



MOLD-TEK
Technologies Limited

28th Annual Report 2011-12

*...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. 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, Saphthagiri Residency 1-10-98/A, Chikoti Gardens Begumpet, Hyderabad - 500 016	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. 816, West Main Street, Farmersburg, IN 47850, USA RMM Global, Inc. 2841 Riviera Drive Suite 306, Akron, Ohio 44333, USA
Internal Auditors GMK Associates Chartered Accountants 607, Raghava Ratna Towers Chirag Ali Lane Hyderabad - 500 001	Branch Mold-tek Technologies Limited Heinrich Lanz Ring 41a 68519 Viernheim, Germany
Legal Advisor M. Radhakrishna Murthy, Advocate Vidya Nagar, Hyderabad	

www.moldtekindia.com

Notice

NOTICE is hereby given that the 28th Annual General Meeting of the Members of MOLD-TEK TECHNOLOGIES LIMITED will be held on Saturday, **22nd day of September, 2012 at 11.30 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, 2012 and Statement of Profit and Loss for the period ended 31st March, 2012 and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2012.
3. To appoint a Director in place of C. Vasanth Kumar Roy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. K.V. Appa 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.

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



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
4th August, 2012



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. In terms Articles of Association of the Company, C. Vasanth Kumar Roy and Dr. K.V. Appa Rao, 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 retiring Directors.
3. 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.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2012 to 22nd September, 2012 (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 September, 2012 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).
6. 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.
7. 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).
8. 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 a nominee provided the name of the guardian is furnished 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 M/s. XL Softech Systems Limited, 3, Sagar Society, Road No 2, Hyderabad - 500 034, the Registrar and Share Transfer Agent of the Company.

9. 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.
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 2005-06 to 2010-11 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 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.

Annexure		
Additional information on Directors seeking re-appointment in the Annual General Meeting (under Clause 49(IV)(G)(i) of the Listing Agreement)		
Name of the Director	C. Vasanth Kumar Roy	Dr. K.V. Appa Rao
Date of birth	3rd November, 1958	10th April, 1959
Date of appointment	29th March, 2003	31st January, 2001
Relationship with other Directors	Not Applicable	Not Applicable
Expertise in specific functional area		
Qualification	B.Tech, PGDM	M.B.B.S, D.O.M.S, Ophthalmic Surgeon
Names of companies in which holds the directorship	a. Samkipack Systems Private Limited b. Efco Maschinenbau India Private Limited	a. Bobbili Eye Hospital Private Limited b. Sri Srinivasa Rajeswari Agro-Tek Mills Private Limited
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, 2012	Nil	22,550



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2012.

Financial Results

The performance during the period ended 31st March, 2012 has been as under:

₹ Lakhs

Particulars	Standalone		Consolidated	
	Year ended 31st March		Year ended 31st March	
	2012	2011	2012	2011
Sales	25,88.17	19,00.39	29,82.09	25,94.36
Other income	1,15.57	76.52	1,21.88	78.57
Total income	27,03.74	19,76.91	31,03.97	26,72.93
Profit before interest, depreciation & tax	5,90.89	5,29.31	6,03.26	7,07.71
Interest	1,58.93	1,66.13	1,58.93	1,66.13
Depreciation & preliminary expenses written off	2,75.65	2,59.85	2,77.71	2,61.20
Profit before tax	1,56.31	1,03.33	1,66.62	2,80.38
Provision for tax	56.14	17.54	56.27	17.96
Profit after tax	1,00.17	85.79	1,10.35	2,62.42
Balance brought forward from previous year	1,13.97	8,96.37	62.34	6,67.01
Profit available for appropriation	2,14.14	9,82.16	1,72.69	9,29.43
Appropriation				
Extraordinary items	(10.20)	25.93	(10.20)	27.02
Transferred to general reserve	(9.00)	(16.76)	(9.00)	(16.76)
Proposed dividend	(46.88)	(69.93)	(46.88)	(69.93)
Corporate dividend tax	(7.61)	(11.88)	(7.61)	(11.88)
Amounts adjusted	-	(7,95.54)	-	(7,95.54)
Balance carried forward	1,40.45	1,13.97	99.00	62.34

Review of operations

The Ministry of Corporate Affairs (MCA) vide Notification No. S.O. 447(E) dated 28th February, 2011 amended the existing Schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from 1st April, 2011. The financial statements of your Company for the year ended 31st March, 2012 have been prepared in accordance with the Revised Schedule

VI and accordingly, the previous year's figures have been reclassified/regrouped to conform to this year's classification.

Financial year 2011-12 was a challenging year; Europe is under tremendous pressure. Even in this environment, your Company performed reasonably well. Consequent to your Company's strategic entry in to mechanical services and broad basing of the business two years ago, addition of significant number

of customers was made during the year under review. On standalone basis for the year 2011-12, revenues at ₹2588.17 lakhs were higher by 36.19% over the previous year's revenues of ₹1900.39 lakhs. Profit before tax correspondingly increased to ₹100.17 lakhs from ₹85.79 lakhs, an increase of 16.76%. On consolidated basis for the year 2011-12, revenues at ₹2982.09 lakhs were higher by 14.95% over the previous year's revenues of ₹2594.36 lakhs.

Future outlook

Your Company gained momentum in ME Services and created a strong presence in Europe and Middle East apart from USA. The relations with tier-1 suppliers of Ford, Mercedes & Porsche in Europe for ME services has created strong outlook to acquire more projects in the near future. The MES delivery team is expanding rapidly and is expected to reach 100+ within this year. Using these contacts and work done as examples, your Company is striving to enter in to the huge US automobile engineering market.

Your Company also perceives increased activity and orders flow for its construction & structural engineering services. The steps taken in the previous year to widen the services has turned the future prospects brighter and the Mold-Tek team is confident that the Company will continue to deliver better performance in 2012-13 and beyond.

Dividend

Your Company has recommended a dividend of ₹1 per equity share @ 10 % of the equity share capital (previous year ₹1.50 per equity share @ 15%) for the financial year ended 31st March, 2012. The Dividend will be paid to those members whose names appear in Register of Members as on 16th September, 2012. 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 ₹54.49 lakhs (inclusive of dividend tax).

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

Transfer to reserve

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer of Reserves) Rules, 1975 your Directors propose to transfer a sum of ₹9 lakhs (10% of the net profits) to general reserve out of the profits earned by the Company.

The equity shares that may be allotted on exercise of ESOPs before the Book Closure for payment of dividend will rank pari passu with the existing shares and shall be entitled to receive the dividend.

Allotment of equity shares

The Board of Directors at its meeting held on 29th April, 2011 allotted 37,125 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.

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

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.



Cancellation and forfeiture of warrants

The Board of Directors at its meeting held on 29th June, 2011 cancelled 1,45,000 fully convertible warrants held by the warrant holders who have not exercised the option to apply for equity shares against warrants held by them. Consequently, an amount of ₹29,00,000 (Rupees Twenty nine lakhs only) received at the rate of ₹20 per warrant on allotment of the said 1,45,000 fully convertible warrants to the warrant holders was forfeited.

The Board of Directors at its meeting held on 8th February, 2012 cancelled 16,60,000 fully convertible warrants held by the warrant holders who have not exercised the option to apply for equity shares against warrants held by them. Consequently, an amount of ₹2,88,01,000 (Rupees Two crore eighty eight lakhs and one thousand only) received at the rate of ₹17.35 per warrant on allotment of the said 16,60,000 fully convertible warrants to the warrant holders was forfeited.

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 your 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 in 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., Indiana, USA and RMM Global Inc., Ohio, 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 are being produced as a part of the Annual Report of the Company.

A Company Secretary in Practice has certified that conditions of corporate governance as stipulated

under Clause 49 of the Listing Agreement are complied by the Company and their certificate is annexed to the Report on Corporate Governance.

CEO/CFO Certification

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

Compliance certificate

In accordance with Section 383(A) of the Companies Act, 1956 and the Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from a Company 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 annexed to this report.

Directors

In accordance with the Articles of Association of the Company, C. Vasanth Kumar Roy and Dr. K.V. Appa Rao retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

Risk management

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

Auditors

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

As required under the provisions of Section 224(1B) of the Companies Act, 1956, your 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.

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 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 in 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 engineering 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.

Directors' responsibility statement

In compliance with Section 217 (2AA) of the Companies Act, 1956, and the Companies (Amendment) Act, 2000 your Directors confirm that:

- a. in the preparation of the accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view



of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the accounts for the financial year ended 31st March, 2012 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
Chairman & Managing Director

Hyderabad
4th August, 2012

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, 2012.

Name	Age (Years)	Qualifications	Date of Employment	Designation	Gross Remuneration ₹ Lakhs	Experience (Years)	Last Employment held
J. Lakshmana Rao	53	B.Tech. (Civil), M.B.A. (IIM -B)	4-07-1985	Chairman & Managing Director	84.00	28	NA

For and on behalf of the Board of Directors

J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
4th August, 2012

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	N.A.
Future plan of action	Yet to be decided
Expenditure on R&D	Nil

₹ Lakhs

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2011-12	2010-11
FOB value of exports		
- KPO Division	22,69.98	17,43.79
Foreign exchange earnings	19,70.72	16,34.88
Foreign exchange outgo	46.09	1,06.34

Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's interest in subsidiary companies for the financial year 2011-12

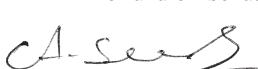
Name of the subsidiary	Crossroads Detailing Inc., Indiana, USA	RMM Global INC., Indiana, USA
Date from which became subsidiary	9th April, 2007	1st January, 2009
No of shares held/face value (USD)	84,441	1,000
Extent of interest of holding company	100%	100%

The following are the financial summaries of the subsidiary companies accounts as at 31st March, 2012 not dealt with in the holding company's accounts:

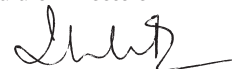
₹ Lakhs

Particulars	Crossroads Detailing Inc., Indiana, USA	RMM Global Inc., Indiana, USA
Share capital	33.79	0.51
Reserves	(10.83)	(0.04)
Secured & unsecured loans	2.19	-
Current liabilities	137.59	371.27
Fixed assets	-	7.08
Current assets	162.75	364.66
Turnover	422.3	1095.64
Profit before tax	4.32	5.99
Taxation	0.14	-
Profit after tax	4.18	5.99

for and on behalf of the Board of Directors



A. SUBRAHMANYAM
Director-Technical



J. LAKSHMANA RAO
Chairman & Managing Director

Hyderabad
29th May, 2012



Annexure to the Directors' Report

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

S.No.	Description	Year ended 31st March, 2012
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	45,000
4.	Options exercised	37,125
5.	The total number of shares arising as a result of exercise of option	37,125
6.	Options lapsed	Nil
7.	Variation of terms of options	Nil
8.	Money realized by exercise of options (₹)	10,39,500
9.	Total number of options in force	1,12,875
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' (₹)	1.99

<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"> ● Profit after tax (₹ Lakhs) 114.90 ● Less: Additional employee compensation cost based on fair value (₹ Lakhs) 24.94 ● Adjusted profit after tax (₹ Lakhs) 89.96 ● Adjusted Earnings per Share (₹) 1.99 	<p>The Company has calculated the employee compensation cost using the fair value base</p> <p>₹63.00 Lakhs (increase) (₹24.94 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"> ● Stock Options granted on 21st April, 2010 ● Weighted average exercise price (₹) 28 ● Weighted average fair value (₹) 28 ● Closing price on BSE on the date of grant of option (₹) 70 	
<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

KPO refers to process of outsourcing knowledge intensive tasks and functions and India is a dominant player in this market with 70% market share. Indian KPO players offer engineering services, market research, data analytics, legal services, content and publishing services, pharma data processing etc. Evalueserve estimates global KPO industry to grow to USD 17 billion by 2014, from current USD 9 billion in 2011 and is expected to grow at an annual rate of approximately 24% for the next four years (2010-14).

INDIAN KPO INDUSTRY

The popularity and maturity over time of the Business Process Outsourcing (BPO) sector led to the evolution of yet another form of global outsourcing known as Knowledge Process Outsourcing (KPO). BPOs aimed at managing the most critical and/or non-critical processes of an organization through technology and specialized approaches. On the other hand, KPO refers to the outsourcing of knowledge intensive tasks and functions to outside experts. Unlike BPOs (which nowadays have become more like a commodity business), KPOs offer domain based expert services to various construction, automobile, manufacturing, IT, investment and equity research firms, market research companies, etc.

The Indian KPO services industry is estimated to be around USD 5.7 billion currently and grew by 15-17% in the recent past. Even though the Indian KPO industry is facing stiff competition from Philippines, Russia, China, Poland and Hungary, Indian KPOs have their own competitive advantages in terms of low-cost offerings, skilled manpower with sales and marketing capabilities and domain expertise and knowledge of regulatory compliances amongst others.

The Indian KPO providers offer a range of solutions to diverse industry segments such as FMCG, engineering, automobile, telecom, R&D, banking and financial services, insurance, etc. In the coming years, the volume and complexity of work being outsourced to the Indian KPOs is expected to increase tremendously, due to the competitive advantages mentioned above.

Another factor fuelling the growth of the KPO sector in India is the scarcity of skilled and qualified knowledge professionals in developed economies like US, UK, especially in knowledge-intensive areas such as R&D in Very Large Scale Integration (VLSI), engineering design, IT, financial risk management, etc. Moreover, as per a research, in India, the average annual salary of a KPO professional is around USD 8,000 per annum as compared to USD 6,000 per annum of a BPO professional. KPO professionals in India are currently earning double the salary they had 4 years back. This high average salary compared to other sectors in India further makes the Indian KPO sector lucrative.

Today, the Indian KPO industry faces the challenge of adequate talent availability and high attrition rate among young professionals. Further, services in this sector are specialized and professionals with specific domain knowledge are only preferred. A higher education degree and an experience within the sector most often becomes a prerequisite to getting employed with a KPO company. However, these knowledge professionals often lack the inclination towards continuous learning and understanding of the dynamic nature of this profession. Furthermore, continuous training of business-related skills is essential in the outsourcing services sector. This is because, unlike the BPO industry, which is process oriented, the KPO market demands professionals with decision making, problem solving and analytical skills.

During the recent economic crisis, all the industries across the globe felt the pinch on their revenues, forcing them to cut down their costs. The situation was further fuelled by the growing political pressure, driven by the ever increasing unemployment in developed countries. This had a huge impact on the Indian outsourcing sector. Some other challenges faced within the Indian KPO sector is the continuously improving quality standards, further investment towards the KPO infrastructure, requirements of higher level of control, confidentiality and enhanced risk management. Despite all these challenges, the Indian KPO industry is expected to reach USD 8 billion in 2011 and USD 10 billion by 2012, implying a CAGR of around 32.5% (2010-12).

Opportunities & Threats

Oppurtunity

Improved economic activities in US auger well for the Company and the outlook for near future promising, company is expecting a major breakthrough in USA for its automobile engineering services. With new segments contributing, growth prospects look bright for the company services. New BDM's are taken in place to expand market reach. Company is also planning to enter value added IT services and created a team to achieve reasonable progress by end of financial year 2012-13.

Threats

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

Financial risks - includes foreign currency rate fluctuations, liquidity and leverage.

Legal and statutory risks - includes contractual liabilities & statutory compliances.

Competition risks - New competitors may enter the markets in which your company operates.

Segment wise/product wise performance

The company's provides structural engineering, detailing and mechanical engineering services as segmented below:

Sales		₹ Lakhs	
Particulars	2011-12	2010-11	Growth%
Structural engineering & detailing	2348.59	1759.91	33.44
Mechanical engineering services	239.58	140.48	70.55
TOTAL	2588.17	1900.39	

Outlook

As expected last year company achieved reasonable growth in 2011-12 and it is expected that the growth in 2012-13 will be further improved as new segments start contributing significant revenues apart from benefits of Rupee depreciation. Technology related spending is expected to grow led by adoption of outsourcing and this would augur well for the Company.

In USA there seems to be an improvement in construction activity resulting in better flow of orders from this segment. Europe is still reeling under various problems, but due to smaller dependency on this region, it is not affecting the company's performance. Significant depreciation in Rupee is going to improve both the top & bottom lines for the company. Company has set up controls on salaries and the costs to improve margins. The derivative contracts close by September 2012 there will be improvement in the profits and cash flows of the Company after October 2012. The Company would remain focused on tactical measures to improve margins by increase in prices, offering more value added products, cost savings through fresh hirings and higher efficiency & productivity.

Risks and concerns

The risk management process is continuously improved and adapted to the changing global



scenario. 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 2011-12 are as under:

	₹ Lakhs
Service sales	2588.17
Profit before interest, depreciation & tax	563.45

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. Capability of HR 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. 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 : ₹4,66,21,060

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, 2012. 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 nine times on 29th April 2011, 14th May 2011, 29th June 2011, 14th July 2011, 12th August 2011, 14th November 2011, 28th December 2011, 8th February 2012 & 14th February 2012 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 August, 2011 to 19th August, 2011 (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, 2011 was held on 19th August, 2011 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;

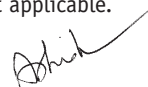


- ii. deposited the amount of dividend declared in a separate bank account on 22nd August, 2011 which is within five days from the date of declaration of such dividend;
- iii. paid/posted warrants for dividends to all the members within a period of thirty days from the date of declaration and that all 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 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. Subrahmanyam, Wholetime Director, P. Venkateswara Rao, Wholetime Director and J. Sudharani, 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 5,47,125 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, 2012 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
4th August, 2012

ANNEXURE - A

(forming part of the Compliance Certificate)

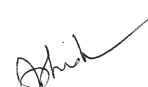
STATUTORY REGISTERS/RETURNS AS MAINTAINED BY THE COMPANY

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
4th August, 2012



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, 2012

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	28th December, 2011	Yes	Not applicable
Form 66	383A	7th September, 2011	Yes	Not applicable
Form 20B	159	23rd September, 2011	Yes	Not applicable
Form 2	75	30th April, 2011	Yes	Not applicable
Form 2	75	30th June, 2011	Yes	Not applicable
Form 23	198, 269, 309 Schedule XIII & 314	7th September, 2011	Yes	Not applicable
Form 25A	198, 269 & Schedule XIII	11th November, 2011	No	Yes
Form 8	125	24th November, 2011	Yes	Not applicable

Ashish Kumar Gaggar

Company Secretary in Practice

FCS: 6687

CP No.: 7321

Hyderabad
4th August, 2012

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 nine times during the financial year 2011-12:

29th April, 2011; 14th May, 2011; 29th June, 2011; 14th July, 2011; 12th August, 2011; 14th November, 2011; 28th December, 2011; 8th February, 2012; and 14th February, 2012.

The maximum gap between any two meetings was less than four months as stipulated under Clause 49 of the Listing Agreement.



Board Meetings/AGM - Attendance & directorships/committee memberships

Name of the Director	Category	Number of Board Meetings attended	Whether attended last AGM	No of Directorships in other public companies		No of committee positions in other public companies	
				Chairman	Member	Chairman	Member
J. Lakshmana Rao (Chairman & Managing Director)	Executive Promoter Director	7	Yes	1	-	-	-
A. Subrahmanyam (Wholetime Director)	Executive Promoter Director	8	Yes	-	1	-	-
P. Venkateswara Rao (Wholetime Director)	Executive Promoter Director	9	Yes	-	1	-	-
J. Sudharani (Wholetime Director)	Executive Promoter Director	8	No	-	-	-	-
C. Vasant Kumar Roy	Non-Executive Independent Director	0	No	-	-	-	-
K. V. Appa Rao	Non-Executive Independent Director	0	Yes	-	-	-	-
P. Shyam Sunder Rao	Non-Executive Independent Director	2	No	-	1	1	-
M. Srinivas	Non-Executive Independent Director	9	No	-	-	-	-
Dr. Surya Prakash Gulla	Non-Executive Independent Director	4	No	-	-	-	-

- 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 Mr. P. Shyam Sunder Rao. J. Lakshmana Rao, Chairman & Managing Director, A. Subramanyam, Wholetime Director and P. Venkateswara Rao, Wholetime Director, J. Sudharani, Wholetime Director and representatives of Statutory Auditors are permanent invitees to the meeting. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Five meetings of the Audit Committee were held during the financial year 2011-12. The dates on which the said meetings were held are as follows:

14th May, 2011; 14th July, 2011; 12th August 2011; 14th November, 2011; and 14th February, 2012.

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	2
Dr. K.V. Appa Rao	Member	-
M. Srinivas	Member	5
C. Vasanth Kumar Roy	Member	-
Dr. Surya Prakash Gulla	Member	4

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, one Remuneration Committee meeting was held on 14th July, 2011.

The Composition of Remuneration Committee and attendance at the meeting is as follows

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



Remuneration policy

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

Details of the remuneration of Non-Executive Directors and Wholtime Directors for the year ended 31st March, 2012 are as follows:

₹ Lakhs

Name	Salary	Perquisites & Other benefits	Sitting Fees	Total
J. Lakshmana Rao	57.60	26.40	-	84.00
A. Subrahmanyam	-	-	-	-
P. Venkateswara Rao	-	-	-	-
J. Sudha Rani	25.20	4.87	-	30.07
C. Vasantkumar Roy	-	-	-	-
K. V. Appa Rao	-	-	-	-
P. Shyam Sunder Rao	-	-	0.20	0.20
M. Srinivas	-	-	-	-
Dr. Surya Prakash Gulla	-	-	0.20	0.20

Shareholding of the Directors of the Company as on 31st March, 2012

Name	No of shares	% of Share capital
J. Lakshmana Rao	22,760	0.49
A. Subrahmanyam	2,56,236	5.50
P. Venkateshwara Rao	45,646	0.98
J. Sudharani	2,34,642	5.03
C. Vasant Kumar Roy	-	-
K. V. Appa Rao	22,550	0.48
P. Shyam Sunder Rao	980	0.02
M. Srinivas	39,297	0.84
Dr. Surya Prakash Gulla	980	0.02

Non-Executive Directors did not hold any fully convertible warrants as on 31st March, 2012

Shareholders'/Investors' Grievance Committee

The Composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2012 was as under:

Name	Designation
P. Shyam Sunder Rao	Member
K.V. Appa Rao	Member
M. Srinivas	Member
Dr. Surya Prakash Gulla	Member

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

The Shareholders'/Investors' Grievance Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, etc. It also approves

share transfer and issue of share certificates. The status of complaint is also reported to the Board of Directors. During the year, 11 complaints were received, and all 11 complaints were resolved and no complaints were pending as on 31st March, 2012.

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
2008-09 (AGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	30th September, 2009	10.30 a.m.
2009-10 (EGM)	Swagath-De-Royal Hotel, No.2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500081	25th March, 2010	10.30 a.m.
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.

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 the ensuing Annual General Meeting.

Disclosures

- a. *Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large:*
The necessary disclosures of related party transactions are provided in the Notes to the accounts. None of the transactions with any of the related parties were in conflicts with the interest of the Company.
- b. *Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:*
No non-compliance by the Company was observed during the last three years nor any penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to capital markets.
- c. *Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49:*
The Company is complying with all the mandatory requirements of corporate governance and also is also making attempts to comply with non-mandatory requirements of that clause.
- d. *Disclosure on accounting standard:*
The Company has followed the accounting standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the financial statements.
- e. *Disclosure of risk management:*
The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.



Management Discussion and Analysis

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

Means of communication

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

General Shareholder Information

28th Annual General Meeting

Date and Time : 22nd September, 2012 at 11.30 a.m.

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

Financial calendar (2012-13)

The financial year of the Company is 1st April to 31st March. For the year ending 31st March, 2013 quarterly un-audited/annual audited results shall be announced as follows:

Financial reporting for	Tentative Date
Unaudited results for the quarter ending: 30th June, 2012	On or before 14th August, 2012
30th September, 2012	On or before 14th November, 2012
31st December, 2012	On or before 14th February, 2013
Audited results for the year ended 31st March, 2013	On or before 30th May, 2013

Book Closure date : 17th September, 2012 to 22nd September, 2012 (both days inclusive)

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

Listing of Equity Shares : BSE Limited, Mumbai (BSE)

Listing Fees : Listing fee has been paid to BSE for 2012-13

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
2011 April	82.90	66.75	2,63,504
May	72.85	62.50	1,85,057
June	71.80	55.00	5,06,687
July	82.10	56.15	2,61,076
August	63.80	50.00	1,85,860
September	54.00	44.05	1,74,660
October	58.60	41.00	1,70,661
November	52.00	40.00	1,22,165
December	69.70	46.25	6,44,009
2012 January	59.70	45.30	3,27,328
February	57.50	47.20	2,76,413
March	52.95	39.50	2,13,410

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

xlfield@rediffmail.com

Shareholding pattern as on 31st March, 2012

Category	No.of shares held	Percentage of shareholding
Promoters	19,89,060	42.66
Banks, financial institutions, insurance companies	41,107	0.88
Private bodies corporate	3,14,289	6.74
Indian public	21,38,856	45.88
NRI/OCBs	1,34,449	2.88
Clearing members	44,345	0.96
TOTAL	46,62,106	100.00

Distribution of shareholders as on 31st March, 2012

Shareholding	Shareholders		Share amount	
	Number	Percentage	₹	Percentage
Upto - 5000	5,958	91.46	43,60,580	9.35
5001 - 10000	220	3.38	17,24,650	3.70
10001 - 20000	132	2.03	19,34,750	4.15
20001 - 30000	47	0.72	12,17,150	2.61
30001 - 40000	26	0.40	9,25,790	1.99
40001 - 50000	24	0.37	11,35,900	2.44
50001 - 100000	38	0.58	26,44,300	5.67
100001 and above	62	1.06	3,26,77,940	70.69
TOTAL	6,514	100.00	4,66,21,060	100.00

Share transfer system

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

Dematerialization of shares

As on 31st March, 2012, NSDL & CSDL held in demat form 43,50,410 equity shares of Rs.10 each aggregating to 93.3% of the paid up capital & the rest 3,11,696 aggregating to 6.7% are in physical form as on 31st March, 2012.

ADR/GDR holding is Nil.



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

The Board of Directors has laid down a code of conduct for all Board Members and senior managerial personnel of the Company. All the Directors and senior management personnel have affirmed compliance with the code of conduct. A declaration to this effect duly signed by Managing Director of the Company 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, 2012 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
4th August, 2012

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, 2012

Hyderabad
4th August, 2012


J. LAKSHMANA RAO
Chairman & Managing Director

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


The Board of Directors
Mold-Tek Technologies Limited

We certify that:

- 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, 2012 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. SUDHARANI
Chief Financial Officer
4th August, 2012



J. LAKSHMANA RAO
Chairman & Managing Director



Auditors' Report

The Members
Mold-Tek Technologies Limited

We have audited the attached Balance Sheet of Mold-Tek Technologies Limited as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and our responsibility is to express an opinion on these financial statements based on our audit.

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

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

2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required subject to:
 - i. *Non-provision of ₹26,69,089 towards gratuity and ₹12,95,806 towards leave encashment during the year based on actuarial valuation, resulting in overstatement of profits of the current year to the tune of ₹39,64,895 and correspondingly understating long term liabilities (refer Note 25).*
 - ii. *In addition to the (i) above, non-provision of ₹36,85,306 towards gratuity and ₹21,62,843 towards leave encashment pertaining to earlier years, as at Balance Sheet date based on actuarial valuation, resulting in overstatement of reserves and surplus to the tune of ₹58,48,149 and correspondingly, understating long-term liabilities (refer Note 8).*

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

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- ii. In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Sri Raghuram Praturi
Partner
Membership No. 221770

Hyderabad
29th May, 2012

Annexure to Auditors' Report

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

1. In respect of its fixed assets:
 - a. The Company maintains a soft copy record of its depreciable assets, reflecting a year wise classification of assets of such category. The record does not include quantitative details and the situation/location of its depreciable assets. Non-depreciable assets are not recorded.
 - b. We are informed that no physical verification of fixed assets has been carried out by the management during the year ended 31st March, 2012.
 - 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 is suitably accounted.
3.
 - a. The Company has not granted/taken any loans, secured or unsecured to/from the companies, firms of other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except in respect of current account transactions with its associate/group company, M/s. Mold-Tek Packaging Limited.
 - b. In respect of the debit balances and advances in the nature of loans, including amounts due on current accounts, no stipulations have been made as to repayments, and management expresses confidence in recovering and/or adjustment of the amounts due.
4.
 - a. In our opinion, and according to the information and explanations given to us, there 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 goods and services.
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 ₹5,62,047 are not maintained in a separate bank account as stipulated in Section 417 of the Companies Act, 1956.
7. The Company presently has an internal audit conducted by an external agency, which needs to be reviewed for its depth & scope so as to



- make it commensurate with the size of the Company & the nature of its business.
8. 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, 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 income tax, sales tax, wealth tax, customs duty and excise duty and cess which were in arrears as 31st March, 2012 for a period of more than six months from date they become payable.
 10. In our opinion there are no accumulated losses of the Company and therefore disclosure of the same is not applicable. The Company has not incurred cash losses during the financial year covered by our audit.
 11. In our opinion and according to the information and explanations given to us, there are no defaults on dues payable to institutions/bank/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 to the extent of ₹372.58 lakhs have been used for short term purposes.
 18. The company has made a preferential allotment of 5,10,000 equity shares of ₹10 each at a premium of ₹70 to parties and companies, some of whom are covered in the register maintained under Section 301 of the Act, at prices which are determined in accordance with Chapter XIII of SEBI Regulations, 2000, and thereby not prejudicial to the interest of the Company.
 19. According to information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.
 20. According to information and explanations given to us, the Company has not raised 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
29th May, 2012

Balance Sheet

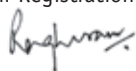
AS AT 31st MARCH, 2012

₹'000

	Notes	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,66,21	4,11,50
Money received against share warrants	4	–	4,19,01
Reserves & surplus	5	16,73,21	9,32,11
Non-current liabilities			
Long-term borrowings	6	1,84,83	3,13,84
Other long-term liabilities	7	37,42	36,11
Long-term provisions	8	27,66	36,23
Current liabilities			
Short-term borrowings	9	8,45,00	7,53,21
Trade payables	10	57,41	52,21
Other current liabilities	11	2,50,16	2,64,72
Short-term provisions	12	1,10,63	99,36
TOTAL		36,52,53	33,18,30
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		18,92,50	19,12,11
Intangible assets		4,44,19	5,34,26
Capital work-in-progress		–	1,21
Non-current investments	14	24,59	24,59
Long-term loans & advances	15	38,33	38,16
Other non-current assets	16	39,45	57,25
Current assets			
Inventories	17	1,98,93	1,88,17
Trade receivables	18	8,00,24	4,21,89
Cash and cash equivalents	19	20,59	5,60
Short-term loans & advances	20	1,82,92	1,24,27
Other current assets	21	10,79	10,79
TOTAL		36,52,53	33,18,30

The accompanying notes 1 to 35 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, 29th May, 2012

for and on behalf of the Board of Directors



A. SUBRAHMANYAM
Director-Technical



J. LAKSHMANA RAO
Chairman & Managing Director



Statement of Profit and Loss

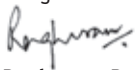
FOR THE YEAR ENDED 31st MARCH, 2012

₹'000

	Notes	2011-12	2010-11
INCOME			
Sales	22		
- Domestic		3,18,19	1,56,60
- Export		22,69,98	17,43,79
Other income	23	1,15,58	76,52
Work-in-process increase	24	10,76	18,86
TOTAL		27,14,51	19,95,77
EXPENDITURE			
Employees remuneration & benefits	25	16,07,89	10,79,53
Selling & distribution expenses	26	5,66	12,95
Other expenses	27	2,75,37	2,29,72
Finance costs	28	1,58,93	1,66,13
Preliminary & deferred expenses written off	29	17,23	17,23
Derivative loss		2,15,93	1,24,13
Provision for bad debts & back charges		18,77	20,13
Depreciation		2,58,42	2,42,62
TOTAL		25,58,20	18,92,43
Profit before prior period adjustments & tax		1,56,31	1,03,34
Provision for taxation for the year		56,14	17,55
Profit after tax		1,00,17	85,79
Extraordinary items & prior period adjustments		10,20	(25,93)
Profit transferred to Balance Sheet		89,97	1,11,72
Earning per share (Face value of ₹10)			
- Basic (₹)		1.99	2.72
- Diluted (₹)		1.94	1.86

The accompanying notes 1 to 35 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, 29th May, 2012

for and on behalf of the Board of Directors


A. SUBRAHMANYAM
Director-Technical


J. LAKSHMANA RAO
Chairman & Managing Director

Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2012

₹'000

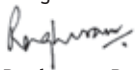
	2011-12	2010-11
A. CASH FLOW FROM OPERATIONS		
Net profit as per Statement of Profit and Loss	1,56,31	1,03,34
Adjustment for		
Depreciation	2,58,42	2,42,62
Preliminary expenses & deferred expenses	17,23	17,23
Interest paid	1,58,93	1,65,73
Operating profit before working capital changes	<u>4,34,58</u>	<u>4,25,58</u>
Adjustment for		
Trade and other receivables	(3,78,36)	2,14,18
Work-in-process	(10,76)	(18,86)
Trade payables & other liabilities (Including derivatives loss)	(5,36)	51,00
Advances/receivables	(58,23)	(38,37)
Cash generated from operations	<u>1,38,18</u>	<u>2,07,95</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	(1,56,72)	(1,22,01)
Sale of fixed assets	7,98	1,11,98
Investment written off	-	4,42,01
Capital work-in-progress and pending capitalisation	1,21	22,22
	<u>(1,47,53)</u>	<u>4,54,20</u>
	(9,35)	11,91,07



₹'000

	2011-12	2010-11
C. CASH FLOW FROM FINANCING ACTIVITIES		
Capital reserve	3,17,01	-
Share capital	54,71	52,50
Share application money	(4,19,01)	(1,05,71)
Share premium	3,79,28	3,41,22
Employee stock option scheme	9,35	19,74
Reserves adjusted against impairment of investment, goodwill & bad debts	-	(8,98,80)
Provision for taxation	(56,14)	(17,55)
Provision for proposed dividend	(46,88)	(69,93)
Additions/repayment of secured loans	(37,24)	(2,45,65)
Unsecured loans	-	(1,18,93)
Provision for corporate dividend tax	(7,61)	(11,88)
Interest paid	(1,58,93)	(1,65,73)
Prior period & extraordinary items	(10,20)	25,93
	24,34	(11,94,79)
Net Increase/(Decrease) in cash & cash equivalents	14,99	(3,72)
Opening balance of cash & cash equivalents	5,60	9,32
Closing balance of cash & cash equivalents	20,59	5,60

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


Sri Raghuram Praturi
Partner
Membership No. 221770
Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors


A. SUBRAHMANYAM
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.
- iv. For the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 is applicable to the Company, for presentation and disclosures in financial statements. The Company has reclassified the previous year's figures in accordance with the revised Schedule VI as applicable in the current year.

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 profit and loss account 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 profit and loss account 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 the Statement of Profit and Loss on diminishing balance method as per the guidance note of The Institute of Chartered Accountants of India (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 profit and loss account 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 the Institute of Chartered Accountants of India (ICAI). The excess of market value of the stock on the date of grant over the exercise price of the option is recognized as deferred employee stock compensation and is charged to profit and loss account on straight-line method over the vesting period 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 the Institute of Chartered Accountants of India. Deferred tax asset is not recognized in the books.

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

	As at 31st March, 2012	As at 31st March, 2011
₹'000		
a. Authorised		
1,30,00,000 equity shares of ₹10 each (March 31, 2011: 1,30,00,000 equity shares of ₹10 each)	13,00,00	13,00,00
	<u>13,00,00</u>	<u>13,00,00</u>
b. Issued, subscribed and paid up		
46,62,106 equity shares of ₹10 each (March 31, 2011: 41,14,981 equity shares of ₹10 each)	4,66,21	4,11,50
	<u>4,66,21</u>	<u>4,11,50</u>

- 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 ₹60.00 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.

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

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	41,14,981	4,11,49,810	41,14,981	4,11,49,810
Add: Shares issued on exercise of Employee Stock Option Scheme	37,125	3,71,250	-	-
Shares issued on exercise of warrants by preferential offer	5,10,000	51,00,000	-	-
Shares outstanding at the end of the year	46,62,106	4,66,21,060	41,14,981	4,11,49,810



The details of shareholders holding more than 5% shares

Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% Held	No. of shares	% Held
Mold-Tek Packaging Limited	4,23,433	9.08	4,07,933	9.91
A. Subrahmanyam	2,56,236	5.50	2,41,642	5.87
TOTAL	6,79,669	14.58	6,49,575	15.79

MTTL 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.

Particulars	As at 31st March, 2012	As at 31st March, 2011
Options outstanding, beginning of the year	1,50,000	-
Add: Granted	-	1,50,000
Less: Exercised	37,125	-
Options Outstanding, end of the year	1,12,875	1,50,000

During the year, 37,125 shares have been allotted to the employees against options exercised by them. The deferred employee compensation of ₹15,59,250 pertaining to such options exercised during the year have been charged off to Statement of Profit and Loss.

4. WARRANTS APPLICATION MONEY

During the year, on 29th June, 2011 the Company allotted 5,10,000 equity shares against fully convertible warrants. (6,55,000 warrants were allotted at a price of ₹80 comprising nominal value of ₹10 and premium of ₹70 each on 1st January, 2010). The balance of 1,45,000 warrants are forfeited. The application amount on the said forfeited warrants being ₹29,00,000 (25% of the issue price of the warrants) is transferred to capital reserve account.

During the year, the Company has forfeited convertible warrants of 16,60,000 (Convertible into equal number of equity shares within a period of 18 months from the date of allotment of warrants) issued on 9th August 2010, at a price of ₹69.40 per warrants. The said forfeited warrants application money of ₹2,88,01,000 (25% of the issue price of the warrants) is transferred to capital reserve account.

5. RESERVES & SURPLUS

₹'000

Particulars	As at 31st March, 2012		As at 31st March, 2011	
1. Capital reserve				
Opening balance	-		-	
Additions during the year	<u>3,17,01</u>	<u>3,17,01</u>	-	-
2. Securities premium				
Opening balance	7,11,31		3,70,09	
Additions during the year	<u>3,79,27</u>	<u>10,90,58</u>	<u>3,41,22</u>	7,11,31
3. General reserve				
Opening balance	87,08		70,32	
Add: Transfer from profit for the year	<u>9,00</u>	<u>96,08</u>	<u>16,76</u>	87,08
4. Share Options Outstanding Account				
Opening balance	19,74		-	
Add: Current year transfer	24,94		19,74	
Less: Written back in current year	<u>15,59</u>	<u>29,09</u>	-	19,74
5. Surplus				
Opening balance	1,13,97		1,00,82	
Add: Profit for the year	<u>89,97</u>		<u>1,11,72</u>	
	<u>2,03,94</u>		<u>2,12,54</u>	
Less: Appropriations				
Proposed final dividend	46,88		69,93	
Tax on dividend	7,61		11,88	
General reserve	<u>9,00</u>		<u>16,76</u>	
	<u>63,49</u>	<u>1,40,45</u>	<u>98,57</u>	1,13,97
TOTAL		16,73,21		9,32,11

The Board of Directors at its Meeting held on May 29, 2012 has recommended a dividend of ₹1.0 per equity share.

6. LONG-TERM BORROWINGS

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Non-current	Current	Non-current	Current
Secured loans				
Term loan from banks	1,68,99	2,85,57	3,09,44	3,44,96
Hire purchases finance	15,84	8,30	4,40	1,20
TOTAL	1,84,83	2,93,87	3,13,84	3,46,16



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 hypothecation of the borrowers' 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 Limited.
- Personal guarantees of Directors namely J. Lakshmana Rao, A. Subrahmanyam, J. Mytreyi and P. Venkateswara Rao

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

7. OTHER LONG-TERM LIABILITIES

₹'000

Particulars	As at 31st March, 2012	As at 31st March, 2011
Rent deposits	31,80	31,80
Deposits collected from employees	5,62	4,31
TOTAL	37,42	36,11

The Company collected security deposits from employees and same is to be repaid to employees after completion of service agreement norms.

8. LONG-TERM PROVISIONS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Gratuity (unfunded)	27,66	32,72
Leave encashment (unfunded)	–	3,51
TOTAL	27,66	36,23

- Gratuity settlements to the tune of ₹5.05 lakhs have been made during the year, which are adjusted against the opening provision of ₹32.72 lakhs.
- Total liability as per actuarial valuation as at 31st March, 2012 with respect to gratuity stands at ₹91.21 lakhs (31st March, 2011: ₹64.52 lakhs), against the existing provision of ₹27.66 lakhs.
- Leave encashment payments of ₹7.48 lakhs have been made during the year of which an amount of ₹3.51 lakhs is adjusted against opening provision.
- Total liability as per actuarial valuation as at 31st March, 2012 with respect to leave encashment stands at ₹34.59 lakhs (31st March, 2011: ₹21.63 lakhs), for which no provision is made.

9. SHORT-TERM BORROWINGS

₹'000

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Secured loans				
ICICI Bank cash credit	4,67,02		4,07,05	
Short term loans	84,11	5,51,13	-	4,07,05
TOTAL		5,51,13		4,07,05

The Company availed working capital facility of ₹5 crore from ICICI Bank Limited. The Company during the year under review has been sanctioned/availed non-fund based limit of ₹5 crore from ICICI Bank Limited. (See note for hypothecation clause referred in Note 6.)

10. TRADE PAYABLES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Creditors for goods	55,35	48,81
Creditors for expenses	2,06	3,40
TOTAL	57,41	52,21

Creditors' balances are subject to confirmations and reconciliation.

11. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Duties & taxes	14,90	2,41
Unpaid dividend	9,10	7,21
Outstanding expenses payable	99,50	1,53,49
TDS payable	17,16	16,16
Employee salaries, benefits & contributions payable	1,09,50	85,45
TOTAL	2,50,16	2,64,72

Unpaid dividend of ₹9.10 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

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for proposed dividend & tax thereon	54,49	81,82
Provision for current year income tax	56,14	17,54
TOTAL	1,10,63	99,36

₹'000

13. FIXED ASSETS

Particulars	Gross block				Depreciation				Net block	
	As on 1st April, 2011	Additional during the year	Deletions during the year	As on 31st March, 2012	As on 1st April, 2011	For the year	Deletions during the year	As on 31st March, 2012	As on 31st March, 2012	As on 31st March, 2011
TANGIBLE ASSETS										
Land	7,09,14	-	-	7,09,14	-	-	-	-	7,09,14	7,09,14
Building	5,73,97	17,70	-	5,91,67	42,04	18,58	-	60,62	5,31,05	5,31,93
Electrical installations	2,09,31	2,35	-	2,11,66	42,20	14,16	-	56,36	1,55,30	1,67,11
Office equipments	1,91,95	4,20	-	1,96,15	40,82	13,62	-	54,44	1,41,71	1,51,13
Computers	2,41,03	33,07	-	2,74,10	1,10,94	38,01	-	1,48,95	1,25,15	1,30,09
Furniture & fixtures	2,36,18	6,05	-	2,42,23	35,77	14,41	-	50,18	1,92,05	2,00,41
Vehicles	31,26	27,25	13,97	44,54	8,96	3,47	5,99	6,44	38,10	22,30
Total (A)	21,92,84	90,62	13,97	22,69,49	2,80,73	1,02,25	5,99	3,76,99	18,92,50	19,12,11
INTANGIBLE ASSETS										
Goodwill	2,51,24	-	-	2,51,24	50,25	50,25	-	1,00,50	1,50,74	2,00,99
Software	6,45,54	66,10	-	7,11,64	3,12,27	1,05,92	-	4,18,19	2,93,45	3,33,27
Total (B)	8,96,78	66,10	-	9,62,88	3,62,52	1,56,17	-	5,18,69	4,44,19	5,34,26
GRAND TOTAL (A+B)	30,89,62	1,56,72	13,97	32,32,37	6,43,25	2,58,42	5,99	8,95,68	23,36,69	24,46,37
Previous year	30,99,70	1,22,00	1,32,09	30,89,62	4,20,73	2,42,62	20,10	6,43,24	24,46,37	

CAPITAL WORK-IN-PROGRESS

Particulars	As on 1st April, 2011	Additions during the year	Capitalised during the year	As on 31st March, 2012
Capital work-in-progress	1,21	26,56	27,77	-
TOTAL	1,21	26,56	27,77	-
Previous year	23,42	11,54	33,76	1,21



14. INVESTMENTS

₹'000

Particulars	As at 31st March, 2012	As at 31st March, 2011
Long term investments (unquoted) (Lower of cost/impaired value)		
Cross Road Detailing Inc (impaired value)	16,43	16,43
RMM Global Inc. (at cost)	8,16	8,16
TOTAL	24,59	24,59

The investment in one of the company's wholly owned subsidiary has been tested for impairment during the previous year and is disclosed at impaired value. The nominal increase in the value of the investment as at Balance Sheet date is not considered as permanent in nature and hence continued to disclose at impaired value.

15. LONG-TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deposits to government bodies	8,08	6,61
Capital advances	30,00	30,00
Other deposits	25	1,55
TOTAL	38,33	38,16

Capital advances are regrouped under the long-term loans and advances during the year. Of above ₹30 lakhs pertains to an advance given for land procurement for which the allotment of land is pending, in the absence of which the management is confident of recovering the same.

16. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Preliminary expenses	34,53	51,75
Deferred interest	4,92	1,28
Margin money	-	4,22
TOTAL	39,45	57,25

During the year, margin money deposits made against the bank guarantees have been encashed on surrendering them to the bankers.



17. INVENTORY AND WORK-IN-PROGRESS

Includes unbilled revenues as at 31st March, 2012 amounting to ₹1.98 crore (31st March, 2011: ₹1.88 crore) the values of which as at the Balance Sheet date are as certified by the management.

18. TRADE RECEIVABLES

₹'000

Particulars	As at 31st March, 2012	As at 31st March, 2011
Over six months		
Considered good	86,46	58,84
Considered doubtful	39,27	39,27
Others		
Considered good	7,13,78	3,63,05
Provision for doubtful debts	39,27	39,27
TOTAL	8,00,24	4,21,89

- Trade receivables are subject to confirmation and reconciliation.
- Total receivables include ₹664.99 lakhs realisable in foreign currency of which ₹468.66 lakhs are receivable from Company's wholly owned subsidiaries.
- Of the receivables outstanding for more than 6 months ₹125.73 lakhs, amounts realizable in foreign currency are ₹73.16 lakhs, of which an amount of ₹59 lakhs are receivable from subsidiaries.
- No provision has been made during the year in addition to the existing provision of ₹39.27 lakhs which is against domestic sales. The management expresses confidence in the recovery of the balance dues.

19. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cash in hand	38	12
Bank current & dividend accounts	20,21	5,48
TOTAL	20,59	5,60

Bank balances include an amount of ₹9.10 lakhs pertaining to unpaid dividend of various years.

20. SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Advance tax & TDS receivable	1,24,27	84,03
Prepaid expenses	33,09	7,23
Staff advances	23,66	33,17
Mold-Tek Packaging Limited (related party)	1,90	(16)
TOTAL	1,82,92	1,24,27

21. OTHER CURRENT ASSETS

₹'000

Particulars	As at 31st March, 2012	As at 31st March, 2011
Others (Employee welfare trust)	10,79	10,79
TOTAL	10,79	10,79

Other current assets represents 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

Particulars	2011-12	2010-11
Domestic sales	3,18,19	1,56,60
Export sales	22,69,98	17,43,79
TOTAL	25,88,17	19,00,39

23. OTHER INCOME

Particulars	2011-12	2010-11
Rent received	65,92	60,73
Foreign exchange gain (Net)	49,47	15,39
Miscellaneous income	19	40
TOTAL	1,15,58	76,52

24. CHANGES IN WORK-IN-PROCESS

Particulars	2011-12	2010-11
Work-in-process		
Opening stocks	1,88,17	1,69,31
Closing stocks	1,98,93	1,88,17
TOTAL	10,76	18,86

Closing stock of work-in-process includes unbilled revenues as at March 31, 2012 amounting to ₹1.98 crore (31st March, 2011: ₹1.88 crore) primarily comprises of the revenue recognized in relation to efforts incurred on contract on the basis of extent of completion.



25. EMPLOYEE REMUNERATION & BENEFITS

₹'000

Particulars	2011-12	2010-11
Salaries, wages, allowances & bonus	13,35,32	8,96,78
Contribution to provident fund & ESIC	45,36	35,74
Welfare expenses	83,83	25,62
Gratuity	–	6,50
Leave Encashment	3,97	40
Directors remuneration & perquisites	1,14,47	94,75
Employee compensation expenses (ESOS)	24,94	19,74
TOTAL	16,07,89	10,79,53

- Gratuity settled during the year ₹5.05 lakhs has been adjusted completely against provision.
- Leave encashment payments made during the year are amounting to ₹7.48 lakhs, while an amount of ₹3.51 lakhs adjusted against provision, the balance of ₹3.97 lakhs is charged to profit and loss account.
- Gratuity and leave encashment figures do not include the amounts to be provided for the year of ₹26.69 lakhs and ₹12.96 lakhs respectively, based on incremental liability for the year as per actuarial valuation.
- Directors' remuneration for the year excludes a sum of ₹10.57 lakhs (31st March, 2011: Nil) paid towards leave encashment for earlier years which is accounted and disclosed as prior period expenditure.

26. SELLING & DISTRIBUTION EXPENSES

Particulars	2011-12	2010-11
Sales promotion & commission	5,06	12,53
Advertisement expenses	60	42
TOTAL	5,66	12,95

27. OTHER EXPENSES

₹'000

Particulars	2011-12	2010-11
Rent	6,14	4,46
Rates & taxes	30,46	19,29
Insurance	2,05	3,11
Communication expenses	14,25	14,06
Power & fuel	40,72	25,48
Foreign travel	46,10	24,82
Travelling and conveyance - others	15,63	11,22
Printing & stationery	9,61	11,63
Repairs & maintenance	56,37	51,10
Professional charges	17,49	18,94
Auditors' remuneration	3,00	2,75
Job work charges	12,81	8,81
Bank charges	7,93	20,74
Loss on sale of assets	3,86	6,49
General expenses	8,95	6,82
TOTAL	2,75,37	2,29,72

Auditors' remuneration

Particulars	2011-12	2010-11
Statutory & tax audit fee including quarterly reviews	2,25	2,00
Retainer fee for tax and other matters	75	50
TOTAL	3,00	2,75

28. FINANCE COSTS

Particulars	2011-12	2010-11
Interest on term loans	76,86	1,05,39
Interest on working capital	70,65	52,29
Interest charges on other loans	11,42	8,45
TOTAL	1,58,93	1,66,13

29. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF

Particulars	2011-12	2010-11
Opening balance as on 1st April, 2011	51,75	68,98
Less: Written off during the year	17,23	17,23
TOTAL	34,52	51,75



30. DERIVATIVES & FORWARDS

During the year, the Company incurred loss of ₹215.93 lakhs on account of derivatives and forwards, comprising of ₹214.73 lakhs and ₹1.2 lakhs (net) on derivatives and forwards respectively. The details of the contracts entered into by the Company as on 31st March, 2012 are as follows:

Derivative instruments

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

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

Forwards

Foreign exchange exposure of the nature of a hedging contract by way of a forward confirmation with ICICI Bank Limited with following particulars:

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	9647117	50,000	30th April, 2012	50.25
USD	9675969	50,000	30th April, 2012	49.89
USD	9718183	1,00,000	30th April, 2012	50.33
USD	9647128	50,000	31st May, 2012	50.53
USD	9675936	50,000	31st May, 2012	50.17
USD	9718197	1,00,000	31st May, 2012	50.62
USD	9647141	50,000	29th June, 2012	50.79
USD	9675913	50,000	29th June, 2012	50.44
USD	9721380	1,00,000	29th June, 2012	51.02
USD	9776386	1,00,000	29th June, 2012	51.96
USD	9675898	50,000	31st July, 2012	50.69
USD	9721395	1,00,000	31st July, 2012	51.24
USD	9776426	1,00,000	31st July, 2012	52.26
				(contd.)

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	9675873	50,000	31st August, 2012	50.94
USD	9776464	1,00,000	31st August, 2012	52.55
USD	9675793	50,000	28th September, 2012	51.17
USD	9776474	1,00,000	28th September, 2012	52.8
USD	9675755	50,000	31st October, 2012	51.4
USD	9776501	1,00,000	31st October, 2012	53.05
USD	9675731	50,000	30th November, 2012	51.63
USD	9776519	1,50,000	30th November, 2012	53.29
USD	9675679	50,000	31st December, 2012	51.83
USD	9776528	1,50,000	31st December, 2012	53.51
USD	9675647	50,000	31st January, 2013	52.03
USD	9776564	1,50,000	31st January, 2013	53.73
USD	9776579	1,50,000	28th February, 2013	53.92

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

31. FOREIGN CURRENCY RECEIVABLES

The amounts receivable in foreign currency as on 31st March, 2012 on account of export of goods:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Debtors	5,78.66	USD 11,39,369	3,24.35	USD 7,26,870
	84.37	EUR 1,24,330	33.97	EUR 53,632
	–	–	3.47	BRL 12,619

The amounts payable in foreign currency as on 31st March, 2012 on account of creditors and other payables:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Creditors	–	–	4.90	USD 11,000



32. EARNINGS PER SHARE

Particulars	2011-12	2010-11
Profit available for equity share holders (₹)	89,96,835	1,11,72,291
No. of equity shares outstanding for BEPS	45,31,512	41,14,981
Weighted average number of potential equity shares, warrants and ESOPs outstanding	1,12,875	18,92,425
Total number of equity shares for DEPS	46,44,387	60,07,406
Earning per share - Face value of ₹10		
- Basic (₹)	1.99	2.72
- Diluted (₹)	1.94	1.86

33. CONTINGENT LIABILITIES

₹ Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Tax disputes	36.83	36.83
Derivatives	1,43.28	1,97.74

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

Contingent liabilities with respect to derivatives are arrived at based on the unexpired derivative contracts the Company has entered into, at foreign currency rate as on 31st March, 2012.

34. 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

Particulars	2011-12	2010-11
FOB value of exports	22,69.98	17,43.79

b. Expenditure in foreign currency

Particulars	2011-12	2010-11
Travelling	46.09	24.39

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

- Cross Roads Detailing Inc., USA - Wholly owned subsidiary
- RMM Global Inc., USA - Wholly owned subsidiary
- J. Rana Pratap - Management Trainee - Son of Chairman & Managing Director

2. Key management personnel

- J. Lakshmana Rao, Chairman & Managing Director
- J. Sudharani, 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.

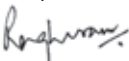
Related party transactions

₹ Lakhs

Particulars	Subsidiaries		Associate companies		Key management personnel		Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Sales								
Crossroads Detailing, Inc., USA	2,10.06	1,39.26						
RMM Global Inc., USA	9,07.97	8,46.45						
Remuneration								
J. Lakshmana Rao					84.00^a	72.45		
J. Sudharani					25.20	21.60		
Dividend								
J. Lakshmana Rao					0.23	0.34		
J. Sudharani					2.35	3.67		
J. Rana Pratap							1.27	1.91
Other transactions								
Mold-Tek Packaging Ltd			(2.03)	(35.26)				
J. Rana Pratap							1.20	4.46
Outstanding receivables as at 31st March, 2012								
Crossroads Detailing, Inc., USA	1,32.12	72.05						
RMM Global Inc., USA	3,24.89	1,48.2						
Other payables								
Mold-tek Packaging Limited			1.90	(0.16)				
Personal guarantee given to bank								
J. Lakshmana Rao						8,40		

^a Excludes payment made towards leave encashment for earlier years.

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


Sri Ragnuram Praturi
Partner
Membership No. 221770
Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors


A. SUBRAHMANYAM
Director-Technical


J. LAKSHMANA RAO
Chairman & Managing Director



RMM Global Inc, USA

BALANCE SHEET AS AT 31ST MARCH, 2012

	31st March, 2012		31st March, 2011	
	USD	₹'000	USD	₹'000
ASSETS				
Current assets				
Corporate checking/savings	73,597	37,49	16,947	7,56
Accounts receivable	5,26,580	2,68,24	3,11,455	1,38,87
Work-in-process	47,779	23,78	27,628	12,58
TOTAL CURRENT ASSETS	6,47,956	3,29,51	3,56,030	1,59,01
FIXED ASSETS				
Accumulated depreciation	(5,696)	(2,77)	(1,563)	(71)
Vehicles & computers	20,149	9,85	6,563	2,93
TOTAL FIXED ASSETS	14,453	7,08	5,000	2,22
OTHER ASSETS				
Loans & advances	69,000	35,15	650	29
Total other assets	69,000	35,15	650	29
TOTAL ASSETS	7,31,409	3,71,74	3,61,680	1,61,52
LIABILITIES & CAPITAL				
Current liabilities				
Accounts payable	79,224	40,36	34,769	15,50
Intercompany payable	6,49,605	3,30,91	3,32,377	1,48,21
TOTAL CURRENT LIABILITIES	7,28,829	3,71,27	3,67,146	1,63,71
CAPITAL				
Common stock	1,000	51	1,000	51
Retained earnings	(6,466)	(2,85)	5,981	2,82
Foreign currency translation reserve	-	(3,18)	-	15
Current year earnings	8,046	5,99	(12,447)	(5,67)
TOTAL CAPITAL	2,580	47	(5,466)	(2,19)
TOTAL LIABILITIES & EQUITY	7,31,409	3,71,74	3,61,680	1,61,52

RMM Global Inc, USA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	31st March, 2012		31st March, 2011	
	USD	₹'000	USD	₹'000
Ordinary Income/Expense				
Income				
Detailing	21,75,786	10,50,62	21,95,727	9,99,71
Consulting income	88,740	42,77	-	-
Other income	4,850	2,25	1,915	87
Total income	<u>22,69,376</u>	<u>10,95,64</u>	21,97,642	10,00,58
Cost of goods sold	<u>18,79,268</u>	<u>9,06,22</u>	18,72,838	8,52,70
Gross profit	<u>3,90,108</u>	<u>1,89,42</u>	<u>3,24,804</u>	<u>1,47,88</u>
Expense				
Work-in-progress	(20,151)	(11,65)	51,011	23,23
Back charges	-	-	18,039	8,21
Bank service charges	13,825	6,92	165	7
Insurance	25,072	12,13	17,662	8,04
Exhibition expenses	4,378	2,10	6,474	2,94
Office supplies	4,606	2,18	2,886	1,31
Pay roll expenses	2,39,117	1,15,65	1,69,746	77,29
Printing and reproduction	2,265	1,08	1,598	73
Rent	14,027	6,77	12,341	5,62
Postage and delivery	311	15	940	43
Taxes	2,123	1,02	3,357	1,53
Professional fees	25,641	12,21	10,394	4,73
Travelling expenses	25,607	12,50	30,569	13,93
Computer maintenance	34,442	17,09	949	43
Communication expenses	6,667	3,22	9,558	4,35
Depreciation	4,132	2,06	1,563	71
Total expense	<u>3,82,062</u>	<u>1,83,43</u>	<u>3,37,251</u>	<u>1,53,55</u>
Net income	<u>8,046</u>	<u>5,99</u>	(12,447)	(5,67)



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, 2012 and the related statement of income and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, we do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

Ami Shah
Certified Public Accountants

Indiana
May 29, 2012

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, 2012 and the related statement of income and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, we do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

Ami Shah
Certified Public Accountants

Indiana
May 29, 2012

Crossroads Detailing Inc, USA**BALANCE SHEET AS AT 31ST MARCH, 2012**

	31st March, 2012		31st March, 2011	
	USD	₹'000	USD	₹'000
ASSETS				
Current Assets				
Corporate checking/savings	(4,304)	(2,19)	(8,991)	(4,01)
Work-in-process	-	-	11,500	5,24
Accounts receivable	3,19,495	1,62,75	4,56,774	2,03,67
Less: Provision for bad debts			2,39,925	1,06,98
Total accounts receivable	<u>3,19,495</u>	<u>1,62,75</u>	<u>2,16,849</u>	<u>96,69</u>
Total current assets	<u>3,15,191</u>	<u>1,60,56</u>	<u>2,19,358</u>	<u>97,92</u>
TOTAL ASSETS	<u>3,15,191</u>	<u>1,60,56</u>	<u>2,19,358</u>	<u>97,92</u>
LIABILITIES & EQUITY				
Current liabilities				
Accounts payable	2,70,343	1,37,71	8,73,033	3,89,28
Less: Back charges	-	-	7,21,403	3,21,67
Total accounts payable	<u>2,70,343</u>	<u>1,37,71</u>	<u>1,51,630</u>	<u>67,61</u>
Other payables	(238)	(12)	31,118	13,88
Total current liabilities	<u>2,70,105</u>	<u>1,37,59</u>	<u>1,82,748</u>	<u>81,49</u>
Capital				
Common stock	84,441	33,79	84,441	33,79
Retained earnings	(47,832)	(17,36)	(4,50,628)	(2,01,46)
Foreign currency translation reserve	-	2,36	-	71
Profit & Loss current year	<u>8,477</u>	<u>4,18</u>	<u>4,02,797</u>	<u>1,83,39</u>
Total capital	<u>45,086</u>	<u>22,97</u>	<u>36,610</u>	<u>16,43</u>
TOTAL LIABILITIES & EQUITY	<u>3,15,191</u>	<u>1,60,56</u>	<u>2,19,358</u>	<u>97,92</u>

Crossroads Detailing Inc, USA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012



	31st March, 2012		31st March, 2011	
	USD	₹'000	USD	₹'000
Ordinary Income/Expense				
Income				
Consulting income	85,470	40,20	1,48,492	67,61
Detailing	7,94,385	3,78,04	6,27,588	2,85,74
Other income	7,896	4,06	2,596	1,18
Total income	8,87,751	4,22,30	7,78,677	3,54,53
Cost of goods sold	4,46,213	2,11,48	(86,083)	(39,19)
Gross profit	4,41,538	2,10,82	8,64,760	3,93,72
Expense				
Work-in-progress	11,500	5,34	(6,887)	(3,14)
Bank charges	827	41	743	34
Membership & subscription	-	-	550	25
Insurance	24,069	11,57	19,046	8,67
Office supplies	348	15	783	36
Payroll expenses	2,75,929	1,32,32	3,73,352	1,69,99
Printing and reproduction	-	-	207	9
Rent	8,456	3,95	12,425	5,66
Depreciation	-	-	1,414	64
Property tax	-	-	2,254	1,03
State tax	-	-	3,170	1,44
Other taxes	1,433	64	309	14
Income taxes	309	14	-	-
Job work charges	1,02,074	48,08	40,213	18,31
Professional fee	5,725	2,91	12,439	5,67
Telephone	2,149	1,02	2,961	1,35
Utilities - Other	241	11	1,381	62
Prior period expenses	-	-	(2,395)	(1,09)
Total expense	4,33,061	2,06,64	4,61,963	2,10,33
Net Income	8,477	4,18	4,02,797	1,83,39

Auditors' Report on Consolidated Accounts

The Board of Directors
Mold-Tek Technologies Limited

1. We have audited the attached Consolidated Balance Sheet of MOLD-TEK TECHNOLOGIES LIMITED, 'the Company' and its subsidiaries, together referred to as 'the Group' as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on the date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, M/s. Crossroads Detailing Inc. and M/s. RMM Global Inc. for the year ended on 31st March, 2012. These financial statements and other financial information have been compiled by external auditors whose reports have been furnished to us, and our opinion, in

so far as it relates to the amounts included in respect of these subsidiaries are based solely on the report of such external auditors.

4. We report that 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 the Institute of Chartered Accountants of India, and notified by the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the financial information of the components, in our opinion and to the best of our information and according to the explanations given to us the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - b. In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group of the year ended 31st March, 2012; and
 - c. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended 31st March, 2012.

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



Sri Raghuram Praturi
Partner
Membership No. 221770

Hyderabad
29th May, 2012



Consolidated Balance Sheet

AS AT 31st MARCH, 2012

₹'000

	Notes	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	4,66,21	4,11,50
Money received against share warrants	5	–	4,19,01
Reserves & surplus	6	16,72,07	9,21,76
Non-current liabilities			
Long-term borrowings	7	1,84,83	3,13,84
Other long-term liabilities	8	37,42	36,11
Long-term provisions	9	27,66	36,23
Current liabilities			
Short-term borrowings	10	8,47,21	7,53,21
Trade payables	11	57,39	66,08
Other current liabilities	12	2,90,51	2,80,23
Short-term provisions	13	1,10,63	99,36
TOTAL		36,93,93	33,37,33
ASSETS			
Non-current assets			
Fixed assets	14		
Tangible assets		18,93,78	19,14,32
Intangible assets		4,49,99	5,34,27
Capital work-in-progress		–	1,21
Long-term loans & advances	15	38,33	38,16
Other non-current assets	16	39,45	57,25
Current assets			
Inventories	17	2,22,71	2,05,98
Trade receivables	18	7,62,73	4,41,64
Cash and cash equivalents	19	58,09	9,15
Short-term loans & advances	20	2,18,06	1,24,56
Other current assets	21	10,79	10,79
TOTAL		36,93,93	33,37,33

The accompanying notes 1 to 33 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, 29th May, 2012

for and on behalf of the Board of Directors

A. SUBRAHMANYAM
Director-Technical

J. LAKSHMANA RAO
Chairman & Managing Director

Statement of Consolidated Profit and Loss

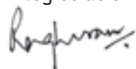
FOR THE YEAR ENDED 31st MARCH, 2012

₹'000

	Notes	2011-12	2010-11
INCOME			
Sales	22		
- Domestic sales		3,18,19	1,56,60
- Export sales		26,63,90	24,37,76
Other income	23	1,21,88	78,57
Work-in-process increase/(decrease)	24	17,08	(1,23)
TOTAL		31,21,05	26,71,70
EXPENDITURE			
Employees remuneration & benefits	25	18,55,86	13,45,11
Selling & distribution expenses	26	7,76	15,90
Other expenses	27	4,19,47	2,96,09
Finance costs	28	1,58,93	1,66,13
Preliminary & deferred expenses written off	29	17,23	17,23
Derivative loss		2,15,93	1,24,13
Provision for bad debts & back charges		18,77	1,82,76
Depreciation		2,60,48	2,43,97
TOTAL		29,54,43	23,91,32
Profit before prior period adjustments & tax		1,66,62	2,80,38
Provision for taxation for the year		56,28	17,96
Profit after tax		1,10,34	2,62,42
Extraordinary items & prior period adjustments		10,20	(27,02)
Profit transferred to Balance Sheet		1,00,14	2,89,44
Earning per Share (Face value ₹10)			
- Basic (₹)		2.21	7.03
- Diluted (₹)		2.16	4.82

The accompanying notes 1 to 33 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, 29th May, 2012

for and on behalf of the Board of Directors



A. SUBRAHMANYAM
Director-Technical



J. LAKSHMANA RAO
Chairman & Managing Director



Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2012

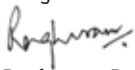
₹'000

	2011-12	2010-11
A. CASH FLOW FROM OPERATIONS		
Net profit as per Statement of Profit and Loss	1,66,62	2,80,38
Adjustment for		
Depreciation	2,60,48	2,43,97
Preliminary expenses & deferred expenses	17,23	17,23
Interest paid	1,58,93	1,65,73
Operating profit before working capital changes	<u>4,36,64</u>	<u>4,26,93</u>
	6,03,26	7,07,31
Adjustment for		
Trade and other receivables	(3,21,09)	(18,20)
Work-in-process	(17,08)	2,64
Trade payables & other liabilities (Including derivatives loss)	5,80	53,96
Advances/receivables	(93,09)	(37,88)
Cash generated from operations	<u>(4,25,46)</u>	<u>52</u>
	1,77,80	7,07,83
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	(1,63,64)	(1,24,93)
Sale of fixed assets	7,98	1,31,73
Investment written off	-	4,42,01
Capital work-in-progress and pending capitalisation	1,21	22,22
	<u>(1,54,45)</u>	<u>4,71,03</u>
	23,35	11,78,86

₹'000

	2011-12	2010-11
C. CASH FLOW FROM FINANCING ACTIVITIES		
Capital reserve	3,17,01	-
Share capital	54,71	52,50
Share application money	(4,19,01)	(1,05,71)
Share premium	3,79,28	3,41,22
Employee stock option scheme	9,35	19,74
Reserves adjusted against impairment of investment goodwill & bad debts	-	(8,98,80)
Provision for taxation	(56,28)	(17,96)
Provision for proposed dividend	(46,88)	(69,93)
Additions/repayment of secured loans	(35,03)	(2,51,44)
Unsecured loans	-	(1,18,93)
Foreign currency reserve	(82)	(80)
Provision for corporate dividend tax	(7,61)	(11,88)
Interest paid	(1,58,93)	(1,65,73)
Prior period & extraordinary items	(10,20) 25,59	27,02 (12,00,70)
Net increase/(decrease) in cash & cash equivalents	48,94	(21,84)
Opening balance of cash & cash equivalents	9,15	30,99
Closing balance of cash & cash equivalents	58,09	9,15

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


Sri Raghuram Praturi
Partner
Membership No. 221770
Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors


A. SUBRAHMANYAM
Director-Technical


J. LAKSHMANA RAO
Chairman & Managing Director



Significant accounting policies and notes on consolidated accounts

1. SIGNIFICANT ACCOUNTING POLICIES

a. Method of accounting

- i. 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.
- 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. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- iv. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.
- v. The financials statements of the subsidiaries are drawn up to 31st March, 2012.
- vi. For the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 is applicable to the Company, for presentation and disclosures in financial statements. The Company has reclassified the previous year's figures in accordance with the revised Schedule VI as applicable in the current year.

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 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 Statement 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 Statement of Profit and Loss in earlier accounting years 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 Institute of Chartered Accountants of India (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. 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.

iv. 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 the Institute of Chartered Accountants of India (ICAI). The excess of market value of the stock on the date of grant over the exercise price of the option is recognized as deferred employee stock compensation and is charged to 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 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 year end 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:

- i. All assets and liabilities are converted into Indian rupees at year ended rates.
- ii. All revenue and expenditure items are converted into Indian rupees using the average rate for the period of consolidation.
- iii. 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 ₹0.82 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 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 the Institute of Chartered Accountants of India. Deferred tax asset is not recognized in the books.

m. Miscellaneous expenditure

Preliminary and deferred expenses are amortized over a period of five 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, Crossroad 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 the Institute of Chartered Accountants of India.
- 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, 2012.
- 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, 2012.

3. 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.

4. SHARE CAPITAL

	₹'000	
	As at 31st March, 2012	As at 31st March, 2011
a. Authorised		
1,30,00,000 equity shares of ₹10 each (March 31, 2011: 1,30,00,000 equity shares of ₹10 each)	13,00,00	13,00,00
	13,00,00	13,00,00
b. Issued, subscribed and paid up		
46,62,106 equity shares of ₹10 each (March 31, 2011: 41,14,981 equity shares of ₹10 each)	4,66,21	4,11,50
	4,66,21	4,11,50



- 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 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).
- 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 ₹60.00 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.

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

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	41,14,981	4,11,49,810	41,14,981	4,11,49,810
Add: Shares issued on exercise of Employee Stock Option Scheme	37,125	3,71,250	-	-
Shares issued on exercise of warrants by preferential offer	5,10,000	51,00,000	-	-
Shares outstanding at the end of the year	46,62,106	4,66,21,060	41,14,981	4,11,49,810

The details of shareholders holding more than 5% shares

Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% Held	No. of shares	% Held
Mold-Tek Packaging Limited	4,23,433	9.08	4,07,933	9.91
A. Subrahmanyam	2,56,236	5.50	2,41,642	5.87
TOTAL	6,79,669	14.58	6,49,575	15.79

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.

During the year, 37,125 numbers of shares has been allotted to the employees against options exercised by them. The deferred employee compensation of ₹15,59,250 pertaining to such options exercised during the year have been charged off to the Statement of Profit and Loss.

Particulars	As at 31st March, 2012	As at 31st March, 2011
Options outstanding, beginning of the year	1,50,000	-
Add: Granted	-	1,50,000
Less: Exercised	37,125	-
Options outstanding, end of the year	1,12,875	1,50,000

5. WARRANTS APPLICATION MONEY

During the year, on 29th June, 2011 the Company allotted 5,10,000 equity shares against fully convertible warrants. (6,55,000 warrants were allotted at a price of ₹80 comprising nominal value of ₹10 and premium of ₹70 each on 1st January, 2010). The balance of 1,45,000 warrants are forfeited. The application amount on the said forfeited warrants being ₹29,00,000 (25% of the issue price of the warrants) is transferred to capital reserve account.

During the year, the Company has forfeited convertible warrants of 16,60,000 (Convertible into equal number of equity shares within a period of 18 months from the date of allotment of warrants) issued on 9th August, 2010 at a price of ₹69.40 per warrants. The said forfeited warrant application money of ₹2,88,01,000 (25% of the issue price of the warrants) is transferred to capital reserve account.



6. RESERVES & SURPLUS

₹'000

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Capital reserve				
Opening balance	-		-	
Additions during the year	3,17,01	3,17,01	-	-
Securities premium				
Opening balance	7,11,31		3,70,09	
Additions during the year	3,79,27	10,90,58	3,41,22	7,11,31
General reserve				
Opening balance	87,08		70,32	
Add: Transfer from profit for the year	9,00	96,08	16,76	87,08
Share options outstanding account				
Opening balance	19,74		-	
Add: Current year transfer	24,94		19,74	
Less: Written back in current year	15,59	29,09	-	19,74
Foreign currency translation reserve				
Opening balance	-		-	
Add: Profit/(loss) for the year	(82)	(82)	85	85
Capital reserve on consolidation		9,71		9,71
Surplus				
Opening balance	93,77		(97,82)	
Add: Profit/(loss) for the year	1,00,14		28,94,5	
	1,93,91		1,91,63	
Less: Appropriations				
Proposed final dividend	46,88		69,93	
Tax on dividend	7,61		11,88	
General reserve	9,00		16,76	
	63,49	1,30,42	98,57	93,06
TOTAL		16,72,07		9,21,76

The Board of Directors at its meeting held on 29th May, 2012 has recommended a final dividend of ₹1.0 per equity share.

7. LONG-TERM BORROWINGS

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Non-current	Current	Non-current	Current
Secured loans				
Term loan from banks	1,68,99	2,85,57	3,09,44	3,44,96
Hire purchases finance	15,84	8,30	4,40	1,20
TOTAL	1,84,83	2,93,87	3,13,84	3,46,16

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 hypothecation of the borrowers' 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 Limited.
- Personal guarantees of Directors namely J. Lakshmana Rao, A. Subrahmanyam, 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.

8. OTHER LONG-TERM LIABILITIES

₹'000

Particulars	As at 31st March, 2012	As at 31st March, 2011
Rent deposits	31,80	31,80
Deposits collected from employees	5,62	4,31
TOTAL	37,42	36,11

The Company collected security deposits from employees and same is to be repaid to employees after completion of service agreement norms.

9. LONG-TERM PROVISIONS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Gratuity (unfunded)	27,66	32,72
Leave encashment (unfunded)	-	3,51
TOTAL	27,66	36,23

- Gratuity settlements to the tune of ₹5.05 lakhs have been made during the year, which are adjusted against the opening provision of ₹32.71 lakhs.
- Total liability as per actuarial valuation as at 31st March, 2012 with respect to gratuity stands at ₹91.21 lakhs (31st March, 2011: ₹64.52 lakhs), against the existing provision of ₹27.66 lakhs.
- Leave encashment payments of Rs.7.48 lakhs have been made during the year of which an amount of ₹3.51 lakhs is adjusted against opening provision.
- Total liability as per actuarial valuation as at 31st March, 2012 with respect to leave encashment stands at ₹34.59 lakhs (31st March, 2011: ₹21.63 lakhs), for which no provision is made.



10. SHORT-TERM BORROWINGS

₹'000

Particulars	As at 31st March, 2012		As at 31st March, 2011	
Secured loans				
ICICI Bank cash credit	4,67,02		4,07,05	
Short term loans	86,32	5,53,34	-	4,07,05
TOTAL		5,53,34		4,07,05

The Company availed working capital facility of ₹5 crore from ICICI bank Limited. The Company, during the year under review, has been sanctioned/availed non-fund based limit of ₹5 crore from ICICI bank Limited. (See note for hypothecation clause referred in Note 7.)

11. TRADE PAYABLES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Creditors for goods	55,34	62,68
Creditors for expenses	2,05	3,40
TOTAL	57,39	66,08

Creditors' balances are subject to confirmations and reconciliations.

12. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Duties & taxes	14,90	2,41
Unpaid dividend	9,10	7,21
Outstanding expenses payable	99,50	1,53,49
TDS payable	17,16	16,16
Employee salaries, benefits & contributions payable	1,49,85	1,00,96
TOTAL	2,90,51	2,80,23

Unpaid dividend of ₹9.10 lakhs 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

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for proposed dividend & tax thereon	54,49	81,82
Provision for current year income tax	56,14	17,54
TOTAL	1,10,63	99,36

₹'000

Particulars	Gross block			Depreciation			Net block	
	As on 1st April, 2011	Additional during the year	Deletions during the year	As on 31st March, 2012	For the year	Deletions during the year	As on 31st March, 2012	As on 31st March, 2011
TANGIBLE ASSETS								
Land	7,09,14	-	-	7,09,14	-	-	7,09,14	7,09,14
Building	5,73,97	17,70	-	5,91,67	18,58	-	5,31,05	5,31,93
Electrical installations	2,09,31	2,35	-	2,11,66	14,16	-	1,55,30	1,67,11
Office equipments	1,91,95	4,20	-	1,96,15	13,62	-	1,41,71	1,51,13
Computers	2,41,03	33,07	-	2,74,10	38,01	-	1,48,95	1,30,09
Furniture & fixtures	2,36,18	6,05	-	2,42,23	14,41	-	50,18	2,00,41
Vehicles	31,26	27,25	13,97	44,54	3,47	5,99	38,10	22,30
Software at RMM Global Inc	2,92	-	-	2,92	93	-	1,64	2,21
Total (A)	21,95,76	90,62	13,97	22,72,41	1,03,18	5,99	18,93,78	19,14,32
Intangible assets								
Goodwill	2,51,24	-	-	2,51,24	50,25	-	1,00,50	2,00,99
Software	6,45,54	66,10	-	7,11,64	1,05,92	-	4,18,19	3,33,27
Software at RMM Global Inc.	-	6,92	-	6,92	1,12	-	5,80	-
Total (B)	8,96,78	73,02	-	9,69,80	1,57,29	-	4,49,99	5,34,26
GRAND TOTAL (A+B)	30,92,54	1,63,64	13,97	32,42,21	2,60,47	5,99	23,43,77	24,48,58
Previous year	31,02,61	1,22,01	1,32,08	30,92,54	2,43,33	20,11	6,43,96	24,48,58

CAPITAL WORK-IN-PROGRESS

Particulars	As on 1st April, 2011	Additions during the year	Capitalised during the year	As on 31st March, 2012
Capital work-in-progress	1,21	26,56	27,77	-
TOTAL	1,21	26,56	27,77	-
Previous year	16,46	11,54	26,80	1,21



15. LONG-TERM LOANS AND ADVANCES

₹'000

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deposits to government bodies	8,08	6,61
Capital advances	30,00	30,00
Other deposits	25	1,55
TOTAL	38,33	38,16

Capital advances are regrouped under the long-term loans and advances during the year. Of above, ₹30 lakhs pertains to an advance given for land procurement for which the allotment of land is pending, in the absence of which the management is confident of recovering the same.

16. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Preliminary expenses	34,53	51,75
Deferred interest	4,92	1,28
Margin money	–	4,22
TOTAL	39,45	57,25

During the year, margin money deposits made against the bank guarantees have been encashed on surrendering them to the bankers.

17. INVENTORIES & UNBILLED REVENUES

Includes unbilled revenues as at March 31, 2012 amounting to ₹2.23 crore (March 31, 2011: ₹2.06 crore) the values of which as at the Balance Sheet date are as certified by the management.

18. TRADE RECEIVABLES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Over six months		
Considered good	1,49,43	39,58
Considered doubtful	39,27	80,25
Others		
Considered good	6,13,30	4,02,06
Provision for doubtful debts	39,27	80,25
TOTAL	7,62,73	4,41,64

Trade receivables are subject to confirmation and reconciliation. Total receivables include ₹188.70 lakhs outstanding for more than 6 months. No provision has been made during the year in addition to the existing provision of ₹39.27 lakhs which is against domestic sales. The management expresses confidence in the recovery of the balance dues.

19. CASH AND CASH EQUIVALENTS

₹'000

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cash in hand	38	12
Bank current & dividend accounts	57,71	9,03
TOTAL	58,09	9,15

Bank balances include an amount of ₹9.10 lakhs pertaining to unpaid dividend of various years.

20. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Advance tax & TDS receivable	1,24,27	84,03
Prepaid expenses	33,09	7,23
Staff advances	23,66	33,46
Advance to suppliers & other advances	35,14	-
Mold-Tek Technologies Limited (related party)	1,90	(16)
TOTAL	2,18,06	1,24,56

21. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Others (Employee welfare trust)	10,79	10,79
TOTAL	10,79	10,79

Other current assets represents 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

Particulars	2011-12	2010-11
Domestic sales	3,18,19	1,56,60
Export sales	26,63,90	24,37,76
TOTAL	29,82,09	25,94,36

23. OTHER INCOME

Particulars	2011-12	2010-11
Foreign exchange gain (Net)	49,46	15,40
Rent received	65,92	60,73
Miscellaneous income	6,50	2,44
TOTAL	1,21,88	78,57



24. CHANGES IN WORK-IN-PROCESS

₹'000

Particulars	2011-12	2010-11
Work-in-process		
Opening stock	2,05,63	207,21
Closing stock	2,22,71	205,98
	17,08	(1,23)
TOTAL	17,08	(1,23)

Closing stock of work-in-process includes unbilled revenues at 31st March, 2012 amounting to ₹2.23 crore (March 31, 2011: ₹2.06 crore) primarily comprises of the revenue recognized in relation to efforts incurred on contract on the basis of extent of completion.

25. EMPLOYEE REMUNERATION & BENEFITS

Particulars	2011-12	2010-11
Salaries, wages, allowances & bonus	15,83,29	11,55,33
Contribution to provident fund & ESIC	45,36	42,77
Welfare expenses	83,83	25,62
Gratuity	–	6,50
Leave encashment	3,97	40
Directors remuneration & perquisites	1,14,47	94,75
Employee compensation expenses (ESOS)	24,94	19,74
TOTAL	18,55,86	13,45,11

- Gratuity settled during the year ₹5.05 lakhs has been adjusted completely against provision.
- Leave encashment payments made during the year are amounting to ₹7.48 lakhs, while an amount of ₹3.51 lakhs adjusted against provision, the balance of ₹3.97 lakhs is charged to Statement of Profit and Loss.
- Gratuity and leave encashment figures do not include the amounts to be provided for the year of ₹26.69 lakhs and ₹12.96 lakhs respectively, based on incremental liability for the year as per actuarial valuation.
- Directors' remuneration for the year excludes a sum of ₹10.57 lakhs (31st March, 2011: Nil) paid towards leave encashment for earlier years which is accounted and disclosed as prior period expenditure.

26. SELLING & DISTRIBUTION EXPENSES

Particulars	2011-12	2010-11
Sales promotion & commission	5,06	15,47
Advertisement expenses	2,70	43
TOTAL	7,76	15,90

27. OTHER EXPENSES

₹'000

Particulars	2011-12	2010-11
Rent	16,86	15,73
Rates & taxes	32,12	23,02
Insurance	25,74	19,76
Communication expenses	18,77	19,97
Power & fuel	40,72	25,89
Foreign travel	58,60	24,82
Travelling and conveyance - others	15,63	25,14
Printing & stationery	10,68	12,45
Repairs & maintenance	75,77	51,58
Professional charges	32,60	29,33
Auditors' remuneration	3,00	2,75
Job work charges	60,89	8,81
Bank charges	15,26	21,15
Loss on sale of assets	3,86	6,49
General expenses	8,97	9,20
TOTAL	4,19,47	2,96,09

Auditors' remuneration

Particulars	2011-12	2010-11
Statutory & tax audit fee including quarterly reviews	2,25	2,00
Retainer fee for tax and other matters	75	50
TOTAL	3,00	2,75

28. FINANCE COSTS

Particulars	2011-12	2010-11
Interest on term loans	76,86	1,05,39
Interest on working capital	70,65	52,29
Interest charges on other loans	11,42	8,45
TOTAL	1,58,93	1,66,13

29. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF

Particulars	2011-12	2010-11
Opening balance as on 1st April, 2011	51,75	68,98
Less: Written off during the year	17,23	17,23
TOTAL	34,52	51,75



30. DERIVATIVES & FORWARDS

During the year, the Company incurred loss of ₹215.93 lakhs on account of derivatives and forwards, comprising of ₹214.73 lakhs and ₹1.2 lakhs (net) on derivatives and forwards, respectively. The details of the contracts entered into the Company as on 31st March, 2012 are as follows:

Derivative instruments:

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

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

Forwards

Foreign exchange exposure of the nature of a hedging contract by way of a forward confirmation with ICICI Bank Limited with following particulars

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	9647117	50,000	30th April, 2012	50.25
USD	9675969	50,000	30th April, 2012	49.89
USD	9718183	1,00,000	30th April, 2012	50.33
USD	9647128	50,000	31st May, 2012	50.53
USD	9675936	50,000	31st May, 2012	50.17
USD	9718197	1,00,000	31st May, 2012	50.62
USD	9647141	50,000	29th June, 2012	50.79
USD	9675913	50,000	29th June, 2012	50.44
USD	9721380	1,00,000	29th June, 2012	51.02
USD	9776386	1,00,000	29th June, 2012	51.96
USD	9675898	50,000	31st July, 2012	50.69
USD	9721395	1,00,000	31st July, 2012	51.24
USD	9776426	1,00,000	31st July, 2012	52.26
				(contd.)

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	9675873	50,000	31st August, 2012	50.94
USD	9776464	1,00,000	31st August, 2012	52.55
USD	9675793	50,000	28th September, 2012	51.17
USD	9776474	1,00,000	28th September, 2012	52.8
USD	9675755	50,000	31st October, 2012	51.4
USD	9776501	1,00,000	31st October, 2012	53.05
USD	9675731	50,000	30th November, 2012	51.63
USD	9776519	1,50,000	30th November, 2012	53.29
USD	9675679	50,000	31st December, 2012	51.83
USD	9776528	1,50,000	31st December, 2012	53.51
USD	9675647	50,000	31st January, 2013	52.03
USD	9776564	1,50,000	31st January, 2013	53.73
USD	9776579	1,50,000	28th February, 2013	53.92

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.

31. EARNINGS PER SHARE

Particulars	2011-12	2010-11
Profit available for equity share holders (₹)	1,00,14,429	2,89,44,910
No. of equity shares outstanding for BEPS	45,31,512	41,14,981
Weighted average number of potential equity shares, warrants and ESOPs outstanding	1,12,875	18,92,425
Total number of equity shares for DEPS	46,44,387	60,07,406
Earning per share - Face value of ₹10		
- Basic (₹)	2.21	7.03
- Diluted (₹)	2.16	4.82



32. CONTINGENT LIABILITIES

₹ Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Tax disputes	36.83	36.83
Derivatives	1,43.28	1,97.74

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

Contingent liability with respect to derivatives is arrived based on the unexpired derivative contracts the company has entered into, at foreign currency rate as on 31st March, 2012.

33. RELATED PARTY DISCLOSURES

1. Related parties and nature of relationship

- a. Cross Roads Detailing Inc., USA - Wholly owned subsidiary
- b. RMM Global Inc., USA - Wholly owned subsidiary
- c. J. Rana Pratap - Management Trainee - Son of Chairman & Managing Director

2. Key management personnel

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

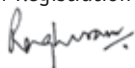
Related party transactions

₹ Lakhs

Particulars	Subsidiaries		Associate companies		Key management personnel		Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Sales								
Crossroads Detailing, Inc., USA	2,10.06	1,39.26						
RMM Global Inc., USA	9,07.97	8,46.45						
Remuneration								
J. Lakshmana Rao					84.00 ^a	72.45		
J. Sudharani					25.20	21.60		
Dividend								
J. Lakshmana Rao					0.23	0.34		
J. Sudharani					2.35	3.67		
J. Rana Pratap							1.27	1.91
Other transactions								
Mold-Tek Packaging Ltd			(2.03)	(35.26)				
J. Rana Pratap							1.20	4.46
Outstanding receivables as at 31st March, 2012								
Crossroads Detailing, Inc., USA	1,32.12	72.05						
RMM Global Inc., USA	3,24.89	1,48.2						
Other payables								
Mold-tek Packaging Limited			1.90	(0.16)				
Personal guarantee given to bank								
J. Lakshmana Rao					8.40			

^a Excludes payment made towards leave encashment for earlier years.

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



Sri Raghuram Praturi

Partner

Membership No. 221770

Hyderabad, 29th May, 2012

for and on behalf of the Board of Directors



A. SUBRAHMANYAM

Director-Technical



J. LAKSHMANA RAO

Chairman & Managing Director



ADMISSION SLIP

MOLD-TEK
Technologies Limited



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

Name & Address of Member

Folio No. DP ID No. Client ID No.

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

I hereby record my presence at the Twenty Eighth ANNUAL GENERAL MEETING of the Company on 22nd day of September, 2012 at 11.30 a.m. at Swagath-De-Royal Hotel, #2-36, Kothaguda X Roads, Cyberabad, Hyderabad - 500 081.

Please indicate whether Member/Proxy.

Member's/Proxy's Signature

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



PROXY FORM

MOLD-TEK
Technologies Limited



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

Folio No. DP ID No. Client ID No.

I/We _____

of _____ in the district of _____

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

of _____ in the district of _____ or failing him

of _____ in the district of _____

my/our Proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11.30 a.m. on Saturday, 22nd September, 2012 or at any adjournment thereof.

AS WITNESS my hand/our hands this _____ day of 2012 _____.

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

Where ideas are Nurtured
Customer Satisfaction & Excellence

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