30th April, 2013	55.56
USD	20208963	50,000	30th April, 2013	54.30
USD	20023740	50,000	30th April, 2013	59.73
EUR	20504406	40,000	30th April, 2013	73.60
USD	20249955	50,000	31st May, 2013	55.40
USD	20208966	50,000	31st May, 2013	54.55
USD	20023405	50,000	31st May, 2013	59.95
USD	20279512	50,000	31st May, 2013	55.79
USD	20219068	50,000	31st May, 2013	55.05
EUR	20504407	40,000	31st May, 2013	73.97
USD	20279532	50,000	28th June, 2013	56.00
USD	20276346	50,000	28th June, 2013	55.86
USD	20249971	50,000	28th June, 2013	55.60
USD	20319955	50,000	28th June, 2013	56.65
USD	20219070	50,000	28th June, 2013	55.25
EUR	20504416	40,000	28th June, 2013	74.30
USD	20319970	50,000	31st July, 2013	56.90
USD	20276352	50,000	31st July, 2013	56.09
USD	20279581	50,000	31st July, 2013	56.23
USD	20219122	50,000	31st July, 2013	55.50
USD	20249986	50,000	31st July, 2013	55.80
EUR	20504433	40,000	31st July, 2013	74.68



Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	20306262	1,00,000	30th August, 2013	56.65
USD	20276343	50,000	30th August, 2013	56.28
USD	20249987	50,000	30th August, 2013	56.00
USD	20279644	50,000	30th August, 2013	56.44
USD	20304553	50,000	30th August, 2013	56.83
USD	20304688	50,000	27th September, 2013	57.10
USD	20306276	1,00,000	27th September, 2013	56.86
USD	20276341	50,000	30th September, 2013	56.50
USD	20250002	50,000	30th September, 2013	56.20
USD	20279690	50,000	30th September, 2013	56.64
USD	20304694	1,00,000	31st October, 2013	57.27
USD	20319973	1,00,000	31st October, 2013	57.60
USD	20306375	1,00,000	31st October, 2013	57.09
USD	20458342	2,00,000	29th November, 2013	57.82

The impact of both the transactions, derivative as well as forwards, is recognized immediately in the Statement of Profit and Loss on settlement of specific transaction.

### 30. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF

₹'000

	Year ended	
	2013	2012
Opening balance as on 1st April, 2012	34,53	51,75
Add: Additions	-	-
Less: Written off during the year	16,23	17,23
<b>TOTAL</b>	<b>18,30</b>	<b>34,52</b>

### 31. PRIOR PERIOD ADJUSTMENTS

The amounts includes an expenses of ₹10.47 lakhs in relation to gratuity pertaining to earlier years of managerial person/s and income of ₹8.47 lakhs written back on account of forfeited employee stock options of employees resigned in earlier years.

### 32. FOREIGN CURRENCY RECEIVABLES

The amounts receivable in foreign currency as on 31st March, 2013 (reinstated) on account of export of goods:

	As at 31st March, 2013		As at 31st March, 2012	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Debtors	671.34	USD 12,36,809	578.66	USD 11,39,369
	121.75	EUR 1,74,915	84.37	EUR 1,24,330

**33. EARNINGS PER SHARE**

	2012-13	2011-12
Profit available for equity share holders (₹)	<b>1,16,03,793</b>	89,96,835
No. of equity shares outstanding for BEPS	<b>46,88,306</b>	45,31,512
Weighted average number of potential equity shares, warrants and ESOPs outstanding	<b>41,292</b>	1,12,875
Total number of equity shares for DEPS	<b>47,29,598</b>	46,44,387
Earning per share - Face value of ₹10		
- Basic (₹)	<b>2.48</b>	1.99
- Diluted (₹)	<b>2.45</b>	1.94

**34. CONTINGENT LIABILITIES**

₹ Lakhs

	As at 31st March	
	2013	2012
Tax disputes	<b>36.83</b>	36.83
Derivatives	-	143.28

Tax disputes are in respect of demands raised by Income Tax Department amounting to ₹36.83 lakhs for which the Company has filed an appeal with the Income Tax Appellate Tribunal.

The obligation on derivatives has come to an end, hence no contingent liability with respect to derivatives. The contingent liability is arrived based on the unexpired contracts the Company has entered into, at foreign currency rate as on 31st March, 2013; Hence, nil in case of forwards.

**35. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act****a. Earnings in foreign currency (on accrual basis)**

₹ Lakhs

	2012-13	2011-12
FOB value of exports	<b>27,97.84</b>	22,69.98

**b. Expenditure in foreign currency**

	2012-13	2011-12
Travelling	<b>68.72</b>	46.09

**36. RELATED PARTY DISCLOSURES****1. Related parties and nature of relationship**

- Crossroads Detailing Inc., USA - Subsidiary company
- RMM Global Inc., USA - Subsidiary company
- J. Rana Pratap - Management Trainee - Son of Chairman & Managing Director



## 2. Key management personnel

- J. Lakshmana Rao, Chairman & Managing Director
- J. Sudha Rani, Wholetime Director, wife of Chairman & Managing Director

## 3. Associated companies

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

### Related party transactions

₹ Lakhs

	Subsidiaries		Associate companies		Key management personnel		Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Sales</b>								
Crossroads Detailing, Inc., USA	5,99.91	2,10.06						
RMM Global Inc., USA	9,86.86	9,07.97						
Mold-Tek Packaging Limited			5.62					
<b>Remuneration</b>								
J. Lakshmana Rao					50.21 <sup>a</sup>	84.00 <sup>a</sup>		
J. Sudha Rani					35.02	25.20		
J. Rana Pratap							-	1.20
<b>Dividend<sup>#</sup></b>								
J. Lakshmana Rao					0.27	0.23		
J. Sudha Rani					4.73	3.09		
J. Rana Pratap							1.53	1.27
A. Subramanyam							1.22	2.56
Mold-Tek Packaging Limited			5.08	4.23				
<b>Outstanding receivables as at 31st March, 2013</b>								
Crossroads Detailing Inc., USA	2,47.46	1,32.12						
RMM Global Inc., USA	3,55.47	3,24.89						
<b>Other payables</b>								
Mold-Tek Packaging Limited			4.50	1.90				
<b>Personal guarantee given to bank</b>								
J. Lakshmana Rao					8.40			

<sup>a</sup> Excludes payment made towards leave encashment for earlier years.

<sup>#</sup> Dividend payment details to related parties is disclosed for key management personnel and the shareholders holding more than 5%.

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

**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors

**A. SUBRAMANYAM**

Director-Technical

**J. LAKSHMANA RAO**

Chairman & Managing Director

## RMM Global Inc, USA

### BALANCE SHEET AS AT 31ST MARCH, 2013

	31st March, 2013		31st March, 2012	
	USD	₹'000	USD	₹'000
<b>ASSETS</b>				
Current assets				
Corporate checking/savings	82,997	45,05	73,597	37,49
Accounts receivable	5,65,197	3,06,79	5,26,580	2,68,24
Work-in-process	-	-	47,779	23,78
Total current assets	<u>6,48,194</u>	<u>3,51,84</u>	<u>6,47,956</u>	<u>3,29,51</u>
Fixed assets				
Accumalated depreciation	(12,934)	(6,71)	(5,696)	(2,77)
Vehicles & computers	33,803	17,23	20,149	9,85
Total fixed assets	<u>20,869</u>	<u>10,52</u>	<u>14,453</u>	<u>7,08</u>
Other assets				
Loans & advances	500	27	69,000	35,15
Total others assets	<u>500</u>	<u>27</u>	<u>69,000</u>	<u>35,15</u>
<b>TOTAL ASSETS</b>	<u><b>6,69,563</b></u>	<u><b>3,62,63</b></u>	<u><b>7,31,409</b></u>	<u><b>3,71,74</b></u>
<b>LIABILITIES &amp; CAPITAL</b>				
Current liabilities				
Accounts payable	1,477	80	79,224	40,36
Intercompany payable	661,041	3,58,81	6,49,605	3,30,91
Total current liabilities	<u>6,62,518</u>	<u>3,59,61</u>	<u>7,28,829</u>	<u>3,71,27</u>
Capital				
Common stock	1,000	51	1,000	51
Retained earnings	1,580	3,14	(6,466)	(2,85)
Foreign currency translation reserve	-	(2,65)	-	(3,18)
Current year earnings	4,466	2,02	8,046	5,99
TOTAL CAPITAL	<u>7,045</u>	<u>3,02</u>	<u>2,580</u>	<u>47</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>6,69,563</b></u>	<u><b>3,62,63</b></u>	<u><b>7,31,409</b></u>	<u><b>3,71,74</b></u>





# RMM Global Inc, USA

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	31st March, 2013		31st March, 2012	
	USD	₹'000	USD	₹'000
<b>Ordinary income/expense</b>				
Income				
Detailing	22,72,767	12,37,77	21,75,786	10,50,62
Consulting income	1,48,870	80,98	88,740	42,77
Other income	9,394	5,13	4,850	2,25
Total income	24,31,031	13,23,88	22,69,376	10,95,64
Cost of goods sold	18,27,656	9,95,21	18,79,268	9,06,22
Gross profit	6,03,375	3,28,67	3,90,108	1,89,42
Expense				
Work-in-process	47,779	26,25	(20,151)	(11,65)
Back charges	30,274	16,47	-	-
Bank service charges	2,176	1,19	13,825	6,92
Insurance	21,012	11,48	25,072	12,13
Exhibition expenses	6,166	3,36	4,378	2,10
Office supplies	5,806	3,17	4,606	2,18
Payroll expenses	3,05,218	1,66,26	2,39,117	1,15,65
Printing and reproduction	1,683	92	2,265	1,08
Rent	13,308	7,25	14,027	6,77
Postage and delivery	631	34	311	15
Taxes	9,947	5,39	2,123	1,02
Professional fees	15,738	8,61	25,641	12,21
Travelling expenses	43,725	23,90	25,607	12,50
Computer maintenance	81,120	44,25	34,442	17,09
Communication expenses	7,087	3,87	6,667	3,22
Depreciation	7,239	3,94	4,132	2,06
Total expense	5,98,909	3,26,65	3,82,062	1,83,43
Net income	4,466	2,02	8,046	5,99

## 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, 2013 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

San Jose, CA  
May 29, 2013

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## 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, 2013 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

San Jose, CA  
May 29, 2013

# Crossroads Detailing Inc, USA

BALANCE SHEET AS AT 31ST MARCH, 2013



	31st March, 2013		31st March, 2012	
	USD	₹'000	USD	₹'000
<b>ASSETS</b>				
Current assets				
Corporate checking/savings	6,686	3,63	(4,304)	(2,19)
Checks-in-transit	60,000	32,57	-	-
Accounts receivable	4,55,200	2,47,08	3,19,495	1,62,75
Total current assets	<u>5,21,886</u>	<u>2,83,28</u>	<u>3,15,191</u>	<u>1,60,56</u>
<b>TOTAL ASSETS</b>	<u>5,21,886</u>	<u>2,83,28</u>	<u>3,15,191</u>	<u>1,60,56</u>
<b>LIABILITIES &amp; CAPITAL</b>				
Current liabilities				
Accounts payable	4,66,526	2,53,23	2,70,343	1,37,71
Other payables	9,915	5,38	(238)	(12)
Total current liabilities	<u>4,76,441</u>	<u>2,58,61</u>	<u>2,70,105</u>	<u>1,37,59</u>
Capital				
Common stock	84,441	33,79	84,441	33,79
Retained earnings	(39,355)	(13,18)	(47,832)	(17,36)
Foreign currency translation reserve	-	3,82	-	2,36
Profit and Loss current year	358	24	8,477	4,18
Total capital	<u>45,444</u>	<u>24,67</u>	<u>45,086</u>	<u>22,97</u>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<u>521,886</u>	<u>2,83,28</u>	<u>3,15,191</u>	<u>1,60,56</u>

## Crossroads Detailing Inc, USA

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	31st March, 2013		31st March, 2012	
	USD	₹'000	USD	₹'000
<b>Ordinary income/expense</b>				
Income				
Consulting income	74,850	40,70	85,470	40,20
Detailing	13,90,800	7,57,74	7,94,385	3,78,04
Other income	5,575	3,04	7,896	4,06
Total income	<u>14,71,225</u>	<u>8,01,48</u>	<u>8,87,751</u>	<u>4,22,30</u>
Cost of goods sold	<u>11,45,567</u>	<u>6,24,03</u>	<u>4,46,213</u>	<u>2,11,48</u>
Gross profit	<u>3,25,658</u>	<u>1,77,45</u>	<u>4,41,538</u>	<u>2,10,82</u>
Expense				
Work-in-process	-	-	11,500	5,34
Back charges	6,056	3,27	-	-
Bank charges	1,320	72	827	41
Membership & subscription	550	30	-	-
Insurance	26,585	14,48	24,069	11,57
Office supplies	796	43	348	15
Payroll expenses	2,73,368	1,48,91	2,75,929	1,32,32
Printing and reproduction	366	20	-	-
Rent	-	-	8,456	3,95
Taxes	(597)	(32)	1,433	64
Income taxes	-	-	309	14
Job work charges	15,272	8,37	1,02,074	48,08
Professional fee	100	5	5,725	2,91
Telephone	1,442	79	2,149	1,02
Utilities – Other	42	2	241	11
Total expense	<u>3,25,300</u>	<u>1,77,22</u>	<u>4,33,061</u>	<u>2,06,64</u>
Net income	<u>358</u>	<u>23</u>	<u>8,477</u>	<u>4,18</u>



# Independent Auditors' Report

The Board of Directors  
Mold-Tek Technologies Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Mold-Tek Technologies Limited ('the Company') and its subsidiaries together referred to as 'the group' as at 31st March, 2013, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, annexed thereto.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

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

We did not audit the financial statements of the wholly owned subsidiaries M/s. Crossroads Detailing Inc and M/s. RMM Global Inc, whose financial statements pertaining for the year 2012-13 are included in the consolidated year to date results for the year 2012-13. These financial statements and other financial information have been compiled by other independent accountants whose reports have been used by the management to prepare consolidated financial statements and in so far as it relates to the amounts included in respect of these subsidiaries are solely based on the report of such external accountants.

## Opinion

We report that these consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements issued by Institute of Chartered Accountants of India, and notified by the Companies (Accounting Standards) Rules 2006, and should be read together with, and subject to, our report of even date pertaining to the stand alone financial statements of the parent company and the accompanying notes thereon.

Based on our audit and on consideration of the reports of the other accountants 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 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. In the case of the Consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c. In the case of the Consolidated 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

**Sri Raghuram Praturi**  
Partner  
Membership No. 221770

Hyderabad  
30th May, 2013

## Consolidated Balance Sheet as at 31st March, 2013

₹'000

	Notes	As at 31st March	
		2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	4,68,83	4,66,21
Reserves & surplus	5	17,30,19	16,72,07
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	6	76,36	1,84,83
Other long-term liabilities	7	31,94	37,42
Long-term provisions	8	18,17	27,66
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	10	5,84,24	5,53,33
Trade payables	11	77,52	57,39
Other current liabilities	12	3,47,92	5,84,39
Short-term provisions	13	1,57,97	1,10,63
TOTAL		<u>34,93,14</u>	<u>36,93,93</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	14		
Tangible assets		18,12,92	18,93,78
Intangible assets		3,14,63	4,49,99
Long-term loans & advances	15	43,22	38,33
Other non-current assets	16	19,99	39,45
<b>CURRENT ASSETS</b>			
Inventories	17	1,34,38	2,22,71
Trade receivables	18	8,14,68	7,62,74
Cash and cash equivalents	19	1,06,65	58,08
Short-term loans & advances	20	2,35,88	2,18,06
Other current assets	21	10,79	10,79
TOTAL		<u>34,93,14</u>	<u>36,93,93</u>

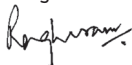
The accompanying notes 1 to 34 are an integral part of the financial statements.

Per our Report of even date

for **PRATURI & SRIRAM**

Chartered Accountants

Firm Registration No. 002739S



**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**

Director-Technical



**J. LAKSHMANA RAO**

Chairman & Managing Director



## Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

₹'000

	Notes	For the year ended 31st March	
		2013	2012
<b>INCOME</b>	22		
Domestic sales		2,24,00	3,18,19
Export sales		32,92,53	26,63,90
Other Income	23	1,56,73	1,21,88
Changes in work-in-process	24	(90,80)	17,08
<b>TOTAL</b>		<b>35,82,46</b>	<b>31,21,05</b>
<b>EXPENDITURE</b>			
Employees remuneration & benefits	25	21,39,84	18,55,86
Selling & distribution expenses	26	11,26	7,76
Other expenses	27	5,01,64	4,19,47
Interest & financial charges	28	1,27,36	1,58,93
Preliminary & deferred expenses written off	29	16,23	17,23
Derivative loss	30	2,33,13	2,15,93
Provision for bad debts & back charges		70,68	18,77
Depreciation	14	2,66,58	2,60,48
<b>TOTAL</b>		<b>33,66,72</b>	<b>29,54,43</b>
<b>Profit before prior period adjustments &amp; tax</b>		<b>2,15,74</b>	<b>1,66,62</b>
Provision for taxation for the year		95,44	56,28
<b>Profit after tax</b>		<b>1,20,30</b>	<b>1,10,34</b>
Extraordinary items & prior period adjustments	31	2,00	10,20
<b>Profit transferred to Balance Sheet</b>		<b>1,18,30</b>	<b>1,00,14</b>
Earning per share			
- Basic (₹)		2.52	2.21
- Diluted (₹)		2.50	2.16

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

**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors

**A. SUBRAMANYAM**

Director-Technical

**J. LAKSHMANA RAO**

Chairman & Managing Director

## Consolidated Cash Flow Statement for the year ended 31st March, 2013

₹'000

	For the year ended 31st March			
	2013		2012	
<b>A. CASH FLOW FROM OPERATIONS</b>				
Net profit as per Statement of Profit and Loss		2,15,74		1,66,62
Adjustment for				
Depreciation	2,66,58		2,60,48	
Preliminary expenses & deferred expenses	16,23		17,23	
Interest paid	1,27,36	4,10,17	1,58,93	4,36,64
Operating profit before working capital changes		6,25,91		6,03,26
Adjustment for				
Trade and other receivables	(51,94)		(3,21,09)	
Work-in-process	88,33		(17,08)	
Trade payables & other liabilities (Including derivatives loss)	(1,83,97)		5,80	
Advances/receivables	(19,48)	(1,67,06)	(93,09)	(4,25,46)
Cash generated from operations		4,58,85		1,77,80
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of fixed assets	(50,36)		(1,63,64)	
Sale of fixed assets	-		7,98	
Pending capitalisation	-	(50,36)	1,21	(1,54,45)
		4,08,49		23,35





₹'000

	For the year ended 31st March	
	2013	2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital reserve	-	3,17,01
Share capital	<b>2,62</b>	54,71
Share application money	-	(4,19,01)
Share premium	<b>15,72</b>	3,79,28
Employee Stock Option Scheme	<b>(12,50)</b>	9,35
Provision for taxation	<b>(95,44)</b>	(56,28)
Provision for proposed dividend & tax thereon	<b>(56,26)</b>	(46,88)
Additions/repayment of secured loans	<b>(77,56)</b>	(35,03)
Foreign currency reserve	<b>199</b>	(82)
Provision for corporate dividend tax	<b>(9,13)</b>	(7,61)
Interest paid	<b>(1,27,36)</b>	(1,58,93)
Prior period & extraordinary items	<b>(2,00)</b>	(10,20)
	<b>(3,59,92)</b>	25,59
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>48,57</b>	48,94
<b>D. Opening balance of cash &amp; cash equivalents</b>	<b>58,08</b>	9,14
<b>E. Closing balance of cash &amp; cash equivalents</b>	<b>1,06,65</b>	58,08

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

**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors

**A. SUBRAMANYAM**

Director-Technical

**J. LAKSHMANA RAO**

Chairman & Managing Director

## Significant accounting policies and notes on consolidated accounts

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. 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 amount 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.
- e. The financial statements of the subsidiaries are drawn up to 31st March, 2013.

#### B. Fixed assets

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

#### C. Depreciation

Straight-line method of depreciation is adopted on the basis of and at rates prescribed by Schedule XIV to the Companies Act, 1956 except for leasehold buildings, wherein depreciation is provided on the basis of estimated useful life.

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

#### D. Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed to the extent of any change in the estimate of the recoverable amount.

#### E. Investments

Investments are carried in accounts at cost of acquisition or at declined value. Decline in value of the investments are considered in accordance with Accounting Standard 13. Decline in carrying value of investment considered to be permanent in nature, is provided for/adjusted in accordance with the said standard. Decline in value of investment is charged to the Statement of Profit and Loss in earlier accounting periods is reversed if the change of value is permanent in nature.

#### F. 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 the Statement of Profit and Loss on diminishing balance method as per the guidance note of ICAI.

#### G. Loans under deferred credit/hire purchase

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

#### H. 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 extent of completion as at the end of the year.

#### I. Employee benefits

##### a. Gratuity & provident fund

Post employment and other long term benefits



are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined based on actuarial valuation.

**b. Liability for leave encashment**

Liability for leave is treated as a short term liability and accounted on actual disbursement.

**c. Overseas**

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

**d. Employee share based payments**

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities 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 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 Statement of Profit and Loss on straight-line method over the vesting period or on exercising of the options. The unamortized portion of cost is shown under stock options outstanding.

**J. Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. Exchange gains or losses on conclusion of transactions within the accounting year relating to fixed assets are capitalized while in respect of others the impact is recognized in the Statement of Profit and Loss. Outstanding monetary transactions denominated in foreign currencies at the yearend are restated at year end rates. Contingent liabilities are converted into Indian rupees using the closing rates.

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 year ended rates.
- b. All revenue and expenditure items are converted into Indian rupees using the average rate for the period of consolidation.
- c. 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 ₹1.17 lakhs. The operations of the subsidiaries have been considered as non-integral operations.

**K. Foreign exchange derivatives and hedging transactions**

Company uses foreign exchange forwards to hedge its risk associated with foreign currency fluctuation, in respect of derivative and hedging transactions gains/losses arising on settlement are recognized in the Statement of Profit and Loss on settlement basis.

**L. 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 difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by ICAI.

**M. Miscellaneous expenditure**

Preliminary and deferred expenses are amortized over a period of 5 years.

**N. Leases**

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of the cumulative minimum lease rentals along with other incidental expenses during the lease term or the asset's fair value. The rental obligations, net of interest charges, are reflected in loans and advances. Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made over the lease term.

**O. Earnings per share**

The Basic earnings per share ('BEPS') is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The diluted earnings 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.

**P. Contingent liabilities & assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## Notes to the Balance Sheet & Statement of Profit and Loss

### 2. PRINCIPLES OF CONSOLIDATION

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., both of which are US based companies.

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 ICAI.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and re presented in the same manner as the Company's stand alone financial statements.
- 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 financials statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company, 31st March, 2013.
- On acquisition, the excess of the 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.

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. both incorporated in USA respectively, The parent company's ownership interest in both of them is 100% as on 31st March, 2013.

3. The previous period'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.

### 4. SHARE CAPITAL

	₹'000	
	As at 31st March	
	2013	2012
<b>a. Authorised</b>		
1,30,00,000 equity shares of ₹10 each (March 31, 2012: 1,30,00,000 equity shares of ₹10 each)	<b>13,00,00</b>	13,00,00
	<b>13,00,00</b>	13,00,00
<b>b. Issued, subscribed and paid up</b>		
46,88,306 equity shares of ₹10 each (March 31, 2012: 46,62,106 equity shares of ₹10 each)	<b>4,68,83</b>	4,66,21
	<b>4,68,83</b>	4,66,21



- 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, entire share capital of the Company was restructured into 30,90,024 equity shares of ₹10 each consequent to the merger of the plastics division of the Company into a separate company, viz., Mold-Tek Plastics Limited (Since renamed as, Mold-Tek Packaging Limited).
- 4.2 5,00,000 equity shares of ₹10 each issued at a premium of ₹38 per share on 24th April, 2006 by way of preferential offer.
- 4.3 5,24,957 equity shares of ₹10 each issued at a premium of ₹65 per share on 8th April, 2010 by way of preferential offer.
- 4.4 37,125 equity shares of ₹10 each issued at a premium of ₹60 per share on 29th April, 2011 by way of Employee Stock Option Scheme.
- 4.5 5,10,000 equity shares of ₹10 each issued at a premium of ₹70 per share on 29th June, 2011 by way of preferential offer.
- 4.6 26,200 equity shares of ₹10 each issued at a premium of ₹60 per share on 29th May, 2012 by way of Employee Stock Option Scheme.

**The reconciliation of the number of shares outstanding is set out below:**

	As at 31st March, 2013		As at 31st March, 2012	
	Number	₹	Number	₹
<b>Shares outstanding at the beginning of the year</b>	<b>46,62,106</b>	<b>4,66,21,060</b>	41,14,981	4,11,49,810
Add: Shares issued on exercise of Employee Stock Option Scheme	<b>26,200</b>	<b>2,62,000</b>	37,125	3,71,250
Shares issued on exercise of warrants by preferential offer	-	-	5,10,000	51,00,000
<b>Shares outstanding at the end of the year</b>	<b>46,88,306</b>	<b>4,68,83,060</b>	46,62,106	4,66,21,060

**The details of shareholders holding more than 5% shares**

Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% Held	No. of shares	% Held
Mold-Tek Packaging Limited	<b>4,23,433</b>	<b>9.03</b>	4,23,433	9.08
J. Sudha Rani	<b>3,94,642</b>	<b>8.42</b>	2,34,642	5.03
A. Subramanyam	<b>2,56,236</b>	<b>5.47</b>	2,56,236	5.50
<b>TOTAL</b>	<b>10,74,311</b>	<b>22.92</b>	9,14,311	19.61

**MTTL Employee Stock Option Scheme**

1,50,000 Options have been granted to employees on 21st April, 2010 under the Employee 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 the rate of ₹28 per Option.

The discount value (₹42) of Option is accounted as deferred employee compensation, which is either amortized on a straight line basis over the vesting period or on the basis of option exercised, whichever is earlier.

₹'000

	As at 31st March	
	2013	2012
Options outstanding, beginning of the year	1,12,875	1,50,000
Add: Granted	–	–
Less: Exercised	26,200	37,125
Less: Forfeited	43,200	–
Options outstanding, end of the year	43,475	1,12,875

During the year, 26,200 shares has been allotted to the employees against options exercised by them. The deferred employee compensation pertaining to such options exercised during the year have been charged off to the Statement of Profit and Loss as per the stated policy. During the year, the Company forfeited 43,200 un-exercised options granted to employees, who have resigned from the Company. The compensation amounts pertaining to such forfeited shares charged off during earlier years have accordingly been reversed during the year.

## 5. RESERVES & SURPLUS

	As at 31st March, 2013		As at 31st March, 2012	
<b>Capital reserve</b>				
Opening balance	3,17,01		–	
Add: During the year	–	3,17,01	3,17,01	3,17,01
<b>Securities premium</b>				
Opening balance	10,90,58		7,11,31	
Add: During the year	15,72	11,06,30	3,79,27	10,90,58
<b>General reserve</b>				
Opening balance	96,08		87,08	
Add: Transfer from profit for the year	11,60	1,07,68	9,00	96,08
<b>Share options outstanding account</b>				
Opening balance	29,09		19,74	
Add: Current year transfer	16,65		24,94	
Less: Written back in current year	29,15	16,59	15,59	29,09
<b>Foreign currency translation reserve</b>				
Opening balance	–		–	
Add: Profit/(Loss) for the year	1,17	1,17	(82)	(82)
<b>Capital reserve on consolidation</b>		9,71		9,71
<b>Surplus</b>				
Opening balance	1,30,42		93,77	
Add: Profit for the year	1,18,30		1,00,14	
	2,48,72		1,93,91	
<b>Less: Appropriations</b>				
Proposed final dividend	56,26		46,88	
Tax on dividend	9,13		7,61	
General reserve	11,60		9,00	
	76,99	1,71,73	63,49	1,30,42
<b>TOTAL</b>		<b>17,30,19</b>		<b>16,72,07</b>

The Board of Directors at its meeting held on May 30, 2013 has recommended a dividend of ₹1.2 per equity share.



## 6. LONG-TERM BORROWINGS

₹'000

	As at 31st March, 2013		As at 31st March, 2012	
	Non-current	Other-current	Non-current	Other-current
Secured loans				
Term loan from banks	68,83	1,37,66	1,68,99	2,85,57
Hire purchase finance	7,53	8,30	15,84	8,30
TOTAL	76,36	1,45,96	1,84,83	2,93,87

### Notes:

**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 pledge/of the borrower's entire current assets which inter-alia include work-in-process, and such other movable 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.
- Personal guarantees of Directors namely J. Lakshmana Rao, A. Subramanyam, J. Mytreji and P. Venkateswara Rao.

The Company is availing 4 vehicle loans from various financial institutions secured against the specific vehicle. While for 2 vehicle loans, repayment schedule is 36 monthly installments, the other 2 vehicle loans are repayable in 60 monthly installments.

## 7. OTHER LONG-TERM LIABILITIES

	As at 31st March	
	2013	2012
Rent deposits	28,08	31,80
Deposits collected from employees	3,86	5,62
TOTAL	31,94	37,42

The Company collected security deposits from employees and same is to be repaid to employees after completion of service agreement norms. The said security deposits remain to be maintained in a separate bank account.

## 8. LONG-TERM PROVISIONS

	As at 31st March	
	2013	2012
Gratuity (unfunded)	18,17	27,66
Leave encashment (unfunded)	-	-
TOTAL	18,17	27,66

- a. Gratuity settlements to the tune of ₹9.49 lakhs have been made during the year, which are adjusted against the opening provision of ₹27.66 lakhs, leaving a balance provision of ₹18.17 lakhs.
- b. Total gratuity liability on actuarial valuation in the previous year is ₹64.52 lakhs and for leave encashment ₹21.63 lakhs. Provision for gratuity liability as per books is maintained at ₹18.17 lakhs. However, as at March 31, 2013:
- i. In respect of gratuity, the liability only for employees who have completed 5 years of service stands at ₹47.19 lakhs, and
  - ii. In respect to leave encashment, value of encashable leave credits stands ₹39.67 lakhs.
- No incremental provision as per actuarial valuation is made during the year.

## 9. DEFERRED TAX

Deferred tax provision in accordance with Accounting Standard 22, to the extent of ₹147.52 lakhs is not provided for in the books, net of ₹21.28 lakhs being deferred tax asset for the year under review.

## 10. SHORT-TERM BORROWINGS

₹'000

	As at 31st March, 2013	As at 31st March, 2012	
<b>Secured loans</b>			
ICICI Bank cash credit	<b>5,84,24</b>	4,67,02	
Short term loans	- <b>5,84,24</b>	86,31	5,53,33
<b>TOTAL</b>	<b>5,84,24</b>		5,53,33

The Company during the year under review has been sanctioned/availed enhanced fund based limit of ₹6.5 crore (31st March, 2012: ₹5 crore) & non-fund based limit of ₹5.0 crore (31st March, 2012: ₹3.2 crore) from ICICI Bank (See note for hypothecation clause referred in Note 6).

## 11. TRADE PAYABLES

	As at 31st March	
	2013	2012
Creditors for expenses	<b>39,51</b>	19,12
Creditors for capital items	<b>38,01</b>	38,27
<b>TOTAL</b>	<b>77,52</b>	57,39

Creditor's balances are subject to confirmations and reconciliations.





## 12. OTHER CURRENT LIABILITIES

₹'000

	As at 31st March	
	2013	2012
Duties & taxes	31,01	14,90
Unpaid dividend	10,00	9,10
Outstanding expenses payable	36,10	99,50
Mold-Tek Packaging Limited	1,12	-
TDS payable	10,98	17,16
Employee salaries, benefits & contributions payable	1,12,74	1,49,85
<b>TOTAL</b>	<b>2,01,95</b>	<b>2,90,51</b>

Unpaid dividend of ₹10 lakhs above comprises of various unpaid dividend accounts and ₹2.62 lakhs on shares transferrable to a proposed employee trust in terms of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.

## 13. SHORT-TERM PROVISIONS

	As at 31st March	
	2013	2012
Provision for proposed dividend & tax thereon	65,39	54,49
Provision for current year income tax	92,58	56,14
<b>TOTAL</b>	<b>1,57,97</b>	<b>1,10,63</b>

14. FIXED ASSETS	Gross block						Depreciation			Net block		₹'000
	As on 1st April, 2012	Additional during the year	Deletions during the year	As on 31st March, 2013	As on 1st April, 2012	For the year	Deletions during the year	As on 31st March, 2013	As on 31st March, 2013	As on 31st March, 2012		
<b>TANGIBLE ASSETS</b>												
Land	7,09,14	-	-	7,09,14	-	-	-	-	7,09,14	7,09,14	7,09,14	
Building	5,91,67	-	-	5,91,67	60,62	18,77	-	79,39	5,12,28	5,31,05	5,31,05	
Electrical installations	2,11,66	2,93	-	2,14,59	56,36	14,32	-	70,68	1,43,91	1,55,30	1,55,30	
Office equipments	1,96,15	94	-	1,97,09	54,44	13,46	-	67,90	1,29,19	1,41,71	1,41,71	
Computers	2,74,10	19,74	-	2,93,84	1,48,95	38,24	-	1,87,19	1,06,65	1,25,15	1,25,15	
Furniture & fixtures	2,42,23	-	-	2,42,23	50,18	14,57	-	64,75	1,77,48	1,92,05	1,92,05	
Vehicles	44,54	-	-	44,54	6,44	4,02	-	10,46	34,08	38,10	38,10	
Software at RMM Global Inc	2,92	40	-	3,32	1,64	1,49	-	3,13	19	1,28	1,28	
<b>TOTAL</b>	22,72,41	24,01	-	22,96,42	3,78,63	1,04,87	-	4,83,50	18,12,92	18,93,78	18,93,78	
<b>INTANGIBLE ASSETS</b>												
Goodwill	2,51,24	-	-	2,51,24	1,00,50	50,25	-	1,50,75	1,00,49	1,50,74	1,50,74	
Software	7,11,64	19,37	-	7,31,01	4,18,19	1,09,01	-	5,27,20	2,03,81	2,93,45	2,93,45	
Software at RMM Global Inc	6,92	6,98	-	13,90	1,12	2,45	-	3,57	10,33	5,80	5,80	
<b>TOTAL</b>	9,69,80	26,35	-	9,96,15	5,19,81	1,61,71	-	6,81,51	3,14,63	4,49,99	4,49,99	
<b>GRAND TOTAL</b>	32,42,21	50,36	-	32,92,57	8,98,44	2,66,58	-	11,65,01	21,27,56	23,43,77	23,43,77	
Previous year	30,92,54	1,63,64	13,97	32,42,21	6,43,96	2,60,47	5,99	8,98,44	23,43,77	24,48,58	24,48,58	



## 15. LONG-TERM LOANS AND ADVANCES

₹'000

	As at 31st March	
	2013	2012
Deposits to government bodies	12,97	8,08
Capital advances	30,00	30,00
Other deposits	25	25
<b>TOTAL</b>	<b>43,22</b>	<b>38,33</b>

Of above, ₹30 lakhs against capital advances pertains to an advance given for land procurement for which the allotment of land is pending, failing which, the management expresses confidence in recovering the same.

## 16. OTHER NON-CURRENT ASSETS

	As at 31st March	
	2013	2012
Preliminary expenses	18,30	34,53
Deferred interest	1,69	4,92
<b>TOTAL</b>	<b>19,99</b>	<b>39,45</b>

## 17. INVENTORIES & UNBILLED REVENUES

Pertains to cost of contractual partial work completion values as at March 31, 2013 amounting to ₹1.3 crore (March 31, 2012: ₹2.2 crores) which are as certified by the management.

## 18. TRADE RECEIVABLES

	As at 31st March	
	2013	2012
<b>Over six months</b>		
Considered good	1,36,70	1,49,44
Considered doubtful	39,27	39,27
<b>Others</b>		
Considered good	6,77,98	6,13,30
Provision for doubtful debts	(39,27)	(39,27)
<b>TOTAL</b>	<b>8,14,68</b>	<b>7,62,74</b>

- Trade receivables are subject to confirmation and reconciliation.
- This disclosure is made in accordance with outstandings adopted on the basis of 'due date' in tune with Schedule VI requirements.
- In addition to the existing provision of ₹39.27 lakhs which is against domestic sales of parent company, the management during the year has written off debts realizable in foreign currency to the tune of ₹54.20 lakhs including from subsidies ₹27.14 lakhs, while expressed confidence in the recovery of the balance dues.

**19. CASH AND CASH EQUIVALENTS**

₹'000

	As at 31st March	
	2013	2012
Cash in hand	30	38
Current & dividend accounts	1,06,35	57,70
<b>TOTAL</b>	<b>1,06,65</b>	<b>58,08</b>

Bank balances include unpaid dividend amounts of ₹2.62 lakhs pertaining to proposed employees trust and ₹7.38 lakhs pertaining to other shareholders for previous years.

**20. SHORT-TERM LOANS AND ADVANCES**

	As at 31st March	
	2013	2012
Advance tax & TDS receivable	1,46,75	1,24,27
Prepaid expenses	19,99	33,09
Staff advances	68,86	23,66
Advance to suppliers & advances	28	35,14
Mold-Tek Packaging Limited (related party)	-	1,90
<b>TOTAL</b>	<b>2,35,88</b>	<b>2,18,06</b>

Staff advances include an amount of ₹26 lakhs given to senior employees and ₹6.04 lakhs receivable for more than 3 years from a former employee on whom a legal case is filed for recovery. Management has represented that it is confident of recovering all the amounts including that of the former employee.

**21. OTHER CURRENT ASSETS**

	As at 31st March	
	2013	2012
Others (proposed Employee Welfare Trust)	10,79	10,79
<b>TOTAL</b>	<b>10,79</b>	<b>10,79</b>

Other current assets includes 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.

**22. INCOME**

	Year ended	
	2013	2012
Domestic sales	2,24,00	3,18,19
Export sales	32,92,53	26,63,90
<b>TOTAL</b>	<b>35,16,53</b>	<b>29,82,09</b>



## 23. OTHER INCOME

₹'000

	Year ended	
	2013	2012
Foreign exchange gain	77,50	49,46
Rent received	70,64	65,92
Miscellaneous income	8,59	6,50
<b>TOTAL</b>	<b>1,56,73</b>	<b>1,21,88</b>

Foreign exchange gain mostly pertains to the fluctuation in the currency rates between billing and realization/year end reinstatement of receivables. (Losses pertaining to such realizations are grouped under other expenses ₹22.41 lakhs).

## 24. CHANGE IN WORK-IN-PROCESS

	Year ended	
	2013	2012
Work-in-process		
Opening stocks	2,25,18	2,08,10
Closing stocks	1,34,38 (90,80)	2,25,18 17,08
<b>TOTAL</b>	<b>(90,80)</b>	<b>17,08</b>

Closing stock of work-in-process includes cost of contractual partial work completion values as at March 31, 2013 amounting to ₹1.3 crore (March 31, 2012: ₹2.2 crore) primarily comprising value in relation to efforts on contract on the basis of extent of completion.

## 25. EMPLOYEE REMUNERATION & BENEFITS

	Year ended	
	2013	2012
Salaries, wages, allowances & bonus	19,06,72	15,83,29
Contribution to provident fund & ESIC	43,07	45,36
Welfare expenses	87,38	83,83
Leave encashment	8,60	3,97
Directors' remuneration & perquisites	87,10	1,14,47
Employee compensation expenses (ESOS)	6,97	24,94
<b>TOTAL</b>	<b>21,39,84</b>	<b>18,55,86</b>

- Employee gratuity amounts settled during the year ₹9.49 lakhs has been adjusted completely against provision.
- Leave encashment payments made during the year are amounting to ₹8.60 lakhs is charged to Statement of Profit and Loss.
- Directors' remuneration for the year excludes a sum of ₹10.47 lakhs (31st March, 2012: Nil) paid towards gratuity for earlier years which is disclosed as prior period expenditure.

**26. SELLING & DISTRIBUTION EXPENSES**

₹'000

	Year ended	
	2013	2012
Sales promotion & commission	7,19	5,06
Advertisement expenses	4,07	2,70
<b>TOTAL</b>	<b>11,26</b>	<b>7,76</b>

**27. OTHER EXPENSES**

	Year ended	
	2013	2012
Rent	20,87	16,86
Rates & taxes	22,57	32,12
Insurance	29,97	25,74
Communication expenses	19,97	18,77
Power & fuel	41,38	40,72
Foreign travel	92,62	58,60
Travelling and conveyance - others	27,59	15,63
Printing & stationery	9,04	10,69
Repairs & maintenance	1,21,05	75,77
Professional charges	40,60	32,60
Payment to auditors	3,50	3,00
Job work charges	23,72	60,88
Bank charges	18,20	15,26
Loss on sale of assets	-	3,88
Exchange rate fluctuation	22,40	-
General expenses	8,16	8,95
<b>TOTAL</b>	<b>5,01,64</b>	<b>4,19,47</b>

**Auditors' remuneration**

	2012-13	2011-12
Statutory audit fee	2,75	2,25
Tax matters	75	75
<b>TOTAL</b>	<b>3,50</b>	<b>3,00</b>

**28. INTEREST & FINANCIAL CHARGES**

	Year ended	
	2013	2012
Interest on term loans	44,15	76,86
Interest on working capital	72,85	70,65
Interest charges on other loans	10,36	11,42
<b>TOTAL</b>	<b>1,27,36</b>	<b>1,58,93</b>



## 29. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF

₹'000

	Year ended	
	2013	2012
Opening balance as on 1st April, 2012	34,53	51,75
Add: Additions	-	-
Less: Written off during the year	16,23	17,23
<b>TOTAL</b>	<b>18,30</b>	<b>34,52</b>

## 30. DERIVATIVES AND OPTIONS

During the year the company incurred loss of ₹233.13 lakhs on account of derivatives and forwards, comprising of ₹188.21 lakhs and ₹44.92 lakhs (net) on derivatives and forwards respectively.

### Derivatives

Foreign exchange hedging contract with ICICI Bank vide OP 202804 to 921, & 203502 dated 31st October, 2007 by way of an option confirmation has come to an end by September 2012.

### Forwards

The Company entered into foreign exchange hedging contract by way of a forward confirmation with ICICI Bank. The following are the particulars of such unexpired cash flow hedging contract as on 31st March, 2013:

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	20249951	50,000	30th April, 2013	55.20
USD	20219050	50,000	30th April, 2013	54.80
USD	20279479	50,000	30th April, 2013	55.56
USD	20208963	50,000	30th April, 2013	54.30
USD	20023740	50,000	30th April, 2013	59.73
EUR	20504406	40,000	30th April, 2013	73.60
USD	20249955	50,000	31st May, 2013	55.40
USD	20208966	50,000	31st May, 2013	54.55
USD	20023405	50,000	31st May, 2013	59.95
USD	20279512	50,000	31st May, 2013	55.79
USD	20219068	50,000	31st May, 2013	55.05
EUR	20504407	40,000	31st May, 2013	73.97
USD	20279532	50,000	28th June, 2013	56.00
USD	20276346	50,000	28th June, 2013	55.86
USD	20249971	50,000	28th June, 2013	55.60
USD	20319955	50,000	28th June, 2013	56.65
USD	20219070	50,000	28th June, 2013	55.25
EUR	20504416	40,000	28th June, 2013	74.30

(Contd.)

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	20319970	50,000	31st July, 2013	56.90
USD	20276352	50,000	31st July, 2013	56.09
USD	20279581	50,000	31st July, 2013	56.23
USD	20219122	50,000	31st July, 2013	55.50
USD	20249986	50,000	31st July, 2013	55.80
EUR	20504433	40,000	31st July, 2013	74.68
USD	20306262	1,00,000	30th August, 2013	56.65
USD	20276343	50,000	30th August, 2013	56.28
USD	20249987	50,000	30th August, 2013	56.00
USD	20279644	50,000	30th August, 2013	56.44
USD	20304553	50,000	30th August, 2013	56.83
USD	20304688	50,000	27th September, 2013	57.10
USD	20306276	1,00,000	27th September, 2013	56.86
USD	20276341	50,000	30th September, 2013	56.50
USD	20250002	50,000	30th September, 2013	56.20
USD	20279690	50,000	30th September, 2013	56.64
USD	20304694	1,00,000	31st October, 2013	57.27
USD	20319973	1,00,000	31st October, 2013	57.60
USD	20306375	1,00,000	31st October, 2013	57.09
USD	20458342	2,00,000	29th November, 2013	57.82

The impact of both the transactions derivative as well as forwards is recognized immediately in profit and loss account on settlement of specific transaction.

### 31. PRIOR PERIOD ADJUSTMENTS

The amounts includes an expenses of ₹10.47 in relation to gratuity pertaining to earlier years of managerial person and income of ₹8.47 Lakhs written back on account of forfeited employee stock options of employees resigned in earlier years.





### 32. EARNINGS PER SHARE

₹'000

	2012-13	2011-12
Profit available for equity shareholders (₹)	<b>1,18,29,637</b>	1,00,14,429
No. of equity shares outstanding for BEPS	<b>46,88,306</b>	45,31,512
Weighted average number of potential equity shares, warrants and ESOPs outstanding	<b>41,292</b>	1,12,875
Total number of equity shares for DEPS	<b>47,29,598</b>	46,44,387
Earning per share - Face value of ₹10		
- Basic (₹)	<b>2.52</b>	2.21
- Diluted (₹)	<b>2.50</b>	2.16

### 33. CONTINGENT LIABILITIES

₹ Lakhs

	As at 31st March	
	2013	2012
Tax disputes	<b>36.83</b>	36.83
Derivatives	-	143.28

Tax disputes are in respect of demands raised by Income Tax Department amounting to ₹36.83 lakhs for which the Company has filed an appeal with the Income Tax Appellate Tribunal.

The obligation on derivatives has come to an end, hence no contingent liability with respect to derivatives. The contingent liability is arrived based on the unexpired contracts the Company has entered into, at foreign currency rate as on 31st March, 2013; Hence, nil in case of forwards.

### 34. RELATED PARTY DISCLOSURES

#### 1. Related parties and nature of relationship

- Crossroads Detailing Inc., USA - Subsidiary
- RMM Global Inc., USA - Subsidiary
- J. Rana Pratap - Management Trainee - Son of Chairman & Managing Director

#### 2. Key management personnel

- J. Lakshmana Rao, Chairman & Managing Director
- J. Sudha Rani, Wholetime Director, wife of Chairman & Managing Director

#### 3. Associated companies

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

## Related party transactions

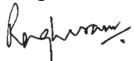
₹ Lakhs

	Subsidiaries		Associate companies		Key management personnel		Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Sales</b>								
Crossroads Detailing, Inc., USA	<b>5,99.91</b>	2,10.06						
RMM Global Inc., USA	<b>9,86.86</b>	9,07.97						
Mold-Tek Packaging Limited			<b>5.62</b>	-				
<b>Remuneration</b>								
J. Lakshmana Rao					<b>50.21<sup>a</sup></b>	84.00 <sup>a</sup>		
J. Sudha Rani					<b>35.02</b>	25.20		
J. Rana Pratap							-	1.20
<b>Dividend<sup>#</sup></b>								
J. Lakshmana Rao					<b>0.27</b>	0.23		
J. Sudha Rani					<b>4.73</b>	3.09		
J. Rana Pratap							<b>1.53</b>	1.27
A. Subramanyam							<b>1.22</b>	2.56
Mold-Tek Packaging Limited			<b>5.08</b>	4.23				
<b>Outstanding receivables as at 31st March, 2013</b>								
Crossroads Detailing Inc., USA	<b>2,47.46</b>	1,32.12						
RMM Global Inc., USA	<b>3,55.47</b>	3,24.89						
<b>Other payables</b>								
Mold-Tek Packaging Limited			<b>4.50</b>	1.90				
<b>Personal guarantee given to bank</b>								
J. Lakshmana Rao					<b>8,40</b>			


<sup>a</sup> Excludes payment made towards leave encashment for earlier years.

<sup>#</sup> Dividend payment details to related parties is disclosed for key management personnel and the shareholders holding more than 5%.

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

  
**Sri Raghuram Praturi**  
Partner  
Membership No. 221770  
Hyderabad, 30th May, 2013

for and on behalf of the Board of Directors

  
**A. SUBRAMANYAM**  
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 Ninth ANNUAL GENERAL MEETING of the Company on 20th day of September, 2013 at 11.00 a.m. at Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No.36, Jubilee Hills, Hyderabad - 500033

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, 20th September, 2013 or at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of 2013 \_\_\_\_\_.

**NOTE**

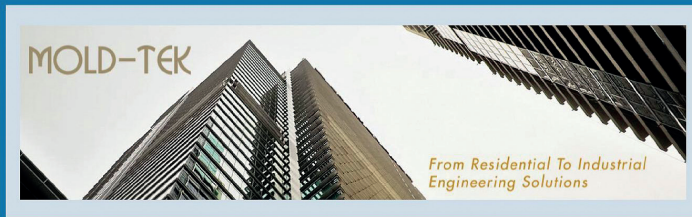
*A proxy need not be a member. This form must be deposited at the Registered Office of the Company not less than 48 hours before the beginning of the Meeting.*

Affix  
15 P.  
Revenue  
Stamp

Signed by the said



# Book-Post



If undelivered, please return to



**MOLD-TEK**  
*Technologies Limited*

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

Phone : +91 40 4030 0300/01/02/03/04 Fax : +91 40 4030 0328