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MOLD-TEK
Technologies Limited

**24th Annual Report
2007 - 2008**

ANNUAL REPORT
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Board of Directors

J. Lakshmana Rao, Chairman & Managing Director

A. Subrahmanyam, Promoter Director

P. Venkateswara Rao, Promoter Director

P. Shyam Sunder Rao, Non-Executive Director

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

C. Vasanth Kumar Roy, Non-Executive Director

M. Srinivas, Non-Executive Director

Statutory Auditors

Praturi & Sriram

Chartered Accountants

202, 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

ICICI Bank Limited

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

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E-mail finance@moldtekindia.com

mrktg@moldtekindia.com

Susidiary Company

Crossroad Detailing, Inc.

816 W. Main Street

Farmersburg, Indiana 47850, USA

Notice

NOTICE is hereby given that the 24th Annual General Meeting of the Members of MOLD-TEK TECHNOLOGIES LIMITED will be held on **29th day of September, 2008 at 10.30 a.m. at K.K. Function Hall, 7-1-37/A, Dharam Karam Road, Ameerpet, Hyderabad - 500016** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2008 and Profit & Loss Account for the period ended 31st March, 2008 along with the schedules and other statements and Auditors' Report and Directors' Report thereon and to accord approval for the Revised Audited Balance Sheet and Profit and Loss Account as at/for the year ended 31st March 2007, Revised Auditors' Report and Notes on Accounts, which revision has arisen due to necessity consequent to receipt of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.
2. To declare Dividend for the year ended 31st March, 2008.
3. To appoint a Director in place of P. Shyamsunder Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of P. Venkateswara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messrs. Praturi & Sriram, Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to Section 257 of the Companies Act, 1956, J. Sudharani, be and is hereby appointed as a Wholtime Director of the Company, not liable to retire by rotation.

"RESOLVED FURTHER THAT subject to Sections 198, 269, 309 and other applicable provisions, and approval of the Central Government, if required under 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 appointment of J. Sudharani as a Director of the Company, for a period of three years with effect from 1st October, 2008 subject to all necessary approvals."

"RESOLVED FURTHER THAT J. Sudharani be and is hereby paid, subject to approval of the Central Government if required the following remuneration and perquisites during the term of her office, and the same also be paid as minimum remuneration in the event of inadequacy or absence of profits in any financial year, during her term of office."

a. Salary:

The Company shall pay to J. Sudharani in consideration of the performance of her duties a salary of Rs.1,10,000 (Rupees One lakh ten thousand only) per month.

b. Perquisites & Allowances:

In addition to the above salary, J. Sudharani shall be entitled to perquisites and allowances like 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 shall be restricted to Rs.45,000 (Rupees Forty five thousand only) per month.

c. Other Benefits:

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



- i. 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.
 - ii. 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.
 - iii. Leave encashment: Encashment of leave at the end of the tenure in accordance with the rules of the Company.
 - iv. Provision of car and telephone: J. Sudharani shall be entitled to a motor car for use on Company's business and telephone at residence, however use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to her.
- d. She shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.
 - e. She will not be eligible for any sitting fees of the Company's Board/Committee Meetings.
- "RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year during the currency of tenure of office of J. Sudharani, Wholetime Director, the minimum remuneration payable to J. Sudharani shall be as detailed 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."
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
 "RESOLVED that pursuant to Section 257 of the Companies Act, 1956, M. Srinivas, who was appointed as an Additional Director of the Company as per Section 260 of the Companies Act, 1956 and Article 36 of the Articles of Association of the Company and who holds office as such up to the date of this meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.
 8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
 "RESOLVED THAT in supersession to the resolution previously passed by the Members of the Company and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors to borrow any sum or sums of money from time to time from any one or more of the other persons, firms, bodies corporate, banks or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge on the Company's assets and properties whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up

capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.100.00 Crore (Rupees One hundred crore only) exclusive of interest, and the Board of Directors are hereby further authorised to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board of Directors may think fit".

9. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT in supersession to the earlier passed by the Members of the Company and pursuant to the provisions of Section 293(1)(a) and any other provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to mortgage and/or charge all the immovable and movable properties of the Company where so ever situate, present and future, including outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments

and rights of the Company and/or conferring power to enter upon and to take possession of the assets of the Company in certain events, to or in favour of any financial institutions or banks, insurance companies or any other parties or persons, for securing any loans or facilities granted or to be granted by or any obligation incurred or to be incurred towards such financial institutions, banks, insurance companies or any other parties or persons as the case may be, together with the interest, thereon at agreed rates, compound interest, additional interest, liquidated damages, commitment charges, costs, charges, expenses and any monies payable in connection therewith and further that the Board of Directors be and is hereby authorised to finalise with any or all concerned parties aforesaid the documents in relation to or for creating the mortgages and/or charges aforesaid and to do all such acts, deeds and things including execution of any documents as may be necessary or expedient for giving effect to this resolution."

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



J. LAKSHMANA RAO
Managing Director

Hyderabad
27th August, 2008

**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 25th September 2008 to 27th September 2008 (both days inclusive):
 - a. for payment of dividend, if declared;
 - b. for ascertaining eligible members entitled to allotment of 72 Equity Shares of Rs.10 each of Moldtek Plastics Limited (MPL) for every 100 Equity Shares of Rs.10 each held in Mold-Tek Technologies Limited (MTL) and to issue of 28 Equity Shares of Rs.10 each of MTL for every 100 Equity Shares of Rs.10 each held in MTL before demerger pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh;
 - c. The dividend as recommended by the Board of Directors, if declared at the AGM, will be paid and 72 Equity Shares of Rs.10 each of MPL will be allotted for every 100 Equity Shares of Rs.10 each held in MTL and 28 Equity Shares of Rs.10 each of MTL will be issued for every 100 Equity Shares of Rs.10 each held in MTL before demerger pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh to those members, whose names appear on the Company's Register of Members as at the close of business hours on 24th September, 2008. In respect of dematerialized shares, the beneficial owners of the shares, whose names appear in the Statement of Beneficial Owners of the shares, as at the close of business hours on 24th September, 2008, furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.
3. The Explanatory Statement relating to Items 6 to 9 of the Special Business of the Meeting referred 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 at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
6. Members/Beneficial Owners are requested to advise immediately any change in their address to Registrar and Transfer Agents quoting their Registered Folio number/Client ID.
7. Members/Proxies are requested to bring duly filled attendance slip for attending the Meeting.

EXPLANATORY STATEMENT

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

ITEM 6

J. Sudharani has been appointed as Wholetime Director of the Company for a period of three years with effect from 1st October, 2008 in the meeting of the Board held on 27th August, 2008. The appointment and remuneration were approved by the Remuneration Committee of the Board.

The terms and conditions mentioned in the resolution may be treated as an abstract of the terms of contract between the Company and J. Sudharani pursuant to Section 302 of the Companies Act, 1956.

In terms of Sections 198, 269, 309 and Schedule XIII and subject to Central Government approval if required under the Companies Act, 1956, the

appointment of managerial personnel would require the approval of the Members in a General Meeting. Accordingly, the resolution under Item 6 is being proposed for seeking the approval of the Members of the Company at the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received notices in writing along with a deposit of Rs.500 for each notice, from some of its members signifying their intention to propose the candidature of J. Sudharani for the office of Director of the Company.

A brief resume regarding the Director is given in the Annexure to the Notice.

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.

None of the Directors, except J. Lakshmana Rao, is in any way concerned or interested in the Resolution.

Item 7

M. Srinivas has been appointed as an Additional Director of the Company with effect from 27th August, 2008 in the meeting of the Board held on 27th August, 2008. The appointment and remuneration were approved by the Remuneration Committee of the Board.

In terms of Section 257 of the Companies Act, 1956, the Company has received notices in writing along with a deposit of Rs.500 for each notice, from some of its members signifying their intention to propose the candidature of J. Sudharani for the office of Director of the Company.

A brief resume regarding the Director is given in the Annexure to the Notice.

None of the Directors, except M. Srinivas, is interested or concerned in the Resolution.

Item 8

Under Section 293(1)(d) of the Companies Act, 1956, in case of a public limited company, the board of directors subject to the consent of the company in general meeting, may borrow monies apart from temporary loans obtained from the company's bankers

in the ordinary course of business, in excess of the aggregate paid-up capital and free reserves of the Company. Since the Company is going for expansion, it may have to borrow long term funds from banks, financial institutions and corporate bodies which may exceed the aggregate paid up capital and free reserves of the Company.

Hence approval of the members is now sought to borrow funds for the Company in excess of paid up capital and reserves of the Company for an amount not exceeding Rs.100.00 Crore (Rupees One hundred crore only).

None of the Directors is interested or concerned in the Resolution.

Item 9

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia that the board of directors of a public limited company shall not, without the consent of the company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertakings of the company.

The Company, for the purpose of its business, obtains loans and or other facilities from financial institution/banks/insurance companies or other parties or persons which may have to be secured by mortgages and/or charges on the movable and/or immovable properties of the Company.

Since the mortgaging and/or charging by the Company of its movable and or immovable properties may be deemed to be disposal of the whole or substantially the whole of the undertakings of the Company within the meaning of Section 293(1)(a) of the Companies Act, 1956, the Board considers it necessary for the Members to pass a resolution to this effect.

None of the Directors is interested or concerned in the Resolution.

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



J. LAKSHMANA RAO
Managing Director

Hyderabad
27th August, 2008



Annexure

Details of Directors seeking appointment/re-appointment in the Annual General Meeting scheduled to be held on 29th September, 2008

(Pursuant to Clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement)

| Name of the Director | P. Shyam Sunder Rao | P. Venkateswara Rao | J. Sudharani | M. Srinivas |
|--|---------------------|----------------------------|--------------------------|-----------------------|
| Date of Birth | 21st January 1941 | 18th January 1957 | 25th July 1965 | 13th May 1966 |
| Date of Appointment | 21st April 1998 | 30th September 1994 | 1st October 2008 | 27th Aug. 2008 |
| Relationship with other Directors | - | - | Wife of J. Lakshmana Rao | - |
| Expertise in specific functional area | Accounts | Materials Management | Administration | Production Management |
| Qualification | FCA | PG in Materials Management | B.Sc. | B.E.(Mech.) |
| Board membership of other companies as on 31st March, 2008 | 2 | - | - | - |
| Chairman/Member of the Committees of the Board of the Company as on 31st March, 2008 | - | - | - | - |
| Chairman/Member of Committees of Board of other Companies in which he is a Director as on 31st March, 2008 | - | - | - | - |
| Audit Committee | Yes | - | - | - |
| Shareholders Grievances Committee | Yes | - | - | - |
| Compensation Committee | - | - | - | - |
| Other Committees | - | - | - | - |
| Number of shares held in the Company as on 31st March, 2008 | 3,500 | 90,676 | 10,85,045 | 60,292 |

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 P. Shyamsundar Rao, P. Venkateswara Rao, J. Sudharani and M. Srinivas

I. GENERAL INFORMATION

1. Nature of Industry: 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 31-03-2008 | Year ended 31-03-2007 | Year ended 31-03-2006 |
|---|--------------------------|--------------------------|--------------------------|
| Turnover | 1784.59 | 9580.10 | 7087.30 |
| Net Profit before interest, Depreciation & Tax | 388.60 | 1287.74 | 696.40 |
| Net Profit as per Profit and Loss Account | 231.59 | 830.71 | 354.98 |
| Amount of dividend | 68.56 | 210.45 | 104.55 |
| Rate of dividend (%) | 20 | 20 | 10 |

The effective capital of the Company based on the last audited accounts of the Company for the year ended 31st March, 2008 is Rs.1348.97 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 and net foreign exchange earnings for the year ended 31st March, 2008 is Rs.1783.64 lakhs.
6. Foreign investments or collaborations, if any - Crossroads Detailing Inc., Farmersburg, IN, USA.

II. INFORMATION ABOUT THE APPOINTEES

P. Shyamsundar Rao, aged 66 years, Non-Executive Independent Director, is a Chartered Accountant, and has 35 years of professional experience:

P. Venkateswara Rao, Commercial Director, aged 51 years obtained post graduation in Materials Management. He has 19 years of industrial experience and has been associated with the Company since its inception and is conversant with all aspects of the management and the affairs of the Company. His abilities and experience qualify him for an extension of his term of office.

J. Sudharani, aged 43 years, appointed as wholetime Director of the Company obtained Graduate in Science. She has three years of IT administration experience and has been associated with the Company's administration of IT function.

M. Srinivas, aged 42 years holds Bachelors Degree in Mechanical Engineering. He has rich experience of 19 years in Production Manager.

III. OTHER INFORMATION

The Company has reported a Profit before Tax of Rs.271.05 lakhs for the year 2007-08.