

27th Annual Report 2010 - 2011

*One Stop Solution for
Engineering Services*



One
stop
shop for
mechanical
and structural
engineering
design and
Detailing services.
Low employee cost and
focused business model
enable Mold-Tek to offer cost
savings and quick turnaround
time making our clients more
competitive in their market place.
With the addition of CRD and RMM
working as our front offices for client
interaction and final checking, Mold-Tek is
all set to offer our GLOBAL clients
“the best of both worlds”



CRD



RMM



MOLD-TEK, INDIA

ANNUAL REPORT

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Board of Directors

J. Lakshmana Rao, Chairman & Managing Director

J. Sudharani, Wholetime Director

A. Subrahmanyam, Director - Technical

P. Venkateswara Rao, Director - Commercial

P. Shyam Sunder Rao, Non-Executive Director

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

C. Vasanth Kumar Roy, Non-Executive Director

M. Srinivas, Non-Executive Director

Dr. Surya Prakash Gulla, Non-Executive Director

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

Notice

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

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

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



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

1. Salary

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

2. Perquisites & Allowances

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

3. Other Benefits

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

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

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

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

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

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

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

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

7. Minimum Remuneration:

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

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

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

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

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

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



J. LAKSHMANA RAO

Chairman & Managing Director

Hyderabad
14th July, 2011

NOTES

1. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself/herself and such proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items 6 & 7 is annexed.
3. In terms Articles of Association of the Company, P. Venkateswara Rao and J. Sudharani, Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Information about such Directors as stipulated under Clause 49 of Listing Agreement is contained in the statement annexed hereto. The Board of Directors of the Company recommends the respective re-appointments of the aforesaid Directors.
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 at 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 17th August, 2011 to 19th August, 2011 (both days inclusive), for the purpose of payment of dividend. The dividend declared at the Annual General Meeting will be paid to the Members whose names appear in the Register of Members of the Company at the end of the business hours



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

7. Members are requested to notify change of address, if any, with pincode to the Company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
8. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
9. Individual shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact the Registrar

and Share Transfer Agent of the Company, M/s. XL Softech Systems Limited, 3, Sagar Society, Road No. 2, Hyderabad - 500 034, Andhra Pradesh, Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode.

10. Members are requested to note that as per Section 205A of the Companies Act, 1956 dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. Members who have not yet encashed the Dividend warrant(s) for the year 2002-2003 to 2009-2010 are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.
11. The certificate from the auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolutions of the members passed at the general meetings will be available for inspection by the members at the Annual General Meeting.

EXPLANATORY STATEMENT

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

Item 6

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

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

The Board recommends the Resolution for approval of the Members.

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

Item 7

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

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

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

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

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

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

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

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



Annexure referred to in the Explanatory Statement

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

I. GENERAL INFORMATION

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

₹ Lakhs

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

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

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

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

II. INFORMATION ABOUT THE APPOINTEE

1. Background Details

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

2. Past Remuneration

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

3. Recognition or awards: Nil**4. Job Profile and her suitability**

J. Sudharani looks after entire administrative and finance functions.

5. Proposed remuneration

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

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

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

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

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

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


J. LAKSHMANA RAO

Chairman & Managing Director

Hyderabad
14th July, 2011

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

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