



MOLD-TEK
Technologies Limited

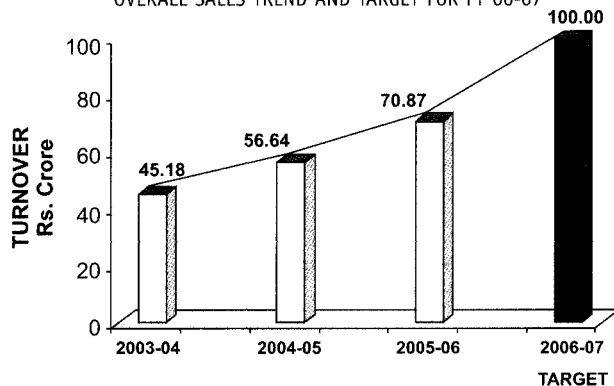
An ISO-9001:2000 Company

...innovators in packaging

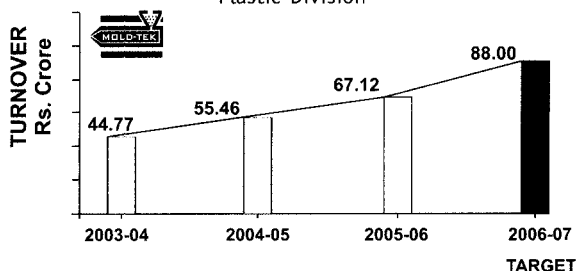
...pioneers in structural engineering KPO services



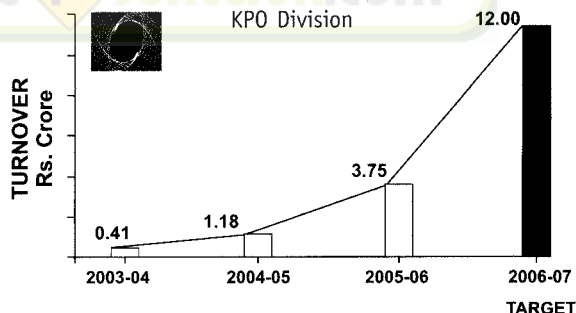
22nd Annual Report
2005-2006



Plastic Division



KPO Division



Turnover target for 2006-07... Rs.100 crore

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Board of Directors

J. Lakshmana Rao, Chairman & Managing Director
A. Subrahmanyam, Executive Director
P. Venkateswara Rao, Director - Commercial
P. Shyam Sunder Rao, Non-Executive Director
J. Mythraeyi, Non-Executive Director
Dr. K. Venkata Appa Rao, Non-Executive Director
C. Vasanth Kumar Roy, Non-Executive Director
Dr. M. Subhash Chandra Bose, Non-Executive Director
T. Venkateswara Rao, Non-Executive Director
C. Prabhakar, Non-Executive Director

Statutory Auditors

Praturi & Sriram
 Chartered Accountants
 301, Sapthagiri Residency
 1-10-98/A, Chikoti Gardens
 Begumpet, Hyderabad - 500 016

Internal Auditors

GMK Associates
 Chartered Accountants
 607, Raghava Ratna Towers
 Chirag Ali Lane
 Hyderabad - 500 001

Bankers

State Bank of India (Industrial Finance Branch)
 State Bank of Hyderabad (Industrial Finance Branch)

Legal Advisor

M. Radhakrishna Murthy, Advocate
 Vidya Nagar, Hyderabad

Registered Office

White House, 402/1, 4th Floor
 6-3-1192/1/1, Kundanbagh, Begumpet
 Hyderabad - 500 016
 Phone + 91 40 2341 2846, 2341 2918
 Fax + 91 40 2341 2950
 E-mail finance@moldtekindia.com
mrktg@moldtekindia.com

Works

Unit I

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

Unit II

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

Unit III

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

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of MOLD-TEK TECHNOLOGIES LIMITED will be held on Monday, the 25th day of September, 2006 at 10.00 a.m. at Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, E-Block, Hyderabad-500 038 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2006 and Profit and Loss Account for the year ended on 31st March, 2006 along with the schedules and other statements and Auditors' Report and Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2006.
3. To appoint a Director in place of P. Venkateswara Rao who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of C. Vasanth Kumar Roy, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. Praturi & Sriram, Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

6. Appointment of C. Prabhakar as Director

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

"RESOLVED THAT pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 36 of the Articles of Association of the Company, C. Prabhakar was appointed as an Additional Director of the Company by the Board on 30th December, 2005 and who period holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. Appointment of T. Venkateswara Rao as Director

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

"RESOLVED THAT pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 36 of the Articles of Association of the Company, T. Venkateswara Rao was appointed as an Additional Director of the Company by the Board on 30th December, 2005 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. Re-appointment of J. Lakshmana Rao as Managing Director

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

"RESOLVED THAT in supersession to the Resolution passed by the Members of the Company at the Annual General Meeting held on 30th September, 2005 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 Members be and is hereby accorded to the re-appointment of J. Lakshmana Rao as Managing Director of the Company for a period of 5 years commencing from 1st April, 2006 on the following terms and conditions:

1. Salary

The Company shall pay J. Lakshmana Rao in consideration of the performance of his duties a salary of Rs.1,90,000 (Rupees One Lakh ninety thousand only) per month.

2. 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, (Rent/HRA subject to a maximum of Rs.50,000 p.m.) reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowances, club fee 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 Rs.95,000 (Rupees Ninety five thousand only) per month.

3. 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, restricted to an amount equal to annual salary, subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

4. 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 paragraphs (1) and (2) above.

- a. **Provident and Superannuation Fund:** The Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will *not be included in the computation of the ceiling on remuneration.*
- b. **Gratuity:** Gratuity payable shall not exceed one half month's salary for each completed year of services and will *not be included in the computation of the ceiling on remuneration.*
- c. **Leave encashment:** Encashment of leave at the end of the tenure in accordance with the rules of the Company.
- d. **Provision of Car and Telephone:** J. 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 the Managing Director.

5. 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.

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

7. Minimum Remuneration

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

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

9. Re-appointment of A. Subrahmanyam as Executive Director

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

"RESOLVED THAT in supersession to the Resolution passed by the Members of the Company at the Annual General Meeting held on 30th September, 2005 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 Members be and is hereby accorded to the re-appointment of A. Subrahmanyam as Executive Director of the Company for a period of 5 years commencing from 1st April, 2006 on the following terms and conditions:

1. Salary

The Company shall pay A. Subrahmanyam in consideration of the performance of his duties a salary of Rs.1,52,000 (Rupees One lakh fifty two thousand only) per month.

2. Perquisites & Allowances

In addition to the above salary, A. Subrahmanyam shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, (Rent/HRA subject to a maximum of Rs.38,000 p.m.) reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowances, club fee 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 Rs.76,000 (Rupees Seventy six thousand only) per month.

3. Commission

In addition to the salary and perquisites as above, A. Subrahmanyam shall be entitled to commission at the rate of 0.50% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956, restricted to an amount equal to annual salary, subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

4. Other Benefits

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

- a. Provident and Superannuation Fund: The Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will not be included in the computation of the ceiling on remuneration.
- b. Gratuity: Gratuity payable shall not exceed one half month's salary for each completed year of services and will not be included in the computation of the ceiling on remuneration.

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

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

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

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

7. Minimum Remuneration

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

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

10. Re-appointment of P. Venkateswara Rao as Whole-Time Director

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

"RESOLVED THAT in supersession to the Resolution passed by the Members of the Company at the Annual General Meeting held on 30th September, 2005 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 members be and is hereby accorded to the re-appointment of P. Venkateswara Rao as Whole-time Director of the Company and shall be designated as Director-Commercial for a period of 5 years commencing from 1st April, 2006 on the following terms and conditions:

1. Salary

The Company shall pay P. Venkateswara Rao in consideration of the performance of his duties a salary of Rs.1,00,000 (Rupees One lakh only) per month.

2. Perquisites & Allowances

In addition to the above salary, P. Venkateswara Rao shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, (Rent/HRA subject to a maximum of Rs.20,000 p.m.) reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowances, club fee 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 Rs.50,000 (Rupees Fifty thousand only) per month.

3. Other Benefits

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

- a. **Provident and Superannuation Fund:** The Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will not be included in the computation of the ceiling on remuneration.
- b. **Gratuity:** Gratuity payable shall not exceed one half month's salary for each completed year of services and

will not be included in the computation of the ceiling on remuneration.

- c. **Leave encashment:** Encashment of leave at the end of the tenure in accordance with the rules of the Company.
- d. **Provision of Car and Telephone:** P. Venkateswara Rao shall be entitled to a motor car for use on Company's business and telephone at residence; however, use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to P. Venkateswara Rao.

4. P. Venkateswara Rao shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.

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

6. **Minimum Remuneration**

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

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

11. Appointment of Sudha Rani to hold office or place of profit as Senior Manager Administration (I.T. Division)

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

"RESOLVED THAT in supersession to the Resolution passed by the Members of the Company at the Annual General Meeting held on 30th September, 2005 and pursuant to the provisions of Section 314 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded for appointment of J. Sudha Rani (being relative of J. Lakshmana Rao, Managing Director of the Company) to hold office or place of profit as Senior Manager Administration (IT Division) of the Company with effect from 1st April, 2006 on a monthly remuneration of Rs.35,000 per month including all perquisites.

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

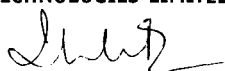
12. Appointment of A. Seshu Kumari to hold office or place of profit as Financial Controller

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

"RESOLVED THAT in supersession to the Resolution passed by the Members of the Company at the Annual General Meeting held on 30th September, 2005 and pursuant to the provisions of Section 314 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded for appointment of A. Seshu Kumari (being relative of A. Subrahmanyam, Executive Director of the Company) to hold office or place of profit as Financial Controller of the Company with effect from 1st April, 2006 on a monthly remuneration of Rs.35,000 per month including all perquisites.

"RESOLVED FURTHER that A. Seshu Kumari shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by her in connection with the Company's business."

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



Hyderabad
26th July, 2006

J. LAKSHMANA RAO
Managing Director

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND, ON A POLL, TO VOTE INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2006 to 25th September, 2006 (both days inclusive).
3. The Explanatory Statement relating to Item Nos.6 to 12 of the Special Business of the Meeting referred to above, is annexed to this Notice as required by Section 173(2) of the Companies Act, 1956.
4. Members are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the Meeting.
5. 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 atleast 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
6. Those Members who have so far not encashed dividend warrants for the financial year 1999-2000 and thereafter, may immediately approach the Company for replacement thereof, as the amount of dividend unclaimed for a period of 7 years shall be transferred to the Investor Education and Protection Fund (IEPF) as per provisions of Section 205C of the Companies Act, 1956.
7. Members/Beneficial Owners are requested to advice immediately any change in their address to Registrar and Transfer Agent quoting their registered folio number/Client ID.
8. Members/Proxies are requested to bring duly filled attendance slip for attending the Meeting.

Financial Year	Date of Declaration	Due Date for Transfer to IEPF
1999-2000	20th Nov. 2000	19th Nov. 2007

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

Item Nos.6 & 7

C. Prabhakar and T. Venkateswara Rao were co-opted by the Board as Additional Directors during the year. In terms of the Article No.36 of the Articles of Association of the Company, their terms of office expires at the conclusion of the Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 along with the requisite deposit have been received from the members proposing their appointment as Director of the Company, whose period of office shall be liable to determination of retirement of Directors by rotation. The particulars of C. Prabhakar and T. Venkateswara Rao are detailed in the Report on Corporate Governance, which is herewith annexed.

Your Directors recommend the Resolutions No.6 and 7 for your approval.

None of the Directors of the Company except C. Prabhakar and T. Venkateswara Rao are concerned or interested in the resolution.

Item Nos.8 to 10

J. Lakshmana Rao and A. Subrahmanyam were re-appointed as Managing Director and Executive Director of the Company for a period of 5 years with effect from 17th July, 2003 respectively and P. Venkateswara Rao was re-appointed as Whole-time Director of the Company for a period of 5 years with effect from 7th September, 2004 and the Members of the Company approved their re-appointments at the Annual General Meeting held on 30th September, 2003 and 30th September, 2004 respectively.

Members may be aware that there has been substantial improvement in the business and financial growth of the company. In view of the increased volume of business and other statutory compliances, the duties and responsibilities of Managing Director, Executive Director and Whole-time Director have also increased manifold. The Remuneration Committee at its meeting held on 15th March, 2006 reviewed and recommended the remuneration payable to J. Lakshmana Rao, A. Subrahmanyam and P. Venkateswara Rao keeping in view the objectivity

of remuneration package payable to Executives while striking a balance between the interest of the Company and the shareholders. The Board therefore, on the recommendation of the committee, at its Meeting held on 15th March, 2006 reappointed them with effect from 1st April, 2006 on the terms and conditions set out in the Resolutions. The particulars of J. Lakshmana Rao, A. Subrahmanyam and P. Venkateswara Rao are detailed in the Report on Corporate Governance, which is herewith enclosed.

As per the provisions of Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956 approval of the Members of the Company is required for re-appointment of Managing Director, Executive Director and Whole-time Director on the remunerations as set out in the resolutions. The Resolutions are duly placed before you for approval.

The General Information as required 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.

J. Lakshmana Rao, A. Subrahmanyam, P. Venkateswara Rao and J. Mythraeyi shall be deemed to be interested in the said resolutions.

Item Nos.11 & 12

The Board of Directors at their meeting held on 15th March, 2006 have approved the re-appointment of J. Sudha Rani, wife of J. Lakshmana Rao, Chairman & Managing Director and A. Seshu Kumari, wife of A. Subrahmanyam, Executive Director of the Company, as Senior Manager Administration (I.T. Division) and Financial Controller respectively with effect from 1st April, 2006. The terms as to remuneration and perquisites payable to them on appointment are set out in the Resolutions.

As the total monthly remuneration to J. Sudha Rani and A. Seshu Kumari exceeds Rs.10,000 per month, approval of the Members by way of Special Resolution is required under provisions of Section 314 of the

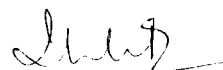
Companies Act, 1956. The remuneration presently proposed compares fairly with the remuneration being paid to professional holding similar positions in the Company and is generally in keeping with the corporate sector.

The Board recommends the Resolutions for approval of the Members.

J. Lakshmana Rao, A. Subrahmanyam and J. Mythraeyi being related to J. Sudha Rani and A. Seshu Kumari may be deemed to be interested in the proposed resolutions.

None of the other Directors of the Company are in any way concerned or interested in the Resolutions.

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



J. LAKSHMANA RAO
Managing Director

Hyderabad
26th July, 2006

Annexure referred to in the Explanatory Statement

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

I. GENERAL INFORMATION

1. Nature of Industry: Manufacturing of plastic containers, pet bottles, blow moulding and managing the operations 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

Rs. Lakhs

	Year ended 31-03-2006	Year ended 31-03-2005	Year ended 31-03-2004
Turnover	7087.30	5664.22	4518.47
Profit/(Loss) before Interest, Depreciation & Tax	696.40	502.86	309.20
Net Profit/(Loss) as per Profit and Loss Account	354.97	81.38	(92.04)
Amount of dividend	104.55	-	-
Rate of dividend declared	10%	-	-

The effective capital of the Company based on the last audited accounts of the Company for the year ended 31st March, 2006 is Rs.1392.21 lakhs.

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, 2006 is Rs.375.36 lakhs.
6. Foreign investments or collaborations, if any - Nil