



**MOLD-TEK**  
*Technologies Limited*

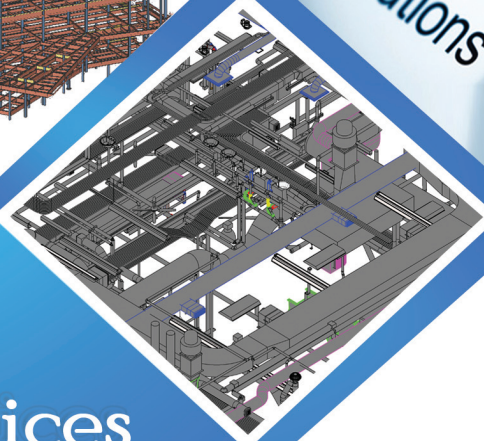


# 30<sup>th</sup> Annual Report 2013-14

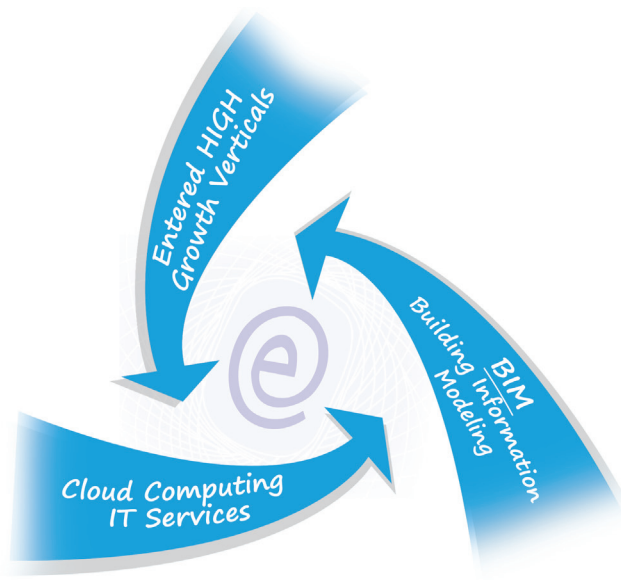
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### Financial Highlights

**↑ 75.8% Net Profit**  
Up 75.8% Y-O-Y @ ₹ 208 lakhs

**↑ 14.4% Revenue**  
Up 14.4% Y-O-Y @ ₹ 4024 lakhs

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## Board of Directors

- J. Lakshmana Rao**, Chairman & Managing Director
- J. Sudha Rani**, Wholetime Director
- A. Subramanyam**, Non-Executive Promoter Director
- P. Venkateswara Rao**, Non-Executive Promoter Director
- P. Shyam Sunder Rao**, Non-Executive Independent Director
- M. Srinivas**, Non-Executive Independent Director
- Dr. K. Venkata Appa Rao**, Non-Executive Independent Director
- Dr. Surya Prakash Gulla**, Non-Executive Independent Director
- C. Vasanth Kumar Roy**, Non-Executive Independent Director

<b>Statutory Auditors</b> Praturi & Sriram Chartered Accountants 201, Sapthagiri Residency 1-10-98/A, Chikoti Gardens Begumpet, Hyderabad - 500 016	<b>Registered Office</b> Plot # 700, Road No. 36, Jubilee Hills, Hyderabad - 500 033 Phone + 91 40 4030 0300/01/02/03/04 Fax + 91 40 4030 0328 E-mail ir@moldtekindia.com finance@moldtekindia.com			
<b>Internal Auditors</b> GMK Associates Chartered Accountants 607, Raghava Ratna Towers Chirag Ali Lane Hyderabad - 500 001	<b>Subsidiary Companies</b>  <table><tr><td><b>Crossroads Detailing, Inc.</b> 6319 East US HWY 36 Suite #4 Avon, IN 46123, USA</td><td><b>RMM Global, Inc.</b> 2541 Riviera Drive Suite 306, Akron, Ohio 44333, USA</td></tr></table>	<b>Crossroads Detailing, Inc.</b> 6319 East US HWY 36 Suite #4 Avon, IN 46123, USA	<b>RMM Global, Inc.</b> 2541 Riviera Drive Suite 306, Akron, Ohio 44333, USA	
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<b>Legal Advisor</b> M. Radhakrishna Murthy, Advocate Vidya Nagar, Hyderabad	<b>Branches of Mold-Tek Technologies Limited</b> <table><tr><td><b>Germany</b> Heinrich Lanz Ring 41a 68519 Viernheim, Germany</td><td><b>Ireland</b> 9, Mount Garrett Walk Tyrrelstown, Dublin-15, Ireland</td><td><b>Netherlands</b> IJdok 23 1013MM Amsterdam</td></tr></table>	<b>Germany</b> Heinrich Lanz Ring 41a 68519 Viernheim, Germany	<b>Ireland</b> 9, Mount Garrett Walk Tyrrelstown, Dublin-15, Ireland	<b>Netherlands</b> IJdok 23 1013MM Amsterdam
<b>Germany</b> Heinrich Lanz Ring 41a 68519 Viernheim, Germany	<b>Ireland</b> 9, Mount Garrett Walk Tyrrelstown, Dublin-15, Ireland	<b>Netherlands</b> IJdok 23 1013MM Amsterdam		
<b>Bankers</b> ICICI Bank Limited				
CIN : L25200TG1985PLC005631	Website: www.moldtekindia.com			

## Notice

NOTICE is hereby given that the 30th Annual General Meeting of the Members of MOLD-TEK TECHNOLOGIES LIMITED will be held on **Tuesday, 30th day of September, 2014 at 12.00 Noon at Best Western Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, Road No.36, Jubilee Hills, Hyderabad - 500 033** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014 and Statement of Profit and Loss for the year ended 31st March, 2014 and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2014.
3. To appoint a Director in place of A. Subramanyam (DIN 00654046), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed there under and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Praturi & Sriram, Chartered Accountants (ICAI Firm Registration No. 002739S) be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 33rd Annual General Meeting to be held in the year 2017, subject to ratification by the Members at every Annual

General Meeting hereafter, and the Board of Directors be and are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee in consultation with the Auditors."

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, P. Shyam Sunder Rao (DIN: 01770064), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including



any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, M. Srinivas (DIN: 01311417), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. K. Venkata Appa Rao (DIN: 01741020), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Surya Prakash Gulla (DIN: 02891694), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, C. Vasanth Kumar Roy (DIN: 01102102), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from



30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

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

"RESOLVED THAT subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, including statutory modifications or re-enactments thereof, the Board of Directors (hereinafter referred to as the board), including any committee thereof for the time being exercising the powers conferred on them by this resolution be and are hereby authorized to borrow money, as and when required, without limitation from any bank and/or public financial institution and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the board for any aggregate amount not exceeding ₹125 crore (Rupees One hundred and twenty five crore only) notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say,

reserves not set apart for any specified purpose.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, including any statutory modifications or re-enactments thereof, the Board of Directors including any committee thereof for the time being exercising the powers conferred on them by this resolution hereby accord there consent to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, up to an aggregate limit of ₹125 crore (Rupees One hundred and twenty five crore only)



together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered/to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating

the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

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

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

Hyderabad  
2nd September, 2014

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## 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.**

A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of items 5 to 11 is annexed.
3. In terms Articles of Association of the Company, A. Subramanyam, Director of the Company retires by rotation in the ensuing Annual General Meeting and being eligible offers himself 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 re-appointment of A. Subramanyam as Director.
4. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with the copy of the Annual Report. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of board resolution authorizing their representatives to attend and vote on their behalf in the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID

- numbers and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2014 to 30th September, 2014 (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 25th September, 2014 and in respect of shares held in electronic form, to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).
  7. Members are requested to notify change of address, if any, with pincode to the Company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
  8. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
  9. Individual Members can now avail the facility of making nomination on their shareholding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of Power of Attorney cannot nominate. For further details in this regard, Members may contact the Registrar and Share Transfer Agent of the Company, M/s. XL Softech Systems Limited, 3 Sagar Society, Road No. 2, Hyderabad - 500 034, Telangana.
  10. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take a note of the same.
  11. Members are requested to note that as per Section 205A of the Companies Act, 1956 dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid dividend account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. Members who have not yet encashed the dividend warrant(s) for the year 2005-06 to 2012-13 are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.
  12. The certificate from the auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolutions of the Members passed at the general meetings will be available for inspection by the Members at the Annual General Meeting.





## E-Voting

**The instructions for Members for voting electronically are as under:**

### **In case of Members receiving e-mail:**

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on 'Shareholders' tab.
- iii. Now, select the 'COMPANY NAME' from the drop down menu and click on 'SUBMIT'
- iv. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 character DP ID followed by 8 digits Client ID;
  - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- v. Next, enter the image verification as displayed and click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

<b>For Members holding shares in demat form and physical form</b>	
<b>PAN*</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB#</b>	<p>Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details#</b>	<p>Enter the dividend bank details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or dividend bank details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the dividend bank details field.</li> </ul>

- viii. After entering these details appropriately, click on 'SUBMIT' tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on

which they are eligible to vote, provided that Company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- xv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on 'Click here to print' option on the voting page.
- xvii. If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system:
  - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.)

are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### **In case of Members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast your vote.

The voting period begins at 9:00 a.m. on 22nd September, 2014 and ends at 6:00 p.m. on 24th September, 2014. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd August, 2014, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and E-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013

### Items 5 to 9

The concept of appointment of independent directors has been introduced for the first time under the provisions of Companies Act, 2013 and was made effective from 1st April, 2014. However, your Company being a listed company, by virtue of Clause 49 of the Listing Agreement with stock exchange, was required to appoint requisite number of independent directors on the Board of Directors ('the Board') of the Company. Accordingly, P. Shyam Sunder Rao, M. Srinivas, Dr. K. Venkata Appa Rao, Dr. Surya Prakash Gulla and C. Vasanth Kumar Roy, Directors of the Company, whose appointment has already been approved by the Board and Members of the Company, are acting as independent directors in compliance with the listing requirement at the commencement of the Companies Act, 2013. However, their terms are subject to liable by retirement by rotation as per erstwhile Companies Act, 1956.

Section 149 of the Companies Act, 2013 inter-alia provides that every listed public company shall have at least one-third of the total number of directors as independent directors and that every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable, comply with the said requirement.

Further Section 149 of the Companies Act, 2013, *inter-alia*, provides that an independent director shall hold office for a term up to five consecutive years on the Board of a company and their office will not be subject to retirement by rotation. It is further clarified that any tenure of an independent director on the date of commencement of this Act shall not be counted as a term of appointment of independent directors.

Based on the declaration received from P. Shyam Sunder Rao, M. Srinivas, Dr. K. Venkata Appa Rao,

Dr. Surya Prakash Gulla and C. Vasanth Kumar Roy, Directors of the Company in terms of Section 149(7) of the Companies Act, 2013, the Board is of the opinion that P. Shyam Sunder Rao, M. Srinivas, Dr. K. Venkata Appa Rao, Dr. Surya Prakash Gulla and C. Vasanth Kumar Roy fulfill the criteria for being appointed as independent directors as stipulated in Section 149(6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made there under and are also independent of the management.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of requisite amount proposing the candidature for appointment of aforesaid Directors as independent directors.

Information about such directors as stipulated under Clause 49 of Listing Agreement is contained in the statement annexed hereto. All are eminent personalities in their respective fields. Your Board considers that their continued association with the Company would be of immense benefit to the Company. In view thereof, the Board recommends for approval of the Members for the appointment of P. Shyam Sunder Rao, M. Srinivas, Dr. K. Venkata Appa Rao, Dr. Surya Prakash Gulla and C. Vasanth Kumar Roy, Directors of the Company as Independent Directors of the Company pursuant to the provisions of Companies Act, 2013 for a term of five consecutive years up to 29th September, 2019 and to hold office, which shall not be liable to determination by retirement of directors by rotation.

Copy of draft appointment letters of the aforesaid directors setting out terms and conditions are available for inspection without any fee by the Members at the Company's Registered Office during normal working hours on week days.

Concerned Directors are interested in their respective resolutions, being related to their own appointments. Other than the aforesaid Directors, none of the Directors and key managerial personnel of the Company and their relatives are concerned or interested in the Resolutions as set out in Items 5 to 9 of the accompanying Notice.

The Board recommends the Resolution set forth in Items 5 to 9 for approval of the Members.

#### Item 10

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the board of directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. It is, therefore, necessary for the Members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item 10 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of the Members is being sought to borrow money up to ₹125 crore (Rupees One hundred and twenty five crore only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

Looking at the expansion plans of the Company, the Board may have to borrow long-term funds from banks, financial institutions, eligible foreign lender and corporate bodies which may exceed the aggregate paid capital and free reserves of the Company.

The Board recommends the Resolution set forth in Item 10 for approval of the Members.

None of the Directors and key managerial personnel of the Company and their relatives are concerned or interested in the Resolution as set out in Item 10 of the accompanying Notice.

#### Item 11

The Company would be required to create security for availing the facilities as mentioned under Item 10 above in favour of the lenders/trustees for loans/ financial assistance availed by the Company, by way of creation of mortgage and/or charge on the assets of the Company, as stated in the Resolution.

In furtherance to the Resolution 10 of the accompanying Notice, the said borrowings/issue of securities may be required to be secured by way of mortgage/charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180(1)(a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the Members of the Company by way of a Special Resolution.

Accordingly, it is proposed to pass an enabling Resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding ₹125 crore (Rupees One hundred and twenty five crore only)

The Board recommends the Resolution set forth in Item 11 for approval of the Members.

None of the Directors and key managerial personnel of the Company and their relatives are concerned or interested in the Resolution as set out in Item 11 of the accompanying Notice.

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



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

Hyderabad  
2nd September, 2014



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

Name of the Director	A. Subramanyam	P. Shyam Sunder Rao	M. Srinivas	Dr. K. Venkata Appa Rao	Dr. Surya Prakash Gulla	C. Vasanth Kumar Roy
Date of birth	8th July, 1954	21st January, 1941	13th May, 1966	10th April, 1959	1st July, 1959	3rd November, 1958
Date of appointment	4th July, 1985	21st April, 1998	27th August, 2008	31st January, 2001	1st January, 2010	29th March, 2003
Relationship with other Directors	J. Lakshmana Rao & J. Sudha Rani	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Expertise in specific functional area	Experience in production, planning & control of manufacturing activities. His expertise is in overseeing CNC programming	Finance & accounts	Production management		Cardiologist	
Qualification	B.E.(Mechanical) Diploma in mould design & manufacturing	B.Com, FCA, FCS	B.E. (Mech.)	M.B.B.S., D.O.M.S., Ophthalmic Surgeon	MD (AIIMS), D.M.	B. Tech., PGDM
Names of companies in which holds the directorship	Mold-Tek Packaging Limited	1. Mold-Tek Packaging Limited 2. C-Ta Software Private Limited 3. Vigilant Compu technologies Private Limited	Nil	a. Bobbili Eye Hospital Private Limited b. Sri Srinivasa Rajeswari Agro-Tek Mills Private Limited	Nil	a. Samkipack Systems Private Limited b. Eeco Maschinenbau India Private Limited.
Names of companies in which holds the membership of the committees of the board	Nil	Mold-Tek Packaging Limited	Nil	Nil	Nil	Nil
No of shares held in the Company as on 31st March, 2014	2,63,018	980	49,518	22,748	980	Nil

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2014.

### Financial Results

The performance during the period ended 31st March, 2014 has been as under:

₹ Lakhs

Particulars	Standalone		Consolidated	
	Year ended 31st March		Year ended 31st March	
	2014	2013	2014	2013
Sales	<b>34,62.15</b>	30,21.85	<b>40,24.28</b>	35,16.53
Other income	<b>(25.65)</b>	(84.58)	<b>(21.74)</b>	(76.41)
Total income	<b>34,36.50</b>	29,37.27	<b>40,02.54</b>	34,40.12
Profit before interest, depreciation & tax	<b>6,84.63</b>	6,16.84	<b>7,04.77</b>	6,25.90
Interest	<b>1,02.54</b>	1,27.36	<b>1,02.54</b>	1,27.36
Depreciation & preliminary expenses written off	<b>2,67.31</b>	2,78.87	<b>2,72.33</b>	2,82.81
Profit before tax	<b>3,14.78</b>	2,10.61	<b>3,29.90</b>	2,15.73
Provision for tax	<b>1,17.89</b>	92.58	<b>1,21.62</b>	95.44
Profit after tax	<b>1,96.89</b>	1,18.03	<b>2,07.96</b>	1,20.30
Balance brought forward from previous year	<b>1,79.50</b>	1,40.45	<b>1,72.89</b>	1,30.42
Differed tax reinstatement	<b>(1,26.17)</b>	–	<b>(1,26.17)</b>	–
Profit available for appropriation	<b>2,50.22</b>	2,58.48	<b>2,55.00</b>	2,50.71
<b>Appropriation</b>				
Extraordinary items	–	(2.00)	–	(2.00)
Interim dividend on equity shares	<b>(46.88)</b>	–	<b>(46.88)</b>	–
Transferred to general reserve	<b>(19.69)</b>	(11.60)	<b>(19.69)</b>	(11.60)
Proposed dividend	<b>(37.51)</b>	(56.26)	<b>(37.51)</b>	(56.26)
Corporate dividend tax	<b>(14.34)</b>	(9.13)	<b>(14.34)</b>	(9.13)
Amounts adjusted	–	–	–	–
Balance carried forward	<b>1,31.80</b>	1,79.49	<b>1,36.26</b>	1,71.72

### Review of operations

The year 2013-14 ended on a promising note with increasing demand for your Company's core services from US clients. With impressive growth in US economic activity, demand for civil/structural, MES and IT services is picking up considerable pace. During the year, your Company has established its presence in cloud computing, one of the 'SMAC' emerging IT Technologies. Mold-Tek Technologies received 'Silver partnership' status from salesforce.com, the leading cloud computing company in the world. On standalone basis, revenues at ₹34,62.15 lakhs were higher by 14.57% for the year 2013-14 over the previous year's

revenues of ₹30,21.85 lakhs. Profit after tax correspondingly increased to ₹1,96.89 lakhs from ₹1,16.03 lakhs @ 69.67%. On consolidated basis, for the year 2013-14, revenues at ₹40,24.28 lakhs were higher by 14.44% over the previous year's revenues of ₹35,16.53 lakhs. Profit after tax correspondingly increased to ₹2,07.96 lakhs from ₹1,18.30 lakhs @ 75.79%.

### FUTURE OUTLOOK

As mentioned above, growth in US economy is reflected in increasing demand for your Company's services in civil/structural and MES domains. Your Company's Nasik branch is well established and a





200% expansion is being taken up there to enhance overall capacity by 50% by December 2014. The PEMB sector which was lagging in the last 5 or 6 years is showing signs of solid recovery, auguring well for improving your Company's revenues.

During the year, your Company entered the latest segment of civil/architectural engineering services called 'BIM' (Building information modeling) which is widely being used in all major residential/commercial/industrial structures.

All-round demand increase for engineering services and new entry into IT cloud computing should result in robust growth in revenues and profitability in the current financial year.

### **DIVIDEND**

Your Directors have recommended a final dividend of ₹0.80 per equity share @8% of equity share capital in addition to interim dividend of ₹1.00 (10%) hitherto declared, making a total of ₹1.80 (18%) per equity share (previous year ₹1.20 per equity share @12%) for the financial year ended 31st March, 2014. The final dividend if approved, will be paid to those Members whose names appear in the Register of Members as on 25th September, 2014. 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 ₹98.73 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 optimum.

Equity shares that may be allotted on or before the Book Closure will rank pari passu with the existing shares and will be entitled to receive the dividend.

### **TRANSFER TO RESERVES**

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer of Reserves) Rules, 1975, the Directors propose to transfer a sum of ₹19.69 lakhs to general reserve out of the profits earned by the Company.

### **ALLOTMENT OF FULLY CONVERTIBLE WARRANTS**

The Board of Directors at its meeting held on 26th February, 2014 allotted 6,00,000 fully convertible warrants (Convertible into equal number of equity shares within a period of 18 months from the date of allotment of warrants) at a price of ₹31.20 per warrant [comprising nominal value of ₹10 and premium of ₹21.20 each 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.

### **ALLOTMENT OF EQUITY SHARES**

The Board of Directors at its meeting held on 19th April, 2014 (after the balance sheet date) allotted 10,900 equity shares of ₹10 each at a price of ₹28 [comprising nominal value of ₹10 and premium of ₹18 each] to its employees who have exercised the option vested on them under the Mold-Tek Technologies Employees Stock Option Scheme, 2009.

### **SCHEME OF ARRANGEMENT**

In terms of Scheme of Arrangement, your Company is taking steps to complete the necessary action, process of creation of a trust and transfer of existing shares and accumulated dividends to it.

### **EMPLOYEES STOCK OPTION SCHEME**

Your Company has in operation Mold-Tek Technologies Employees Stock Option Scheme, 2009 for granting stock options to its employees, 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 the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are enclosed as Annexure - B to this report.

### **CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the Accounting Standards AS-21 on Consolidated Financial Statements, your Directors are pleased to provide the audited consolidated financial statement in this annual report. A Summary of key financials of the Company's subsidiaries is also annexed.

## SUBSIDIARIES

Your Company has two wholly owned subsidiaries viz, Crossroads Detailing Inc., and RMM Global Inc., both incorporated in 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 during 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 is being presented as part of the Annual Report.

The Auditors of the Company have 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. Sudha Rani, Chief Financial Officer of the Company have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

## COMPLIANCE CERTIFICATE

In accordance with Section 383(A) of the Companies Act, 1956 and (Compliance Certificate) Rules, 2001,

the Company has obtained a Certificate from a Secretary in wholetime practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of the certificate forms part of the annual report.

## DIRECTORS

In accordance with the Articles of Association of the Company, A. Subramanyam retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

As per the provisions of Section 203 of the Companies Act 2013, a wholetime Director shall not hold the office as wholetime Director in more than one Company. Since A. Subramanyam and P. Venkateswara Rao are also Deputy Managing Directors in Mold-Tek Packaging Limited, in order to comply with the provision of the aforesaid Section, they have submitted their resignation from the office of wholetime Director of the Company. However, they will be associated with the Company as a non-executive promoter directors of the Company. The Board placed on record its appreciation for the services rendered by A. Subramanyam and P. Venkateswara Rao during their tenure as Wholetime Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

## RISK MANAGEMENT

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

## AUDITORS' REPORT

The observations of the auditors are explained, wherever necessary, in appropriate notes to the accounts.

The Auditors have qualified the accounts with regard to under or non-provision towards debtors outstanding for more than 9 months amounting to ₹93.19 Lakhs. The Company believes that all the amounts are good and recoverable.

The Auditors have qualified the accounts with regard to under or non-provision towards gratuity and leave encashment. Your Company is keen and committed to employee retirement benefits, and is settling the



gratuity payment from the existing provision, as the majority of the employees are between the age group of 25 to 35 years. The Company's existing provision will be sufficient for the current requirements, if any. With the ongoing business expansion and entry into new areas of IT segment, setting up of Nasik branch, 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 Employees' 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.

### AUDITORS

The Auditors of the Company M/s. Praturi & Sriram, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting. As per the transition provisions of Sections 139, 141 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company recommends for Members' approval the re-appointment of the Auditors to hold office from the conclusion of the Meeting until the conclusion of the third consecutive Annual General Meeting hereafter (subject to ratification by the Members at every Annual General Meeting). The Company has received a written consent and a certificate from the Auditors to the effect that their re-appointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and that they are not disqualified for such re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial

year and of the profit of the Company for the year under review;

- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the accounts for the financial year ended 31st March, 2014 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 clients of the Company and the Members for the confidence they have reposed in the Company and its management.

For and on behalf of the Board of Directors

**J. LAKSHMANA RAO**

Hyderabad Chairman & Managing Director  
2nd September, 2014

## Annexure to the Directors' Report

### A. TECHNOLOGY ABSORPTION

#### Research and Development

Specific areas in which R&D was carried out by the Company	Nil
Benefits derived as a result of the above	Nil
Future plan of action	Yet to be decided
Expenditure on R&D	Nil

₹ Lakhs

### B. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2013-14	2012-13
FOB value of exports		
- KPO Division	33,95.05	27,97.84
Foreign exchange earnings	30,79.50	26,62.09
Foreign exchange outgo	1,22.57	68.72

### Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's interest in subsidiary companies for the financial year 2013-14

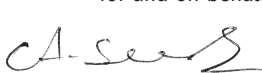
Name of the subsidiary	Crossroads Detailing Inc., USA	RMM Global Inc., USA
Date from which became subsidiary	9th April, 2007	1st January, 2009
No. of shares held/face value (USD)	84,441	1,000
Extent of interest of holding company	100%	100%

The following are the financial summaries of the subsidiary companies accounts as at 31st March, 2014 not dealt with in the holding company's accounts:

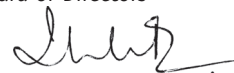
₹ Lakhs

Particulars	Crossroads Detailing Inc., USA	RMM Global Inc., USA
Share capital	33.79	0.51
Reserves	(1.90)	7.98
Current liabilities	4,81.32	2,63.08
Fixed assets	-	12.32
Current assets	5,13.21	2,59.25
Turnover	14,10.15	24,31.03
PBT	4.66	6.41
Taxation	-	-
Profit after tax	4.66	6.41
Extraordinary & prior period adjustments	-	-
Net profit	4.66	6.41

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**  
Director



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

Hyderabad  
2nd September, 2014



## Annexure to the Directors' Report

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

S.No.	Description	Year ended 31st March, 2014
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	1,11,700
4.	Options exercised	63,325
5.	The total number of shares arising as a result of exercise of option	63,325
6.	Options lapsed	7,875
7.	Variation of terms of options	48,375
8.	Money realized by exercise of options (₹)	17,73,100
9.	Total number of options in force	30,425
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	Nil
	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
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' (₹)	4.20

<p>12. i. Method of calculation of employee compensation cost</p> <p>ii. Difference between the employee compensation cost so computed as (i) above and the employee compensation cost that have been recognized had it been used in the fair value of the option</p> <p>iii. The impact of this difference on profits and on Earnings per Share of the Company</p> <ul style="list-style-type: none"> <li>● Profit after tax (₹ Lakhs) 194.92</li> <li>● Less: Additional employee compensation cost based on fair value (₹ Lakhs) (1.96)</li> <li>● Adjusted profit after tax (₹ Lakhs) 196.88</li> <li>● Adjusted Earnings per Share (₹) 4.20</li> </ul>	<p>The Company has calculated the employee compensation cost using the fair value base</p> <p>₹63.00 Lakhs (increase) (₹1.96 Lakhs for current year increase)</p>
<p>13. Weighted-average exercise price and fair value of Stock Options granted:</p> <ul style="list-style-type: none"> <li>● Stock Options granted on 21st April, 2010</li> <li>● Weighted average exercise price (₹) 28</li> <li>● Weighted average fair value (₹) 28</li> <li>● Closing price on BSE on the date of grant of option (₹) 70</li> </ul>	
<p>14. A description of the method and significant assumptions used during the year to estimate the fair values of options</p>	<p>As per pricing formula</p>





# Management Discussion and Analysis

## GLOBAL KPO INDUSTRY

India's Knowledge Process Outsourcing (KPO) market is growing at a compound annual growth rate (CAGR) of about 30% annually and may touch USD 30 billion by 2015, from the current level of USD 20 billion, according to ASSOCHAM.

Small and Medium Enterprises (SMEs) are likely to be the major growth drivers for the KPO sector. According to estimates, out of the 20 million SMEs in US and Europe, about 15% can benefit from using Indian KPO services due to reduced complexity, ability to compete effectively with small and large competitors, shorter time to market, higher flexibility, overall lower costs and potentially higher quality for the same costs.

## KPO INDUSTRY OVERVIEW

The Indian KPO services industry is estimated to be around USD 5.7 billion currently and grew by 15-17% in the recent past. 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. Analysts put cost advantage, as one of the most significant drivers of KPO business. Another critical driver is the prevailing shortage of skilled human resources in developed countries, like the USA and EU.

## IT INDUSTRY OVERVIEW

India is a preferred global destination for information technology (IT) and information technology enabled services (ITES). The Indian IT-business process management (BPM) sector is estimated to expand at a compound annual growth rate (CAGR) of 9.5% to

reach USD 300 billion by 2020. The sector increased at a CAGR of 25% over 2000-13, about 3 to 4 times higher than global IT-BPM spends.

Export of IT services accounted for 57.9% cent of total IT exports in 2012-13. Banking, financial services and insurance (BFSI) generated export revenue of around USD 31 billion during 2012-13, accounting for 41% of total IT-BPM exports from India.

SMAC is the new flavour of IT services companies. Nasscom's Strategic Review 2014 report says India's software industry exports may grow by 13% driven by analytics and cloud based services. The Indian software industry's exports may grow by about 13% in fiscal year 2013-14 to USD 87 billion (around ₹5.4 trillion today), driven by its ability to offer solutions that integrate new business models such as analytics and cloud-based services, which are part of SMAC (cloud, mobile, analytics, big data and social media services) with traditional ones, according to Nasscom's Strategic Review 2014 report.

It predicts that Global 2000 firms will spend 15-16% of their IT services and outsourcing budgets on SMAC and India will export USD 15 billion worth of SMAC software and services in fiscal 2017.

Disruptive technologies present an entire new gamut of opportunities for IT firms in India. India's IT sector is gradually moving from linear models (rising headcount to increase revenue) to non-linear ones. In line with this, IT companies in India are focusing on new models such as platform-based BPM services and creation of intellectual property.

## OPPORTUNITIES & THREATS

### Opportunity

During the year under review, Mold-Tek Technologies has established itself as a reliable player in IT cloud

computing services and received 'Silver' partner status from **salesforce.com** (Only 2nd such company in South India). The Company is partnering with a few European and American IT companies to enhance its reach and revenues through this fast growing field in Information Technology.

In addition, the Company entered fast growing BIM services which are expected to grow rapidly in next couple of years. Apart from these new verticals growing US economy is offering flood of opportunities in civil/structural and MES services.

### 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.

### Product wise performance

The Company provides structural engineering, detailing and mechanical engineering services as segmented below:

Sales	₹ Lakhs	
Particulars	2013-14	2012-13
Structural engineering & detailing	<b>26,47.41</b>	18,88.65
Mechanical engineering services	<b>7,52.75</b>	11,33.19
Others	<b>61.99</b>	–
<b>TOTAL</b>	<b>34,62.15</b>	30,21.84

### OUTLOOK

The Company's revenues are growing rapidly in the current year thanks to the improvement in US

economy. Sales growth is seen more than 30% in the first quarter and the Company is expected to maintain similar trend in the rest of the year. With revenues being added from new verticals such as IT and BIM, the Company's future looks very bright. The Company's traditional PEB services are also finding growing demand which will augur well to grow rapidly in next few quarters. Mold-Tek Technologies is working on a deal to have a long term association with a leading European infrastructure company which may further improve the Company's future prospects.

### Risks and Concerns

The risk management process is continuously improved and adapted to the changing global scenario. The Company is always cautious and preventive about strategic, operational and financial risks across various levels which are applicable to any business; the Company does not foresee any serious areas of concern. Since the Company's services are mainly based on human resources, the management is aggressively taking care of employee satisfaction and facilities to mitigate 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 unauthorized use or losses, executing transactions with proper authorization 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 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 2013-14 are as under:

₹ Lakhs

Service sales	34,62.15
Profit before interest, depreciation & tax	6,84.63

### 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. The ability to support business strategy with its human capital strategy is an important determinant to the Company's future business performance. The Company

has put in place robust recruitment processes and helped scale critical engagements in a very short span of time. The principal 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 priority. HR at Mold-Tek plays a key strategic role to support the organization and its various ecosystems in achieving various goals and targets set by deploying best practices and measures.

### CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. The Company's operations may inter-alia be affected by 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.

### 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, 2014.

Name	Age (Years)	Qualifications	Date of Employment	Designation	Gross Remuneration ₹ Lakhs	Experience (Years)	Last Employment held
J. Lakshmana Rao	55	B.Tech. (Civil), M.B.A. (IIM-B)	4th July, 1985	Chairman & Managing Director	56.84	30	NA

For and on behalf of the Board of Directors

**J. LAKSHMANA RAO**

Chairman & Managing Director

Hyderabad  
2nd September, 2014

## Compliance Certificate

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

The Members,  
 Mold-Tek Technologies Limited,  
 Plot No.700, D.No.8-2-293/82/A/700,  
 Road No.36, Jubilee Hills,  
 Hyderabad - 500 033

I have examined the registers, records, books and papers of Mold-Tek Technologies Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. 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:

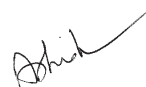
1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded;
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, 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 eight times on 5th April, 2013; 30th May 2013; 8th August, 2013; 21st August 2013; 11th November, 2013; 15th January, 2014; 10th February, 2014 and 26th February, 2014 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 September 18, 2013 to September 20, 2013 (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, 2013 was held on 20th September, 2013 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. One extraordinary meeting was held during the financial year after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
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 25th September, 2013 (for final dividend declared at the Annual General meeting held on 20th September, 2013) and on 14th February, 2014 (for interim dividend declared by the Board on 10th February, 2014) which is within five days from the date of declaration of such dividend;
  - iii. Paid/posted warrants for dividends to all the members within a period of thirty days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Begumpet Branch;
  - iv. has not effected any transfer of the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have been remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such cases.
  - v. duly complied with the requirements of Section 217 of the Act;
14. the Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and the directors to fill casual vacancies have been duly made;
  15. The appointment of Managing Director/ Wholetime Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act and approval of the Central Government has been obtained in respect of appointment of J. Lakshmana Rao, Chairman & Managing Director, A. Subramanyam, Wholetime Director, P. Venkateswara Rao, Wholetime Director and J. Sudha Rani, Wholetime Director, not being in terms of Schedule XIII;
  16. The Company has not appointed any sole selling agents during the financial year;
  17. The Company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act as detailed below:
 

Name of the Department	Date of Approval	Purpose
Government of India, Ministry of Corporate Affairs	18th March, 2014	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 not issued equity shares during the financial year;
  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, 2014 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  
2nd September, 2014

## 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 of 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.



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

Hyderabad  
2nd September, 2014





## ANNEXURE - B

(forming part of Compliance Certificate )

**Forms and Returns as filed by the Company with the Registrar of Companies, Telangana, Hyderabad, during the financial year ending on 31st March, 2014**

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 for financial year ended 31st March, 2013	20th October, 2013	Yes	Not applicable
Form 20B	159 for financial year ended 31st March, 2013	31st October, 2013	Yes	Not applicable
Form 66	383A for financial year ended 31st March, 2013	24th September, 2013	Yes	Not applicable
Form INV 5	IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 for AGM dated 20th September, 2013	11th December, 2013	Yes	Not applicable
Form 23	81(1A) - Approval for issue of 6,00,000 fully convertible warrants on preferential basis	14th February, 2014	Yes	Not applicable
Form 23	192 - for various resolution passed at the Annual General Meeting held on 20th September, 2013	26th September, 2013	Yes	Not applicable
Form 23	17(1) and 18(1) - Alteration in main object clause of Memorandum of Association of the Company	10th October, 2013	Yes	Not applicable
Form 62	Filing of calendar of events relating to postal ballot for passing resolution under Section 17 of the Companies Act, 1956	27th August, 2013	Yes	Not applicable

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

Hyderabad  
2nd September, 2014

# 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 stakeholders - in particular, its shareholders, creditors, the state and the 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 shareholder 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 eight times during the financial year 2013-14:

5th April, 2013; 30th May, 2013; 8th August, 2013; 21st August, 2013; 11th November, 2013; 15th January, 2014; 10th February, 2014 and 26th February, 2014.

The maximum gap between any two meetings was less than 4 months as stipulated under Clause 49 of the Listing Agreement.



## Board Meetings/AGM - Attendance & directorships/committee memberships

Name of the Director	Category	Number of Board Meetings attended during the year	Whether attended last AGM	No of Directorships in other public companies*		No of committee positions in other public companies*	
				Chairman	Member	Chairman	Member
J. Lakshmana Rao (Chairman & Managing Director)	Executive Promoter Director	8	Yes	1	–	–	–
A. Subramanyam (Wholetime Director)	Executive Promoter Director	6	Yes	–	1	–	–
P. Venkateswara Rao (Wholetime Director)	Executive Promoter Director	7	Yes	–	1	–	–
J. Sudha Rani (Wholetime Director)	Executive Promoter Director	3	No	–	–	–	–
M. Srinivas	Non-Executive Independent Director	2	Yes	–	–	–	–
P. Shyam Sunder Rao	Non-Executive Independent Director	7	No	–	1	2	–
K.V. Appa Rao	Non-Executive Independent Director	1	Yes	–	–	–	–
Dr. Surya Prakash Gulla	Non-Executive Independent Director	5	No	–	–	–	–
C. Vasanth Kumar Roy	Non-Executive Independent Director	1	No	–	–	–	–

Note\*

- The Directorships held by Directors mentioned above, does not include private limited companies, unlimited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
- In accordance with Clause 49, membership/chairmanship of only audit committee, shareholders/investors grievance committee and remuneration committee of all public limited companies has been considered.

## BOARD COMMITTEES

### Audit Committee

#### Overall purpose/objectives

The purpose of the Audit Committee is to assist the Board of Directors ('Board') in reviewing the financial Information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal accountants/ internal auditors and overseeing the Company's accounting and financial reporting process and the audit of the Company's financial statements.

### Composition & Meeting

The Audit Committee comprises of five Non-Executive Independent Directors and is chaired by P. Shyam Sunder Rao. J. Lakshmana Rao, Chairman & Managing Director, A. Subramanyam, Wholetime Director and P. Venkateswara Rao, Wholetime Director, J. Sudha Rani, Wholetime Director and representatives of Statutory Auditors are permanent invitees to the 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 2013-14. The dates on which the said meetings were held are as follows:

30th May, 2013; 8th August, 2013; 21st August, 2013; 11th November, 2013 & 10th February, 2014.

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	5
M. Srinivas	Member	1
Dr. K.V. Appa Rao	Member	–
Dr. Surya Prakash Gulla	Member	5
C. Vasanth Kumar Roy	Member	1

### Powers and terms of reference

The powers 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:

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

Two meetings of the Remuneration Committee were held during the financial year 2013-14. The meetings were held on 5th April, 2013 & 21st August, 2013.

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

Name	Designation	No. of meetings attended
P. Shyam Sunder Rao	Chairman	2
M. Srinivas	Member	1
Dr. K.V. Appa Rao	Member	–
Dr. Surya Prakash Gulla	Member	1
C. Vasanth Kumar Roy	Member	–



## Remuneration policy

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

Details of the remuneration of Executive Directors and Non-Executive Directors for the year ended 31st March, 2014 are as follows:

₹ Lakhs

Name	Salary	Perquisites & other benefits	Sitting fees	Total
J. Lakshmana Rao	38.84	18.00	–	56.84
J. Sudha Rani	36.00	7.20	–	43.20
A. Subramanyam	–	–	–	–
P. Venkateswara Rao	–	–	–	–
M. Srinivas	–	–	–	–
P. Shyam Sunder Rao	–	–	0.65	0.65
K.V. Appa Rao	–	–	0.05	0.05
Dr. Surya Prakash Gulla	–	–	0.20	0.20
C. Vasanth Kumar Roy	–	–	0.05	0.05

Shareholding of the Directors of the Company as on 31st March, 2014

Name	No of shares	% of Share capital
J. Lakshmana Rao	22,760	0.49
A. Subramanyam	2,63,018	5.61
P. Venkateswara Rao	45,646	0.97
J. Sudha Rani	3,94,642	8.42
M. Srinivas	49,518	1.06
P. Shyam Sunder Rao	980	0.02
K.V. Appa Rao	22,748	0.49
Dr. Surya Prakash Gulla	980	0.02
C. Vasanth Kumar Roy	–	–

As on 31st March 2014, the following Directors hold fully convertible warrants:

Name	No of fully convertible warrants
J. Lakshmana Rao	2,00,000
A. Subramanyam	90,000
K.V. Appa Rao	30,000

## Shareholders'/Investors' Grievance Committee

The composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2014 was as under:

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

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

The Shareholders'/Investors' Grievance Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, etc. It also approves share transfer and issue of share certificates. The status of complaints is also reported to the Board of Directors. During the year 2013-14, 8 complaints were received, all 8 complaints were resolved and no complaints were pending as on 31st March, 2014.

J. Lakshmana Rao, Chairman & Managing Director is the Compliance Officer of the Company.

### Details of Annual/Extraordinary General Meetings:

Location and time of general meetings held in past 3 years:

Year	Location	Date	Time
2010-11 (AGM)	Swagath-De-Royal Hotel, No. 2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500 081	19th August, 2011	11.00 a.m.
2011-12 (AGM)	Swagath-De-Royal Hotel, No. 2-36, Kothaguda X Roads, Kondapur, Cyberabad, Hyderabad-500 081	22nd September, 2012	11.30 a.m.
2012-13 (AGM)	Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033	20th September, 2013	11.00 a.m.
2013-14 (EGM)	Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033	12th February, 2014	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 this 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

30th Annual General Meeting

Date and Time : 30th September, 2014 at 12:00 Noon

Venue : Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Road No.36, Jubilee Hills, Hyderabad - 500 033

## Financial Calendar (2014-15)

The Financial year of the Company is 1st April to 31st March. For the year ending 31st March, 2015 quarterly un-audited/annual audited results shall be announced as follows:

Financial reporting for	Tentative Date
Unaudited results for the quarter ending: 30th June, 2014	On or before 14th August, 2014
30th September, 2014	On or before 14th November, 2014
31st December, 2014	On or before 14th February, 2015
Audited results for the year ended 31st March, 2015	On or before 30th May, 2015

Book Closure date : 26th September, 2014 to 30th September, 2014 (both days inclusive)

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

Listing of equity shares : The BSE Limited (BSE)

Listing fees : Listing fee has been paid to BSE for the year 2014-15

Stock code : 526263

ISIN : INE835B01027

CIN : L25200TG1985PLC005631

## Market price data

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

	Month	High ₹	Low ₹	No.of shares traded
2013	April	31.60	23.00	86,484
	May	31.10	25.10	88,069
	June	26.50	19.20	1,58,307
	July	32.40	22.10	2,06,177
	August	30.50	23.40	66,005
	September	28.90	23.75	55,297
	October	27.00	20.50	30,334
	November	29.40	23.10	29,224
	December	33.00	25.25	57,392
2014	January	34.00	26.50	1,80,427
	February	46.00	29.70	6,05,815
	March	46.00	37.00	5,14,713

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

3, Sagar Society, Road No 2,

Hyderabad - 500 034

Tel : +91 40 2354 5913/14/15

Fax : +91 40 2355 3214

Email: xlfield@gmail.com

**Shareholding pattern as on 31st March, 2014**

Category	No.of shares held	Percentage of shareholding
Promoters	23,46,954	50.06
Foreign institutional investor	55,952	1.19
Private bodies corporate	2,79,333	5.96
Indian public	18,33,845	39.12
NRI/OCBs	1,04,291	2.22
Clearing members	67,931	1.45
<b>TOTAL</b>	<b>46,88,306</b>	<b>100.00</b>

**Distribution of shareholders as on 31st March, 2014**

Shareholding	Shareholders		Share amount	
	Number	Percentage	₹	Percentage
Upto - 5000	5,075	90.91	38,52,600	8.22
5001 - 10000	207	3.71	16,59,830	3.54
10001 - 20000	116	2.08	16,48,570	3.52
20001 - 30000	42	0.75	11,15,690	2.38
30001 - 40000	22	0.39	7,61,310	1.62
40001 - 50000	13	0.23	5,86,880	1.25
50001 - 100000	42	0.75	30,18,210	6.44
100001 and above	66	1.18	3,42,39,700	73.03
<b>TOTAL</b>	<b>5,583</b>	<b>100.00</b>	<b>4,68,83,060</b>	<b>100.00</b>

**Share transfer system**

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

**Dematerialization of shares**

As on 31st March, 2014, NSDL & CSDL held in demat form 45,63,633 equity shares of ₹10 each aggregating to 97.34% of the paid up capital & the rest 1,24,673 aggregating to 2.66% are in physical form.

ADR/GDR holding is Nil.

**Equity Shares in the Suspense Account**

In terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts which were issued in demat form and physical form, respectively:



Particulars	Demat		Physical	
	Number of shareholders	Number of equity shares	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2013	397	46,091	–	–
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	3	388	–	–
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year	–	–	–	–
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2014	394	45,703	–	–

● **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, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges 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  
2nd September, 2014

## 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, 2014.

Hyderabad  
2nd September, 2014

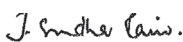
  
**J. LAKSHMANA RAO**  
Chairman & Managing Director

## 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, 2014 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's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- e. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in the Company's internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - iii. instances of significant fraud of which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting.



**J. SUDHA RANI**  
Chief Financial Officer  
2nd September, 2014



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



# Independent Auditors' Report

The Members

Mold-Tek Technologies Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Mold-Tek Technologies Limited, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

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

- i. *Of the debtors balances, ₹82.47 lakhs have been written off during the year (which includes an amount of ₹70.91 lakhs receivable from subsidiaries). No provision has been made for the debtors outstanding for more than 9 months to the tune of ₹93.19 lakhs, for which the management opines that all the amounts are good and recoverable.*
- ii. *Under or non-provision of gratuity liability based on actuarial valuation of ₹53.30 lakhs as at beginning of the year i.e. 31st March, 2013 in accordance with the requirements of Accounting Standard 15 and leave encashment as per actuarial valuation ₹19.14 lakhs, adversely impacting long-term liabilities, earlier years' profits and correspondingly reserves.*
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
  - b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
  - c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

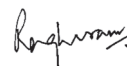
**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
  - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013 except for AS-22 and 15, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of the written representations received from the Directors as on 31st March, 2014 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **PRATURI & SRIRAM**

Chartered Accountants

Firm Registration No. 0027395


**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad  
29th May, 2014**The annexure referred to in paragraph 1 of the our report of even date to the members of Mold-Tek Technologies Limited on the accounts of the company for the year ended 31st March, 2014**

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, 2014.
  - c. During the year, we are informed, that the Company has not disposed off a substantial part of its fixed assets.
2. The Company has no inventories or stocks inviting comment on inventories. Work-in-process being a portion of unbilled service works at the Balance Sheet date as certified by management and is suitably accounted.
3.
  - a. The Company has not granted/taken any loans, secured or unsecured to/from the companies, firms of other parties covered in the register maintained under Section 301 of the Companies Act, 1956, except in respect of current account transactions with its associate/group company, M/s. Mold-Tek Packaging Limited.
  - b. In respect of the debit balances, amounts due on current accounts, & advances in



the nature of loans, no stipulations have been made as to repayments, and management expresses confidence in recovering and/or adjustment of the amounts due.

4. a. In our opinion, and according to the information and explanations given to us, there exist adequate internal control procedures commensurate with the size of the Company, and the nature of its business for the purchase of inventory & fixed assets and for the sale of services.
- b. Certain areas/procedures and control weaknesses identified during the course of internal/statutory audit and other reviews need to be considered for improvement and up-gradation to better levels.
- c. While we have not observed any continuing failure of intent to correct identified weaknesses in internal controls during the course of our audit, observations made need to be comprehensively addressed and rectified.
5. a. According to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, at prices which are prima facie reasonable having regard to prevailing market prices.
6. In our opinion and explanations given to us, the company has not invited or accepted any

deposits from the public attracting the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board regarding compliance of above said provisions. However, security deposits received from employees ₹3.41 lakhs are not maintained in a separate bank account as stipulated in Section 417 of Companies Act, 1956.

7. The Company presently has an internal audit conducted by an external agency, which needs to be modified/reviewed for its depth & scope so as to make it commensurate with the size of the Company & the nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the services of the Company, as per Cost Accounting Records Rules, 2011. A suitable compliance/report in this regard remains pending.
9. a. According to the records of the Company furnished to us, the Company is regular in depositing undisputed statutory dues including, provident fund, employees state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues with delays of nominal nature.
- b. According to the information and explanations given by the management, there are no undisputed amounts payable in respect of, service tax, wealth tax, customs duty and cess or other material statutory dues were in arrears as at 31st March, 2014 for a period of more than six months from the date they become payable.
- c. However, according to the information and explanation given to us, the following are details of the issues on which the Company is disputing the payment of taxes:



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

10. In our opinion, there are no accumulated losses of the Company and therefore disclosure of the same is not applicable. The Company has not incurred cash losses during the financial year covered by our audit.
11. In our opinion and according to the information and explanations given to us, there are no defaults on dues payable to institutions/banks/ others on the date of the Balance Sheet.
12. We are informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. We are informed that the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, the term-loans availed have generally been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that during the period under review, long-term funds of ₹244.46 lakhs have been used for short-term purposes.
18. According to the information and explanations given to us, during the period covered by our audit report, allotted warrants on preferential basis at ₹31.20.
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, 2014



## Balance Sheet as at 31st March, 2014

₹'000

	Notes	As at 31st March	
		2014	2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	4,68,83	4,68,83
Money received against share warrants		46,80	–
Reserves & surplus	4	16,97,11	17,27,08
<b>Non-current liabilities</b>			
Long-term borrowings	5	19,38	76,36
Other long-term liabilities	6	24,37	31,93
Long-term provisions	7	18,21	18,17
Deferred tax liabilities (Net)	8	1,26,17	–
<b>Current liabilities</b>			
Short-term borrowings	9	5,78,91	5,84,24
Trade payables	10	77,74	68,90
Other current liabilities	11	2,55,19	3,47,13
Short-term provisions	12	58,12	65,39
<b>TOTAL</b>		<b>33,70,83</b>	<b>33,88,03</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	13	17,68,87	18,12,72
Intangible assets	13	1,71,98	3,04,31
Non-current investments	14	24,59	24,59
Long-term loans & advances	15	63,79	43,22
Other non-current assets	16	9,64	19,99
<b>Current assets</b>			
Inventories	17	1,21,95	1,34,38
Trade receivables	18	10,69,51	8,69,59
Cash and cash equivalents	19	17,82	25,41
Short-term loans & advances	20	1,11,89	1,43,03
Other current assets	21	10,79	10,79
<b>TOTAL</b>		<b>33,70,83</b>	<b>33,88,03</b>

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

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

**Sri Raghuram Praturi**  
Partner

Membership No. 221770

Hyderabad, 29th May, 2014

for and on behalf of the Board of Directors

**A. SUBRAMANYAM**  
Director-Technical

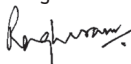
**J. LAKSHMANA RAO**  
Chairman & Managing Director

# Statement of Profit and Loss for the year ended 31st March, 2014

₹'000

	Notes	For the year ended 31st March	
		2014	2013
<b>INCOME</b>	22		
Domestic sales		67,10	2,24,01
Export sales		33,95,05	27,97,84
Other income	23	(25,65)	(84,58)
Changes in work-in-process	24	(12,43)	(64,55)
<b>TOTAL</b>		<b>34,24,07</b>	<b>28,72,72</b>
<b>EXPENDITURE</b>			
Employee remuneration & benefits	25	20,57,16	18,24,67
Selling & distribution expenses	26	16,32	7,90
Other expenses	27	5,83,48	3,69,10
Interest & financial charges	28	1,02,54	1,27,36
Provision for bad debts & back charges		82,48	54,20
Preliminary & deferred expenses written off	29	15,23	16,23
Depreciation	13	2,52,08	2,62,64
<b>TOTAL</b>		<b>31,09,29</b>	<b>26,62,10</b>
<b>Profit before prior period adjustments &amp; tax</b>		<b>3,14,77</b>	<b>2,10,62</b>
Provision for taxation for the year		1,17,89	92,58
<b>Profit after tax</b>		<b>1,96,89</b>	<b>1,18,04</b>
Extraordinary items & prior period adjustments		—	2,00
<b>Profit transferred to Balance Sheet</b>		<b>1,96,89</b>	<b>1,16,04</b>
Earning per share			
- Basic (₹)		4.20	2.48
- Diluted (₹)		4.17	2.45

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, 2014

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**

Director-Technical



**J. LAKSHMANA RAO**

Chairman & Managing Director



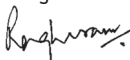
## Cash Flow Statement for the year ended 31st March, 2014 ₹'000

	For the year ended 31st March			
	2014		2013	
<b>A. CASH FLOW FROM OPERATIONS</b>				
Net profit as per Statement of Profit and Loss		3,14,77		2,10,62
Adjustment for				
Depreciation	2,52,09		2,62,64	
Preliminary expenses & deferred expenses	15,23		16,23	
Interest paid	1,02,54	3,69,86	1,27,36	4,06,23
Operating profit before working capital changes		6,84,63		6,16,85
Adjustment for				
Trade and other receivables	(1,99,92)		(69,35)	
Work-in-process	12,43		64,55	
Trade payables & other liabilities				
(Including derivatives loss)	(97,89)		(1,53,05)	
Advances/receivables	5,70	(2,79,68)	(54,36)	(2,12,21)
Cash generated from operations		4,04,95		4,04,64
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of fixed assets	(80,97)		(42,98)	
Sale of fixed assets	5,07	(75,90)	-	(42,98)
		3,29,05		3,61,66


₹'000

	For the year ended 31st March	
	2014	2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share capital	–	2,62
Share application money	<b>46,80</b>	–
Share premium	–	15,72
Employee stock option scheme	<b>(1,96)</b>	(12,50)
Provision for taxation	<b>(1,17,89)</b>	(92,58)
Provision for proposed dividend	<b>(37,51)</b>	(56,26)
Additions/repayment of secured loans	<b>(62,32)</b>	(75,35)
Interim dividend paid	<b>(54,85)</b>	–
Provision for corporate dividend tax	<b>(6,37)</b>	(9,13)
Interest paid	<b>(1,02,54)</b>	(1,27,36)
Prior period & extraordinary items	– <b>(3,36,64)</b>	(2,00) (3,56,84)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(7,59)</b>	4,82
<b>D. Opening balance of cash &amp; cash equivalents</b>	<b>25,41</b>	20,59
<b>E. Closing balance of cash &amp; cash equivalents</b>	<b>17,82</b>	25,41

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, 2014

for and on behalf of the Board of Directors

  
**A. SUBRAMANYAM**  
Director-Technical

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



## Significant accounting policies and notes on accounts

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Method of accounting

- a. 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.
- b. The Company generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- c. The preparation of financial statements requires the management of the Company to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

#### B. Fixed assets

- a. Fixed assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits in accordance with Accounting Standards 10 and 26 issued by the Institute of Chartered Accountants of India (ICAI). Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by ICAI.
- b. Expenditure not specifically identified to any asset and incurred in respect of fixed assets not commissioned is carried forward as expenditure pending allocation and forms part of capital work-in-progress.

#### C. Depreciation

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

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

#### D. Impairment of assets

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

#### E. Investments

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

#### F. Inventory

The Company recognizes the cost of work-in-progress based on the extent of completion of works commenced and unbilled as on the date of financial statements, as value of work-in-progress.

#### G. Interest and financial charges

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

#### H. 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.

#### I. 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.

## **J. 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**

Leave encashment in accordance with the policy of the Company and are provided based on the actuarial valuation as pronounced in Accounting Standard 15 of ICAI.

### **iii. Employee share based payments**

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the guidance note on 'Accounting for Employee Share Based Payments', issued by ICAI. The excess of market value of the stock on the date of grant over the exercise price of the option is recognized as deferred employee stock compensation and is charged to 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. In case of lapsed options, the compensation expenses charged earlier are reversed along with balance of deferred employee compensation pertaining to such lapsed options.

## **K. 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.

## **L. 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.

## **M. Taxes on income**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax provisioning on account of timing difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by ICAI. Deferred tax asset is neither disclosed nor recognized in the books.

## **N. Miscellaneous expenditure**

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

## **O. 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.

## **P. 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.

## **Q. Contingent liabilities & assets**

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





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

2. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

### 3. SHARE CAPITAL

₹'000

	As at 31st March	
	2014	2013
<b>a. Authorised</b>		
1,30,00,000 equity shares of ₹10 each (31st March, 2013: 1,30,00,000 equity shares of ₹10 each)	<b>13,00,00</b>	13,00,00
	<b>13,00,00</b>	13,00,00
<b>b. Issued, subscribed and paid up</b>		
46,88,306 equity shares of ₹10 each (31st March, 2013: 46,88,306 equity shares of ₹10 each)	<b>4,68,83</b>	4,68,83
	<b>4,68,83</b>	4,68,83

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

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

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹	Number	₹
<b>Shares outstanding at the beginning of the year</b>	<b>46,88,306</b>	<b>4,68,83,060</b>	46,62,106	4,66,21,060
Add: Shares issued on exercise of Employee Stock Option Scheme	–	–	26,200	2,62,000
<b>Shares outstanding at the end of the year</b>	<b>46,88,306</b>	<b>4,68,83,060</b>	46,88,306	4,68,83,060

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

Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% Held	No. of shares	% Held
Mold-Tek Packaging Limited	<b>4,23,433</b>	<b>9.03</b>	4,23,433	9.03
J. Sudha Rani	<b>3,94,642</b>	<b>8.42</b>	3,94,642	8.42
A. Subramanyam	<b>2,63,018</b>	<b>5.61</b>	2,56,236	5.47
<b>TOTAL</b>	<b>10,81,093</b>	<b>23.06</b>	10,74,311	22.92

**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 amortized on a straight line basis over the vesting period or on the basis of option exercised whichever is earlier.

	As at 31st March	
	2014	2013
Options outstanding, beginning of the year	<b>43,475</b>	1,12,875
Add: Granted	–	–
Less: Exercised	–	26,200
Less: Forfeited	<b>5,175</b>	43,200
Options outstanding, end of the year	<b>38,300</b>	43,475

During the year 5,175 unexercised options granted to employees have lapsed who have left the Company during vesting period. The compensation amount charged off earlier pertaining to such lapsed options along with unamortised deferred employee compensation have accordingly been reversed.



#### 4. RESERVES & SURPLUS

₹'000

	As at 31st March, 2014		As at 31st March, 2013	
<b>Capital reserve</b>		<b>3,17,01</b>		3,17,01
<b>Securities premium</b>				
Opening balance	<b>11,06,30</b>		10,90,58	
Add: During the year	<b>–</b>	<b>11,06,30</b>	15,72	11,06,30
<b>General reserve</b>				
Opening balance	<b>1,07,68</b>		96,08	
Add: Transfer from profit for the year	<b>19,69</b>	<b>1,27,37</b>	11,60	1,07,68
<b>Share options outstanding account</b>				
Opening balance	<b>16,59</b>		29,09	
Add: Current year transfer	<b>1,67</b>		16,65	
Less: Written back in current year	<b>3,63</b>	<b>14,63</b>	29,15	16,59
<b>Surplus</b>				
Opening balance	<b>1,79,50</b>		1,40,45	
Less: Deferred tax liability	<b>(1,26,17)</b>		–	
Add: Profit for the year	<b>1,96,89</b>		1,16,04	
	<b>2,50,22</b>		2,56,49	
<b>Less: Appropriations</b>				
Interim dividend	<b>46,88</b>		–	
Proposed final dividend	<b>37,51</b>		56,26	
Tax on dividend	<b>14,34</b>		9,13	
General reserve	<b>19,69</b>		11,60	
	<b>1,18,42</b>	<b>1,31,80</b>	76,99	1,79,50
<b>TOTAL</b>		<b>16,97,11</b>		17,27,08

Adjustment to surplus account pertains to the cumulative net deferred tax liability of ₹1,26.17 lakhs (Total liability at the beginning of the year ₹1,47.52 lakhs pertaining to earlier years prior to demerger, adjusted for deferred tax asset ₹21.35 lakhs of the current year).

During the year, the Board of Directors declared an interim dividend of ₹1.0 per equity share and the Board of Directors at its meeting held on 29th May, 2014 has recommended a dividend of ₹0.80 per equity share.

#### 5. LONG-TERM BORROWINGS

	As at 31st March, 2014		As at 31st March, 2013	
	Non-current	Other-current	Non-current	Other-current
<b>Secured loans</b>				
Term loan from banks	<b>–</b>	<b>31,33</b>	68,83	1,37,66
Hire purchase finance	<b>19,38</b>	<b>8,31</b>	7,53	8,30
<b>TOTAL</b>	<b>19,38</b>	<b>39,64</b>	76,36	1,45,96

**Notes:****Long-term loan and working capital facilities from the ICICI Bank is secured by hypothecation by way of first charge on the following assets of the Company:**

- a. Exclusive first charge by way of hypothecation of the borrower's entire current assets which inter-alia include, work-in-process, and such other movable including book debts, outstanding monies, receivables, both present and future, of such form satisfactory to the bank.
- b. Exclusive first charge on the movable fixed assets of the Company.
- c. First charge by way of equitable mortgage of land measuring 988 sq. yards & building thereon in Municipal No. 8-2-293/82/A/700 and 967 sq. yards & buildings thereon in Municipal No. 8-2-293/82/A/700/1, in Survey No. 403/1 (old), 120 (New) of Shaikpet Village and 102/1 of Hakeempet Village, Road No. 36, Jubilee Hills, Hyderabad belonging to the Company. Of the above, undivided share of 400 sq. yards and building of 8,258 sq. feet are sold by the Company to M/s Mold-Tek Packaging Limited under NOC from ICICI Bank.
- d. Personal guarantees of Directors namely J. Lakshmana Rao, A. Subramanyam, J. Mytreyi and P. Venkateswara Rao.

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

**6. OTHER LONG-TERM LIABILITIES**

₹'000

	As at 31st March	
	2014	2013
Rent deposits	20,96	28,07
Deposits collected from employees	3,41	3,86
<b>TOTAL</b>	<b>24,37</b>	<b>31,93</b>

The Company collected security deposits from employees and same is to be repaid to employees as per service agreement norms. The said employee deposits are pending transfer into a separate bank account.

**7. LONG-TERM PROVISIONS**

	As at 31st March	
	2014	2013
Gratuity (unfunded)	18,21	18,17
Leave encashment (unfunded)	–	–
<b>TOTAL</b>	<b>18,21</b>	<b>18,17</b>

- a. Gratuity settlements to the tune of ₹14.14 lakhs have been made during the year, which are adjusted against the opening provision of ₹18.16 lakhs and during the year, the Company has made a provision of ₹14.19 lakhs towards current cost of gratuity which leaves a balance provision of ₹18.21 lakhs.
- b. Total gratuity liability on actuarial valuation is ₹73.23 lakhs and for leave encashment ₹31.36 lakhs. Provision for gratuity liability as per books is maintained at ₹32.44 lakhs. However, as at 31st March, 2014:
  - i. in respect of gratuity, the liability for past service cost is ₹59.04 lakhs and current service cost is ₹14.19 lakhs, and,
  - ii. in respect to leave encashment, the liability for past service cost is ₹17.12 lakhs and current service cost is ₹14.24 lakhs and provision as per actuarial valuation towards current service cost is made during the year.



## 8. DEFERRED TAX

Deferred tax liability pertains to the cumulative deferred tax liability to earlier years prior to demerger. The total liability at the beginning of the year was ₹1,47.52 lakhs and resulted into deferred tax asset ₹21.35 lakhs for the current year. The net liability of ₹1,26.17 lakhs has been adjusted against reserves and surplus.

## 9. SHORT-TERM BORROWINGS

₹'000

	As at 31st March, 2014	As at 31st March, 2013
Secured loans		
ICICI Bank - cash credit (Short-term loans)	5,78,91	5,84,24
<b>TOTAL</b>	<b>5,78,91</b>	<b>5,84,24</b>

The Company during the year under review has availed fund based limit of ₹6.5 crore (31st March, 2013: ₹6.5 crore) & non-fund based limit of ₹5.0 crore (31st March, 2013: ₹5.0 crore) from ICICI Bank (See note for hypothecation clause referred in Note 6).

## 10. TRADE PAYABLES

	As at 31st March	
	2014	2013
Creditors for expenses	28,45	30,89
Creditors for capital items	49,29	38,01
<b>TOTAL</b>	<b>77,74</b>	<b>68,90</b>

Creditor's balances are subject to confirmations and reconciliation.

## 11. OTHER CURRENT LIABILITIES

	As at 31st March	
	2014	2013
Current maturities of long term debt		
Term loans	31,33	1,37,66
Hire purchase loans	8,31	8,30
Duties & taxes	25	31,03
Unpaid dividend	12,16	10,00
Outstanding expenses payable	19,90	36,10
Mold-Tek Packaging Limited	–	1,12
TDS payable	29,95	10,98
Employee salaries, benefits & contributions payable	1,53,29	1,11,94
<b>TOTAL</b>	<b>2,55,19</b>	<b>3,47,13</b>

Unpaid dividend of ₹12.16 lakhs above comprises of various unpaid dividend accounts and ₹3.82 lakhs on shares transferrable to a proposed employee trust in terms of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh.

## 12. SHORT-TERM PROVISIONS

	As at 31st March	
	2014	2013
Provision for proposed dividend & tax thereon	43,88	65,39
Provision for leave encashment	14,24	–
<b>TOTAL</b>	<b>58,12</b>	<b>65,39</b>

13. FIXED ASSETS		Gross block				Depreciation				Net block		₹'000
		As on 1st April, 2013	Additional during the year	Deletions during the year	As on 31st March, 2014	As on 1st April, 2013	For the year	Deletions during the year	As on 31st March, 2014	As on 31st March, 2014	As on 31st March, 2013	
TANGIBLE ASSETS												
Land		7,09,14	-	-	7,09,14	-	-	-	-	7,09,14	7,09,14	
Building		5,91,68	36	-	5,92,04	79,40	18,79	-	98,19	4,93,85	5,12,28	
Electrical installations		2,14,59	4,76	-	2,19,35	70,68	14,58	-	85,26	1,34,09	1,43,91	
Office equipments		1,97,09	7,56	-	2,04,65	67,91	13,53	-	81,44	1,23,21	1,29,18	
Computers		2,93,84	23,88	-	3,17,72	1,87,19	39,16	-	2,26,35	91,37	1,06,65	
Furniture & fixtures		2,42,22	10,59	-	2,52,81	64,74	14,78	-	79,52	1,73,29	1,77,48	
Vehicles		44,54	19,04	10,33	53,25	10,46	4,14	5,27	9,33	43,92	34,08	
TOTAL		22,93,10	66,19	10,33	23,48,96	4,80,38	1,04,98	5,27	5,80,09	17,68,87	18,12,72	
Intangible assets												
Goodwill		2,51,24	-	-	2,51,24	1,50,74	50,25	-	2,00,99	50,25	1,00,50	
Software		7,31,01	14,77	-	7,45,78	5,27,20	96,85	-	6,24,05	1,21,73	2,03,81	
TOTAL		9,82,25	14,77	-	9,97,02	6,77,94	1,47,10	-	8,25,04	1,71,98	3,04,31	
GRAND TOTAL		32,75,35	80,96	10,33	33,45,98	11,58,32	2,52,08	5,27	14,05,13	19,40,85	21,17,03	
Previous year		32,32,36	42,98	-	32,75,34	8,95,67	2,62,64	-	11,58,31	21,17,03	23,36,69	

In the opinion of the management, there are no assets of the Company carried in the financial statements whose value in use stands diminished vis-à-vis their carrying cost, and hence no provision or charge off is considered necessary.



#### 14. NON-CURRENT INVESTMENTS

₹'000

	As at 31st March	
	2014	2013
Long term investments (unquoted) (Lower of cost/impaired value)		
Crossroads Detailing Inc. (impaired value)	16,43	16,43
RMM Global Inc. (at cost)	8,16	8,16
<b>TOTAL</b>	<b>24,59</b>	<b>24,59</b>

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

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

	As at 31st March	
	2014	2013
Deposits to government bodies	28,46	12,97
Capital advances	30,00	30,00
Other deposits	5,33	25
<b>TOTAL</b>	<b>63,79</b>	<b>43,22</b>

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

#### 16. OTHER NON-CURRENT ASSETS

	As at 31st March	
	2014	2013
Preliminary expenses	3,07	18,30
Deferred interest	6,57	1,69
<b>TOTAL</b>	<b>9,64</b>	<b>19,99</b>

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

Pertains to cost of contracted partial work completion values as at 31st March, 2014 amounting to ₹1.22 crore (31st March, 2013: ₹1.34 crore) which are as certified by the management.



**18. TRADE RECEIVABLES**

₹'000

	As at 31st March	
	2014	2013
<b>Over six months</b>		
Considered good	<b>1,14,97</b>	97,06
Considered doubtful	<b>39,27</b>	39,27
<b>Others</b>		
Considered good	<b>9,54,54</b>	7,72,53
Provision for doubtful debts	<b>(39,27)</b>	(39,27)
<b>TOTAL</b>	<b>10,69,51</b>	8,69,59

- Trade receivables are subject to confirmation and reconciliation.
- Total receivables include ₹10,30.93 lakhs realizable in foreign currency of which ₹7,42.07 lakhs are receivable from Company's wholly owned subsidiaries.
- Out of the receivables outstanding for more than 6 months of ₹1,54.24 lakhs, amounts realizable in foreign currency are ₹92.72 lakhs, which includes an amount of ₹85.66 lakhs receivable from wholly owned subsidiaries.
- In addition to the existing provision of ₹39.27 lakhs which is against domestic sales, during the year, debts realizable in foreign currency to the tune of ₹79.31 lakhs (including receivables from subsidiaries ₹70.92 lakhs) and ₹3.16 lakhs receivable from domestic customers have been written off.
- The Company has overdue balances of ₹71.68 lakhs in foreign currency and ₹22.25 lakhs on domestic sales which it has represented as being confident of recovering.

**19. CASH AND CASH EQUIVALENTS**

	As at 31st March	
	2014	2013
Cash in hand	<b>26</b>	30
Bank current & dividend accounts	<b>17,56</b>	25,11
<b>TOTAL</b>	<b>17,82</b>	25,41

Bank balances include unpaid dividend of ₹8.32 lakhs pertaining to other share holders for previous years.

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

	As at 31st March	
	2014	2013
Advance tax & TDS receivable	<b>46,58</b>	54,18
Prepaid expenses	<b>20,77</b>	19,99
Staff advances	<b>32,65</b>	68,86
Advance to suppliers & advances	<b>1,89</b>	–
Mold-Tek Packaging Limited (associate company/related party)	<b>–</b>	–
Others	<b>10,00</b>	–
<b>TOTAL</b>	<b>1,11,89</b>	1,43,03

Staff advances include an amount of ₹2 lakhs given to senior employees and ₹6.04 lakhs receivable for more than 3 years from a former employee on whom a legal case is filed for recovery. Management has represented that it is confident of recovering all the amounts including that of the former employee.



## 21. OTHER CURRENT ASSETS

₹'000

	As at 31st March	
	2014	2013
Others (Proposed Employee Welfare Trust)	10,79	10,79
<b>TOTAL</b>	<b>10,79</b>	<b>10,79</b>

Other current assets include 37,520 equity shares of ₹10 each of Mold-Tek Technologies Limited pending transfer to a proposed trust per Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July, 2008.

## 22. INCOME

	Year ended	
	2014	2013
Domestic sales	67,10	2,24,01
Export sales	33,95,05	27,97,84
<b>TOTAL</b>	<b>34,62,15</b>	<b>30,21,85</b>

## 23. OTHER INCOME

	Year ended	
	2014	2013
Rent received	11,95	70,64
Foreign exchange gain	69,32	77,50
Loss on forward contracts	(1,11,77)	(2,33,14)
Miscellaneous income	4,85	42
<b>TOTAL</b>	<b>(25,65)</b>	<b>(84,58)</b>

Foreign exchange gain mostly pertains to the fluctuation in the currency rates between billing and realization.

## 24. CHANGES IN WORK-IN-PROCESS

	Year ended	
	2014	2013
<b>Work-in-process</b>		
Opening stocks	1,34,38	1,98,93
Closing stocks	1,21,95 (12,43)	1,34,38 (64,55)
<b>TOTAL</b>	<b>(12,43)</b>	<b>(64,55)</b>

Closing stock of work in progress includes cost of contracted partial work completion values as at 31st March, 2014 amounting to ₹1.22 crore (31st March, 2013: ₹1.34 crore) primarily comprising value in relation to efforts on contract on the basis of extent of completion.

**25. EMPLOYEE REMUNERATION & BENEFITS**

₹'000

	Year ended	
	2014	2013
Salaries, wages, allowances & bonus	<b>17,00,85</b>	15,91,54
Contribution to provident fund & ESIC	<b>62,38</b>	43,07
Welfare expenses	<b>1,48,08</b>	87,38
Gratuity	<b>14,19</b>	–
Leave encashment	<b>32,58</b>	8,60
Directors remuneration & perquisites	<b>1,01,04</b>	87,10
Employee compensation expenses (ESOS)	<b>(1,96)</b>	6,98
<b>TOTAL</b>	<b>20,57,16</b>	18,24,67

- a. Employee gratuity amounts settled during the year ₹14.14 lakhs has been adjusted completely against provision and provision of ₹14.19 lakhs has been created against current service cost.
- b. Leave encashment payments made during the year are amounting to ₹18.34 lakhs is charged to Statement of Profit and Loss and provision of ₹14.24 lakhs has been created against encashable leave at current service cost.
- c. Employee compensation expenses reversal is pertaining to the expenses charged off in earlier years of those employees who have left during the year without exercising the allotted grants to them.

**26. SELLING & DISTRIBUTION EXPENSES**

	Year ended	
	2014	2013
Sales promotion & commission	<b>15,25</b>	7,19
Advertisement expenses	<b>1,07</b>	71
<b>TOTAL</b>	<b>16,32</b>	7,90



## 27. OTHER EXPENSES

₹'000

	Year ended	
	2014	2013
Rent	13,26	13,62
Rates & taxes	19,40	20,37
Insurance	7,68	4,01
Communication expenses	14,24	14,95
Power & fuel	60,07	41,39
Foreign travel	1,22,59	68,72
Travelling and conveyance - others	31,41	27,59
Printing & stationery	9,03	7,92
Repairs & maintenance	66,13	73,20
Professional charges	87,69	31,93
Payments to auditors	3,50	3,50
Job work charges	21,22	15,05
Bank charges	10,49	16,29
Exchange rate loss	94,68	22,40
Loss on sale of assets	1,91	-
General expenses	20,18	8,16
<b>TOTAL</b>	<b>5,83,48</b>	<b>3,69,10</b>

### AUDITORS' REMUNERATION

	2013-14	2012-13
Statutory & tax audit fee including quarterly reviews	2,75	2,75
Retainer fee for tax and other matters	75	75
<b>TOTAL</b>	<b>3,50</b>	<b>3,50</b>

## 28. INTEREST & FINANCIAL CHARGES

	Year ended	
	2014	2013
Interest on term loans	11,82	44,15
Interest on working capital	87,32	72,85
Interest charges on other loans	3,40	10,36
<b>TOTAL</b>	<b>1,02,54</b>	<b>1,27,36</b>

**29. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF**

₹'000

	Year ended	
	2014	2013
Opening balance as on 1st April	<b>18,30</b>	34,53
Add: Additions	–	–
Less: Written off during the year	<b>15,23</b>	16,23
<b>TOTAL</b>	<b>3,07</b>	18,30

**31. Derivatives & forwards**

During the year, the Company incurred loss of ₹111.77 lakhs on account of forwards.

**Forwards**

The Company entered into foreign exchange hedging contracts by way of a forward confirmation with ICICI Bank. The following are the particulars of such unexpired cash flow hedging contracts as on 31st March, 2014:

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	21013765	1,00,000	30th April, 2014	58.38
USD	21007054	2,00,000	30th April, 2014	58.06
USD	21045972	1,50,000	28th May, 2014	59.33
USD	21096166	1,50,000	30th May, 2014	61.68
USD	22056117	1,00,000	30th June, 2014	61.28
USD	22045816	1,00,000	30th June, 2014	61.34
USD	22058096	1,00,000	31st July, 2014	61.72
USD	22045857	1,00,000	31st July, 2014	61.77
USD	22045864	1,00,000	28th August, 2014	62.15
USD	22058060	1,00,000	28th August, 2014	61.97

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

**32. FOREIGN CURRENCY RECEIVABLES**

The amounts receivable in foreign currency as on 31st March, 2014 (reinstated) on account of export sales:

	As at 31st March, 2014		As at 31st March, 2013	
	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency
Debtors	<b>8,22.35</b> <b>2,08.59</b>	<b>USD 13,69,212</b> <b>EUR 2,51,655</b>	6,71.34 1,21.75	USD 12,36,809 EUR 1,74,915



### 33. EARNINGS PER SHARE

	2013-14	2012-13
Profit available for equity share holders (₹)	<b>1,96,88,710</b>	1,16,03,793
No. of equity shares outstanding for BEPS	<b>46,88,306</b>	46,88,306
Weighted average number of potential equity shares, warrants and ESOPs outstanding	<b>38,300</b>	41,292
Total number of equity shares for DEPS	<b>47,26,606</b>	47,29,598
Earning per share - Face value of ₹10		
- Basic (₹)	<b>4.20</b>	2.48
- Diluted (₹)	<b>4.17</b>	2.45

### 34. CONTINGENT LIABILITIES

₹ Lakhs

	As at 31st March	
	2014	2013
Tax disputes	<b>36.83</b>	36.83

Tax disputes are in respect of demands raised by income tax department amounting to ₹36.83 lakhs for which the Company has filed appeals with the Income Tax Appellate Tribunal.

### 35. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act.

#### a. Earnings in foreign currency (on accrual basis)

₹ Lakhs

	2013-14	2012-13
FOB value of exports	<b>34,20.26</b>	27,97.84

#### b. Expenditure in foreign currency

	2013-14	2012-13
Travelling	<b>1,22.57</b>	68.72

### 36. RELATED PARTY DISCLOSURES

#### 1. Related Parties and Nature of Relationship

- Crossroads Detailing Inc., USA - Subsidiary company
- RMM Global Inc., USA - Subsidiary company
- J. Rana Pratap - Chief Manager, NBD - Son of Chairman & Managing Director
- A. Durga Sundeep - Chief Manager, ITB - Son of Director

#### 2. Key management personnel

- J. Lakshmana Rao, Chairman & Managing Director
- J. Sudha Rani, Wholetime Director, wife of Chairman & Managing Director
- RMM Global LLC., USA

#### 3. Associated companies

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

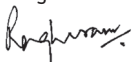
**Related party transactions**

₹ Lakhs


	Subsidiaries		Associate companies		Key management personnel		Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Sales</b>								
Crossroads Detailing, Inc., USA	<b>11,42.16</b>	5,99.91						
RMM Global Inc., USA	<b>12,03.06</b>	9,86.86						
Mold-Tek Packaging Limited			-	5.62				
<b>Remuneration</b>								
J. Lakshmana Rao					56.84 <sup>a</sup>	50.21 <sup>a</sup>		
J. Sudha Rani					43.19	35.02		
J. Rana Pratap							17.76	-
A. Durga Sandeep							11.73	-
<b>Dividend</b>								
J. Lakshmana Rao					0.41	0.27		
J. Sudha Rani					7.10	4.73		
J. Rana Pratap							2.51	1.53
A. Subramanyam							-	1.22
Mold-Tek Packaging Limited			7.62	5.08				
RMM Global LLC., USA					0.78	-		
<b>Outstanding receivables as at 31st March, 2014</b>								
Crossroads Detailing Inc., USA	<b>4,81.05</b>	2,47.46						
RMM Global Inc., USA	<b>2,61.01</b>	3,55.47						
<b>Other payables</b>								
Mold-Tek Packaging Limited			-	4.50				
<b>Personal guarantee given to bank</b>								
J. Lakshmana Rao					8,40.00	8,40.00		

<sup>a</sup> Excludes payments made in respect of leave encasement of previous year.

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 2014

for and on behalf of the Board of Directors

  
**A. SUBRAMANYAM**  
Director-Technical

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





# RMM Global Inc, USA

## BALANCE SHEET AS AT 31ST MARCH, 2014

	31st March, 2014		31st March, 2013	
	USD	₹'000	USD	₹'000
<b>ASSETS</b>				
Current assets				
Corporate checking/savings	74,601	44,81	82,997	45,05
Accounts receivable	3,56,535	2,14,14	5,65,197	3,06,79
Total current assets	4,31,136	2,58,95	6,48,194	3,51,84
Fixed assets				
Accumulated depreciation	(21,167)	(11,72)	(12,934)	(6,70)
Vehicles & computers	45,149	24,04	33,803	17,23
Total fixed assets	23,982	12,32	20,869	10,53
Other assets				
Loans & advances	500	30	500	27
Total others assets	500	30	500	27
<b>TOTAL ASSETS</b>	<b>4,55,618</b>	<b>2,71,57</b>	<b>6,69,563</b>	<b>3,62,64</b>
<b>LIABILITIES &amp; CAPITAL</b>				
Current liabilities				
Accounts payable	3,437	2,06	1,477	80
Intercompany payable	4,34,595	2,61,02	661,040	3,58,81
Total current liabilities	4,38,032	2,63,08	6,62,517	3,59,61
Capital				
Common stock	1,000	51	1,000	51
Retained earnings	6,045	2,52	1,580	3,14
Foreign currency translation reserve	–	(95)	–	(2,66)
Current year earnings	10,541	6,41	4,466	2,03
<b>TOTAL CAPITAL</b>	<b>17,586</b>	<b>8,49</b>	<b>7,046</b>	<b>3,02</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,56,618</b>	<b>2,71,57</b>	<b>6,69,563</b>	<b>3,62,64</b>

# RMM Global Inc, USA

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	31st March, 2014		31st March, 2013	
	USD	₹'000	USD	₹'000
<b>Ordinary income/expense</b>				
Income				
Detailing	21,68,338	13,19,92	22,72,767	12,37,77
Consulting income	3,52,045	2,13,46	1,48,870	80,98
Other income	—	—	9,394	5,13
Total income	25,20,383	15,33,38	24,31,031	13,23,88
Cost of goods sold	19,83,117	12,06,63	18,27,656	9,95,21
Gross profit	5,37,266	3,26,75	6,03,375	3,28,67
Expense				
Work-in-process	—	—	47,779	26,25
Back charges	23,405	14,40	30,274	16,47
Bank service charges	1,992	1,22	2,176	1,19
Insurance	28,596	17,39	21,012	11,48
Exhibition expenses	8,575	5,30	6,166	3,36
Office supplies	1,635	98	5,806	3,17
Payroll expenses	2,85,060	1,73,08	3,05,218	1,66,26
Printing and reproduction	1,466	88	1,683	92
Rent	13,585	8,27	13,308	7,25
Postage and delivery	382	24	631	34
Taxes	32,558	20,29	9,947	5,39
Professional fees	13,230	7,79	15,738	8,61
Travelling expenses	22,295	13,31	43,725	23,90
Computer maintenance	78,749	47,96	81,120	44,25
Communication expenses	6,962	4,21	7,087	3,87
Depreciation	8,234	5,02	7,239	3,94
Total expense	5,26,725	3,20,34	5,98,909	3,26,65
Net income	10,541	641	4,466	202



## **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, 2014 and the related statement of income and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, we do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

**Ami Shah**  
Certified Public Accountants

San Jose, CA  
May 27, 2014

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## **Crossroads Detailing, Inc.**

## **Compilation Report**

The Shareholders,  
Crossroads Detailing, Inc.

We have compiled the accompanying Balance Sheet of Crossroads Detailing, Inc. as of March 31, 2014 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.

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

**Ami Shah**  
Certified Public Accountants

San Jose, CA  
May 27, 2014

**Crossroads Detailing Inc, USA****BALANCE SHEET AS AT 31ST MARCH, 2014**

	<b>31st March, 2014</b>		<b>31st March, 2013</b>	
	<b>USD</b>	<b>₹'000</b>	<b>USD</b>	<b>₹'000</b>
<b>ASSETS</b>				
Current assets				
Corporate checking/savings	<b>1,78,330</b>	<b>1,07,11</b>	6,686	3,63
Checks-in-transit	<b>–</b>	<b>–</b>	60,000	32,57
Accounts receivable	<b>6,76,163</b>	<b>4,06,10</b>	4,55,200	2,47,08
Total current assets	<b>8,54,493</b>	<b>5,13,21</b>	5,21,886	2,83,28
<b>TOTAL ASSETS</b>	<b>8,54,493</b>	<b>5,13,21</b>	5,21,886	2,83,28
<b>LIABILITIES &amp; CAPITAL</b>				
Current liabilities				
Accounts payable	<b>8,00,958</b>	<b>4,81,06</b>	4,66,526	2,53,23
Other payables	<b>431</b>	<b>26</b>	9,915	5,38
Total current liabilities	<b>8,01,389</b>	<b>4,81,32</b>	4,76,441	2,58,61
Capital				
Common stock	<b>84,441</b>	<b>33,79</b>	84,441	33,79
Retained earnings	<b>(38,997)</b>	<b>(9,13)</b>	(39,354)	(13,18)
Foreign currency translation reserve	<b>–</b>	<b>2,57</b>	–	3,82
Profit and Loss current year	<b>7,660</b>	<b>4,66</b>	358	24
<b>TOTAL CAPITAL</b>	<b>53,104</b>	<b>31,89</b>	45,444	24,67
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>8,54,493</b>	<b>5,13,21</b>	5,21,886	2,83,28

# Crossroads Detailing Inc, USA

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014



	31st March, 2014		31st March, 2013	
	USD	₹'000	USD	₹'000
<b>Ordinary income/expense</b>				
Income				
Consulting income	1,13,225	68,68	74,850	40,70
Detailing	21,92,129	13,41,47	13,90,800	7,57,74
Other income	—	—	5,575	3,04
Total income	23,05,354	14,10,15	14,71,225	8,01,48
Cost of goods sold	19,14,653	11,71,42	11,45,567	6,24,03
Gross profit	3,90,701	2,38,73	3,25,658	1,77,45
Expense				
Back charges	42,062	26,37	6,056	3,27
Bank charges	1,650	1,01	1,320	72
Membership & subscription	1,181	73	550	30
Insurance	28,910	17,62	26,585	14,48
Office supplies	160	10	796	43
Payroll expenses	3,05,077	1,85,76	2,73,368	1,48,91
Printing and reproduction	240	15	366	20
Taxes	181	11	(597)	(32)
Job work charges	—	—	15,272	8,37
Professional fee	1,997	1,26	100	5
Telephone	1,583	96	1,442	79
Utilities – Other	—	—	42	2
Total expense	3,83,041	2,34,07	3,25,300	1,77,22
Net income	7,660	4,66	358	23

# Independent Auditors' Report

The Board of Directors  
Mold-Tek Technologies Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Mold-Tek Technologies Limited ('the Company') and its subsidiaries together referred to as 'the group' as at 31st March, 2014, which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, annexed there to.

## Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') (which continue to be applicable in respect of Section 133 of Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Company Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

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

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

reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We did not audit the financial statements of the wholly owned subsidiaries M/s. Crossroads Detailing Inc and M/s. RMM Global Inc, whose financial statements pertaining to the year 2013-14 are included in the consolidated year to date results for the year 2013-14. These financial statements and other financial information have been compiled by other independent accountants whose reports have been used by the management to prepare Consolidated Financial Statements and in so far as it relates to the amounts included in respect of these subsidiaries are solely based on the report of such external accountants.

## Opinion

We report that these Consolidated Financial Statements are 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) Rule 2006, and should be read with, and subject to, our report of even date pertaining to the stand alone financial statements of parent company and the accompanying notes there on.

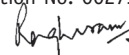
Based on our audit and on consideration of the reports of the other accountants on separate financial statements and on the financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- In the case of the Consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **PRATURI & SRIRAM**

Chartered Accountants

Firm Registration No. 002739S



**Sri Raghuram Praturi**

Partner

Hyderabad  
29th May, 2014

Membership No. 221770



# Consolidated Balance Sheet as at 31st March, 2014

₹'000

	Notes	As at 31st March	
		2014	2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	4,68,83	4,68,83
Money received against share warrants		46,80	–
Reserves & surplus	5	17,12,88	17,30,19
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	6	19,38	76,36
Other long-term liabilities	7	24,37	31,93
Long-term provisions	8	18,21	18,17
Deferred tax liabilities (Net)	9	1,26,17	–
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	10	5,78,91	5,84,24
Trade payables	11	99,76	68,90
Other current liabilities	12	2,57,24	3,47,92
Short-term provisions	13	58,12	65,39
<b>TOTAL</b>		<b>34,10,67</b>	<b>33,91,93</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	14		
Tangible assets		17,68,88	18,12,92
Intangible assets		1,84,29	3,14,64
Long-term loans & advances	15	63,79	43,22
Other non-current assets	16	9,64	19,99
<b>CURRENT ASSETS</b>			
Inventories	17	1,21,95	1,34,38
Trade receivables	18	9,69,44	8,06,05
Cash and cash equivalents	19	1,69,73	1,06,65
Short-term loans & advances	20	1,12,16	1,43,29
Other current assets	21	10,79	10,79
<b>TOTAL</b>		<b>34,10,67</b>	<b>33,91,93</b>

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, 2014

for and on behalf of the Board of Directors

**A. SUBRAMANYAM**

Director-Technical

**J. LAKSHMANA RAO**

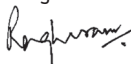
Chairman & Managing Director

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2014**

₹'000

	Notes	For the year ended 31st March	
		2014	2013
<b>INCOME</b>	22		
Domestic sales		<b>67,10</b>	2,24,01
Export sales		<b>39,57,18</b>	32,92,53
Other income	23	<b>(22,06)</b>	(76,41)
Changes in work-in-process	24	<b>(12,43)</b>	(90,80)
<b>TOTAL</b>		<b>39,89,79</b>	33,49,33
<b>EXPENDITURE</b>			
Employee remuneration & benefits	25	<b>24,32,21</b>	21,39,85
Selling & distribution expenses	26	<b>21,61</b>	11,26
Other expenses	27	<b>7,08,28</b>	5,01,64
Interest & financial charges	28	<b>1,02,54</b>	1,27,36
Provision for bad debts & back charges		<b>1,23,24</b>	70,67
Preliminary & deferred expenses written off	29	<b>15,23</b>	16,23
Depreciation	14	<b>2,57,10</b>	2,66,58
<b>TOTAL</b>		<b>36,60,21</b>	31,33,59
<b>Profit before prior period adjustments &amp; tax</b>		<b>3,29,58</b>	2,15,74
Provision for taxation for the year		<b>1,21,62</b>	95,44
<b>Profit after tax</b>		<b>2,07,96</b>	1,20,30
Extraordinary items & prior period adjustments		<b>—</b>	2,00
<b>Profit transferred to Balance sheet</b>		<b>2,07,96</b>	1,18,30
Earning per share			
- Basic (₹)		<b>4.44</b>	2.52
- Diluted (₹)		<b>4.40</b>	2.50

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, 2014

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**  
Director-Technical



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





## Consolidated Cash Flow Statement for the year ended 31st March, 2014

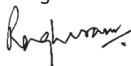
₹'000

	For the year ended 31st March			
	2014		2013	
<b>A. CASH FLOW FROM OPERATIONS</b>				
Net profit as per Statement of Profit and Loss		3,29,58		2,15,74
Adjustment for				
Depreciation	2,57,10		2,66,58	
Preliminary expenses & deferred expenses	15,23		16,23	
Interest paid	1,02,54	3,74,87	1,27,36	4,10,17
Operating profit before working capital changes		7,04,45		6,25,91
Adjustment for				
Trade and other receivables	(1,63,40)		(51,94)	
Work-in-process	12,43		88,33	
Trade payables & other liabilities (Including derivatives loss)	(74,60)		(1,83,99)	
Advances/receivables	5,67	(2,19,90)	(19,48)	(1,67,08)
Cash generated from operations		4,84,55		4,58,83
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of fixed assets	(87,78)		(50,36)	
Sale of fixed assets	5,07	(82,71)	–	(50,36)
		4,01,84		4,08,47

₹'000

	For the year ended 31st March	
	2014	2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share capital	–	2,62
Share application money	<b>46,80</b>	–
Share premium	–	15,72
Employee stock option scheme	<b>(1,96)</b>	(12,50)
Provision for taxation	<b>(1,21,62)</b>	(95,43)
Provision for proposed dividend	<b>(37,51)</b>	(56,26)
Additions/repayment of secured loans	<b>(62,32)</b>	(77,55)
Interim dividend paid	<b>(54,85)</b>	–
Foreign currency reserve	<b>1,61</b>	1,99
Provision for corporate dividend tax	<b>(6,37)</b>	(9,13)
Interest paid	<b>(1,02,54)</b>	(1,27,36)
Prior period & extraordinary items	– <b>(3,38,75)</b>	(2,00) (3,59,90)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>63,08</b>	48,57
<b>D. Opening balance of cash &amp; cash equivalents</b>	<b>1,06,65</b>	58,08
<b>E. Closing balance of cash &amp; cash equivalents</b>	<b>1,69,73</b>	1,06,65

Per our Report of even date  
for **PRATURI & SRIRAM**  
Chartered Accountants  
Firm Registration No. 0027395



**Sri Raghuram Praturi**

Partner

Membership No. 221770

Hyderabad, 29th May, 2014

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**

Director-Technical



**J. LAKSHMANA RAO**

Chairman & Managing Director



# Significant accounting policies and notes on consolidated accounts

## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. Method of accounting

- a. The Consolidated Financial Statements relate to Mold-Tek Technologies Limited and its subsidiaries. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS21), on a going concern basis with historical cost convention, in accordance with accounting principles generally accepted in India and as per Accounting Standards specified in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company.
- b. The Company generally recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- c. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- d. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.
- e. The financials statements of the subsidiaries are drawn up to 31st March, 2014.

### B. Fixed assets

- a. Fixed assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits in accordance with Accounting Standards 10 and 26 issued by ICAI. Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by ICAI.
- b. Expenditure not specifically identified to any asset and incurred in respect of fixed assets not commissioned is carried forward as expenditure pending allocation and forms part of capital work-in-progress.

### C. Depreciation

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

Residual values of assets depreciated on straight line basis to the extent of assets not in use, and/or

discarded having outlived their utility are charged off during the year.

### D. Impairment of assets

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

### E. Investments

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

### F. Interest and financial charges

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

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

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

### H. Revenue recognition

Income from services is recognized when the same are fully rendered and billable. The Company adopts the percentage of completion basis for certain customers, and for certain customers on monthly fixed billing basis.

Work-in-process on incomplete service assignments and works are estimated based on extent of completion as at the end of the year.

### I. Employee benefits

#### a. Gratuity & provident fund

Post employment and other long term benefits are recognized as an expense in the 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.

**b. Liability for leave encashment**

Leave encashment in accordance with the policy of the company and are provided based on the actuarial valuation as pronounced in Accounting Standard 15 of ICAI.

**c. Overseas**

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

**d. Employee share based payments**

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the guidance note on Accounting for Employee Share Based Payments, issued by ICAI. The excess of market value of the stock on the date of grant over the exercise price of the option is recognized as deferred employee stock compensation and is charged to 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. In case of lapsed options the compensation expenses charged earlier are reversed along with balance of deferred employee compensation pertaining to such lapsed options.

**J. Foreign currency transactions**

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

The financial statements of the subsidiary are considered using the following conversion rates into Indian rupees:

- All assets and liabilities are converted into Indian rupees at the year ended rates.
- All revenue and expenditure items are converted into Indian rupees using the average rate for the period of consolidation.
- In accordance with Accounting Standard 11, a suitable foreign currency translation reserve has been created in the books as stipulated in the said Standard and appears in the books at ₹1.61

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 ICAI. 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 fair value. The rental obligations, net of interest charges, are reflected in loans and advances. Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made over the lease term.

**O. Earnings per share**

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

**P. Contingent liabilities & assets**

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



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

### 2. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to Mold-Tek Technologies Limited, the parent company, (hereafter referred to as the Company) and its subsidiaries, Crossroads Detailing Inc., and RMM Global Inc., both of which are US based companies.

The consolidated statements are prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of the items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21, consolidated financial statements, issued by ICAI.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and re presented in the same manner as the company 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, 2014.
- 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 ownership interest in both of them is 100% as on 31st March, 2014.

3. The previous period 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	
	2014	2013
<b>a. Authorised</b>		
1,30,00,000 equity shares of ₹10 each (31st March, 2013: 1,30,00,000 equity shares of ₹10 each)	<b>13,00,00</b>	13,00,00
	<b>13,00,00</b>	13,00,00
<b>b. Issued, subscribed and paid up</b>		
46,88,306 equity shares of ₹10 each (31st March, 2013: 46,88,306 equity shares of ₹10 each)	<b>4,68,83</b>	4,68,83
	<b>4,68,83</b>	4,68,83

- 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 per share on 29th April, 2011 by way of Employee Stock Option Scheme.
- 4.5 5,10,000 equity shares of ₹10 each issued at a premium of ₹70 per share on 29th June, 2011 by way of preferential offer.
- 4.6 26,200 equity shares of ₹10 each issued at a premium of ₹60 per share on 29th May, 2012 by way of Employee Stock Option Scheme.

**The reconciliation of the number of shares outstanding is set out below:** ₹'000

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹	Number	₹
<b>Shares outstanding at the beginning of the year</b>	<b>46,88,306</b>	<b>4,68,83,060</b>	46,62,106	4,66,21,060
Add: Shares issued on exercise of Employee Stock Option Scheme	–	–	26,200	2,62,000
<b>Shares outstanding at the end of the year</b>	<b>46,88,306</b>	<b>4,68,83,060</b>	46,88,306	4,68,83,060

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

Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% Held	No. of shares	% Held
Mold-Tek Packaging Limited	<b>4,23,433</b>	<b>9.03</b>	4,23,433	9.03
J. Sudha Rani	<b>3,94,642</b>	<b>8.42</b>	3,94,642	8.42
A. Subramanyam	<b>2,63,018</b>	<b>5.61</b>	2,56,236	5.47
<b>TOTAL</b>	<b>10,81,093</b>	<b>23.06</b>	10,74,311	22.92

#### **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.

	As at 31st March	
	2014	2013
Options outstanding, beginning of the year	<b>43,475</b>	1,12,875
Add: Granted	–	–
Less: Exercised	–	26,200
Less: Forfeited	<b>5,175</b>	43,200
Options outstanding, end of the year	<b>38,300</b>	43,475



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

During the year, 5,175 unexercised options granted to employees, who have left the Company during vesting period have lapsed. The compensation amount charged off earlier pertaining to such lapsed options along with unamortized deferred employee compensation have accordingly been reversed during the year.

## 5. RESERVES & SURPLUS

₹'000

	As at 31st March, 2014		As at 31st March, 2013	
<b>Capital reserve</b>		<b>3,17,01</b>		3,17,01
<b>Securities premium</b>				
Opening balance	<b>11,06,30</b>		10,90,58	
Add: During the year	<b>–</b>	<b>11,06,30</b>	<b>15,72</b>	11,06,30
<b>General reserve</b>				
Opening balance	<b>1,07,68</b>		96,08	
Add: Transfer from profit for the year	<b>19,69</b>	<b>1,27,37</b>	<b>11,60</b>	1,07,68
<b>Share options outstanding account</b>				
Opening balance	<b>16,59</b>		29,09	
Add: Current year transfer	<b>1,67</b>		<b>16,65</b>	
Less: Written back in current year	<b>3,64</b>	<b>14,62</b>	<b>29,15</b>	16,59
<b>Foreign currency translation reserve</b>				
Opening balance	<b>1,17</b>		–	
Add: Profit for the year	<b>44</b>	<b>1,61</b>	<b>1,17</b>	1,17
<b>Capital reserve on consolidation</b>		<b>9,71</b>		9,71
<b>Surplus</b>				
Opening balance	<b>1,72,89</b>		1,30,42	
Less: Deferred tax reinstatement	<b>(1,26,17)</b>		–	
Add: Profit for the year	<b>2,07,96</b>		<b>1,18,30</b>	
	<b>2,54,68</b>		<b>2,48,72</b>	
Less: Appropriations				
Interim dividend	<b>46,88</b>		56,26	
Proposed final dividend	<b>37,51</b>		–	
Tax on dividend	<b>14,34</b>		9,13	
General reserve	<b>19,69</b>		<b>11,60</b>	
	<b>1,18,42</b>	<b>1,36,26</b>	<b>76,99</b>	1,71,73
<b>TOTAL</b>		<b>17,12,88</b>		17,30,19

During the year, Board of Directors declared an interim dividend of ₹1.0 per equity share and Board of Directors at its meeting held on May 29, 2014 has recommended a dividend of ₹0.80 per equity share.

**6. LONG-TERM BORROWINGS**

₹'000

	As at 31st March, 2014		As at 31st March, 2013	
	Non-current	Other-current	Non-current	Other-current
Secured loans				
Term loan from banks	–	31,33	68,83	1,37,66
Hire purchases finance	19,38	8,31	7,53	8,30
<b>TOTAL</b>	<b>19,38</b>	<b>39,64</b>	<b>76,36</b>	<b>1,45,96</b>

**Notes:**

**Long-term loan and working capital facilities from the ICICI Bank is secured by hypothecation by way of first charge on the following assets of the Company:**

- Exclusive first charge by way of pledge/of the borrower's entire current assets which *inter-alia* include work in process, and such other movable including book debts, outstanding monies, receivables both present and future of such form satisfactory to the bank.
- Exclusive first charge on the movable fixed assets of the Company.
- First charge by way of equitable mortgage of land measuring 988 sq. yards & building thereon in Municipal No.8-2-293/82/A/700 and 967 sq. yards & buildings thereon in Municipal No.8-2-293/82/A/700/1, in Survey No. 403/1 (old), 120 (New) of Shaikpet Village and 102/1 of Hakeempet Village, Road No. 36, Jubilee Hills, Hyderabad belonging to the Company. Of the above, undivided share of 400 sq. yards and building of 8,258 sq. feet are sold by the Company to M/s. Mold-Tek Packaging Limited under NOC from M/s. ICICI Bank.
- Personal guarantees of Directors namely J. Lakshmana Rao, A. Subramanyam, J. Mytreji and P. Venkateswara Rao

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

**7. OTHER LONG-TERM LIABILITIES**

	As at 31st March	
	2014	2013
Rent deposits	20,96	28,07
Deposits collected from employees	3,41	3,86
<b>TOTAL</b>	<b>24,37</b>	<b>31,93</b>

The Company collected security deposits from employees and same is to be repaid to employees as per service agreement norms. The said employee deposits are pending transfer into a separate bank account.

**8. LONG-TERM PROVISIONS**

	As at 31st March	
	2014	2013
Gratuity (unfunded)	18,21	18,17
Leave encashment (unfunded)	–	–
<b>TOTAL</b>	<b>18,21</b>	<b>18,17</b>





- a. Gratuity settlements to the tune of ₹14.14 lakhs have been made during the year, which are adjusted against the opening provision of ₹18.16 lakhs. During the year, the Company has made a provision of ₹14.19 lakhs towards current cost of gratuity which leaves a balance provision of ₹18.21 lakhs.
- b. Total gratuity liability on actuarial valuation is ₹73.23 lakhs and for leave encashment ₹31.36 lakhs. Provision for gratuity liability as per books is maintained at ₹32.44 lakhs. However, as at 31st March, 2014:
  - i. in respect of gratuity, the liability for past service cost is ₹59.04 and current service cost is ₹14.19 lakhs, and,
  - ii. in respect of leave encashment, the liability for past service cost is ₹17.12 and current service cost is ₹14.24 lakhs and provision as per actuarial valuation towards current service cost is made during the year.

## 9. DEFERRED TAX

Deferred tax liability pertains to the cumulative deferred tax liability to earlier years prior to demerger. The total liability at the beginning of the year was ₹1,47.52 lakhs and resulted into deferred tax asset ₹21.35 lakhs for the current year. The net liability of ₹1,26.17 lakhs has been adjusted against reserves and surplus.

## 10. SHORT-TERM BORROWINGS

₹'000

	As at 31st March, 2014	As at 31st March, 2013
<b>Secured loans</b>		
ICICI Bank cash credit (Short Term Loans)	5,78,91	5,84,24
<b>TOTAL</b>	<b>5,78,91</b>	<b>5,84,24</b>

The Company, during the year under review, has availed fund based limit of ₹6.5 crore (31st March, 2013: ₹6.5 crore) & Non-fund based limit of ₹5.0 crore (31st March, 2013: ₹5.0 crore) from ICICI Bank. (See note for hypothecation clause referred in Note 6.)

## 11. TRADE PAYABLES

	As at 31st March	
	2014	2013
Creditors for expenses	28,45	30,89
Creditors for capital items	71,31	38,01
<b>TOTAL</b>	<b>99,76</b>	<b>68,90</b>

Creditor's balances are subject to confirmations and reconciliations.

**12. OTHER CURRENT LIABILITIES**

₹'000

	<b>As at 31st March</b>	
	<b>2014</b>	<b>2013</b>
Current maturities of long term debt		
Term loans	<b>31,33</b>	1,37,66
Hire purchase loans	<b>8,31</b>	8,30
Duties & taxes	<b>25</b>	31,01
Unpaid dividend	<b>12,16</b>	10,00
Outstanding expenses payable	<b>19,89</b>	36,10
Mold-Tek Packaging Limited	<b>–</b>	1,12
TDS payable	<b>29,95</b>	10,98
Employee salaries, benefits & contributions payable	<b>1,55,35</b>	1,12,75
<b>TOTAL</b>	<b>2,57,24</b>	3,47,92

Unpaid dividend of ₹12.16 lakhs above comprises of various unpaid dividend accounts and ₹3.82 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**

	<b>As at 31st March</b>	
	<b>2014</b>	<b>2013</b>
Provision for proposed dividend & tax thereon	<b>43,88</b>	65,39
Provision for leave encashment	<b>14,24</b>	–
<b>TOTAL</b>	<b>58,12</b>	65,39

#### 14. FIXED ASSETS

₹'000

	Gross block			Depreciation			Net block	
	As on 1st April, 2013	Additional during the year	Deletions during the year	As on 31st March, 2014	For the year	Deletions during the year	As on 31st March, 2014	As on 31st March, 2013
<b>TANGIBLE ASSETS</b>								
Land	7,09,14	–	–	7,09,14	–	–	7,09,14	7,09,14
Building	5,91,68	36	–	5,92,04	18,79	–	4,93,85	5,12,28
Electrical installations	2,14,59	4,76	–	2,19,35	14,58	–	1,34,09	1,43,91
Office equipments	1,97,09	7,56	–	2,04,65	13,54	–	1,23,20	1,29,18
Computers	2,93,84	23,88	–	3,17,72	39,16	–	91,37	1,06,65
Furniture & fixtures	2,42,22	10,59	–	2,52,81	14,79	–	1,73,28	1,77,48
Vehicles	44,54	19,04	10,33	53,25	4,13	5,27	43,93	34,08
Software at RMM Global Inc	3,34	–	–	3,34	19	–	2	20
<b>TOTAL</b>	22,96,44	66,19	10,33	23,52,30	1,05,18	5,27	17,68,88	18,12,92
<b>Intangible assets</b>								
Goodwill	2,51,25	–	–	2,51,25	50,25	–	50,26	1,00,50
Software	7,31,01	14,77	–	7,45,78	96,86	–	1,21,72	2,03,81
Software at RMM Global Inc	13,90	6,81	–	20,71	4,83	–	12,31	10,33
<b>TOTAL</b>	9,96,16	21,58	–	10,17,74	1,51,94	–	1,84,29	3,14,64
<b>GRAND TOTAL</b>	32,92,60	87,77	10,33	33,70,04	2,57,12	5,27	19,53,17	21,27,56
Previous year	32,42,23	50,37	–	32,92,60	2,66,60	–	21,27,56	23,43,77

In the opinion of the management, there are no assets of the Company carried in the financial statements whose value in use stands diminished vis-à-vis their carrying cost, and hence no provision or charge off is considered necessary.



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

₹'000

	As at 31st March	
	2014	2013
Deposits to government bodies	<b>28,46</b>	12,97
Capital advances	<b>30,00</b>	30,00
Other deposits	<b>5,33</b>	25
<b>TOTAL</b>	<b>63,79</b>	43,22

Capital advances are regrouped under the long-term loans and advances during the year. Of the 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**

	As at 31st March	
	2014	2013
Preliminary expenses	<b>3,07</b>	18,30
Deferred interest	<b>6,57</b>	1,69
<b>TOTAL</b>	<b>9,64</b>	19,99

**17. INVENTORIES & WORK-IN-PROGRESS**

Pertains to cost of contracted partial work completion values as at 31st March, 2014 amounting to ₹1.22 crore (31st March, 2013: ₹1.34 crore) which are as certified by the management.

**18. TRADE RECEIVABLES**

	As at 31st March	
	2014	2013
<b>Over six months</b>		
Considered good	<b>2,06,92</b>	2,12,13
Considered doubtful	<b>39,27</b>	39,27
<b>Others</b>		
Considered good	<b>7,62,52</b>	5,93,92
Provision for doubtful debts	<b>(39,27)</b>	(39,27)
<b>TOTAL</b>	<b>9,69,44</b>	8,06,05

- Trade receivables are subject to confirmation and reconciliation.
- In addition to the existing provision of ₹39.27 lakhs which is against domestic sales, during the year, debts realizable in foreign currency to the tune of ₹79.31 lakhs (including receivables from subsidiaries ₹70.92 lakhs) and ₹3.16 lakhs receivable from domestic customers have been written off.
- For balance overdue receivables management is confident in recovering in full.



## 19. CASH AND CASH EQUIVALENTS

₹'000

	As at 31st March	
	2014	2013
Cash in hand	26	30
Current & dividend accounts	1,69,47	1,06,35
<b>TOTAL</b>	<b>1,69,73</b>	<b>1,06,65</b>

Bank balances include unpaid dividend of ₹8.32 lakhs pertaining to other shareholders for previous years.

## 20. SHORT-TERM LOANS AND ADVANCES

	As at 31st March	
	2014	2013
Advance tax & TDS receivable	46,58	54,17
Prepaid expenses	20,76	19,99
Staff advances	32,65	68,87
Advance to suppliers & advances	2,17	26
Others	10,00	–
<b>TOTAL</b>	<b>1,12,16</b>	<b>1,43,29</b>

Staff advances include an amount of ₹2 Lakhs given to senior employees and ₹6.04 lakhs receivable for more than 3 years from a former employee on whom a legal case is filed for recovery. Management has represented that it is confident of recovering all the amounts including that of the former employee.

## 21. OTHER CURRENT ASSETS

	As at 31st March	
	2014	2013
Others (proposed Employee Welfare Trust)	10,79	10,79
<b>TOTAL</b>	<b>10,79</b>	<b>10,79</b>

Other current assets includes 37,520 equity shares of ₹10 each of Mold-Tek Technologies Limited pending transfer to a proposed trust per Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 25th July, 2008.

## 22. INCOME

	Year ended	
	2014	2013
Domestic sales	67,10	2,24,01
Export sales	39,57,18	32,92,53
<b>TOTAL</b>	<b>40,24,28</b>	<b>35,16,54</b>

**23. OTHER INCOME**

₹'000

	Year ended	
	2014	2013
Foreign exchange gain	<b>69,32</b>	77,50
Loss on forward contracts	<b>(1,11,77)</b>	(2,33,13)
Rent received	<b>11,95</b>	70,63
Misc income	<b>8,44</b>	8,59
<b>TOTAL</b>	<b>(22,06)</b>	(76,41)

**24. CHANGE IN WORK-IN-PROCESS**

	Year ended	
	2014	2013
Work-in-process		
Opening stocks	<b>1,34,38</b>	2,25,18
Closing stocks	<b>1,21,95</b> <b>(12,43)</b>	1,34,38      (90,80)
<b>TOTAL</b>	<b>(12,43)</b>	(90,80)

Closing stock of work-in-process includes cost of contracted partial work completion values as at 31st March, 2014 amounting to ₹1.22 crore (31st March, 2013: ₹1.34 crore) primarily comprising value in relation to efforts on contract on the basis of extent of completion.

**25. EMPLOYEE REMUNERATION & BENEFITS**

	Year ended	
	2014	2013
Salaries, wages, allowances & bonus	<b>20,75,90</b>	19,06,72
Contribution to provident fund & ESIC	<b>62,38</b>	43,07
Welfare expenses	<b>1,48,07</b>	87,38
Gratuity	<b>14,19</b>	–
Leave encashment	<b>32,58</b>	8,60
Directors' remuneration & perquisites	<b>1,01,05</b>	87,10
Employee compensation expenses (ESOS)	<b>(1,96)</b>	6,98
<b>TOTAL</b>	<b>24,32,21</b>	21,39,85

- Employee gratuity amounts settled during the year ₹14.14 lakhs has been adjusted completely against provision, and provision of ₹14.19 lakhs has been created against current service cost.
- Leave encashment payments made during the year are amounting to ₹18.34 lakhs is charged to the Statement of Profit and Loss and provision of ₹14.24 lakhs has been created against current service cost.



## 26. SELLING & DISTRIBUTION EXPENSES

₹'000

	Year ended	
	2014	2013
Sales promotion & commission	15,24	7,19
Advertisement expenses	6,37	4,07
<b>TOTAL</b>	<b>21,61</b>	<b>11,26</b>

## 27. OTHER EXPENSES

	Year ended	
	2014	2013
Rent	21,53	20,87
Rates & taxes	20,11	22,57
Insurance	42,71	29,97
Communication expenses	19,65	19,97
Power & fuel	60,07	41,38
Foreign travel	1,35,89	92,62
Travelling and conveyance - others	31,41	27,59
Printing & stationery	10,06	9,04
Repairs & maintenance	1,15,17	1,21,04
Professional charges	96,74	40,60
Payment to auditors	3,50	3,50
Job work charges	21,95	23,72
Bank charges	12,72	18,20
Loss on sale of assets	1,91	–
Exchange rate fluctuation	94,68	22,41
General expenses	20,18	8,16
<b>TOTAL</b>	<b>7,08,28</b>	<b>5,01,64</b>

### Payments to Auditor

	2013-14	2012-13
Statutory & tax audit fee including quarterly reviews	2,75	2,75
Tax matters	75	75
<b>TOTAL</b>	<b>3,50</b>	<b>3,50</b>

## 28. INTEREST & FINANCIAL CHARGES

	Year ended	
	2014	2013
Interest on term loans	11,82	44,15
Interest on working capital	87,32	72,85
Interest charges on other loans	3,40	10,36
<b>TOTAL</b>	<b>1,02,54</b>	<b>1,27,36</b>

**29. PRELIMINARY & DEFERRED EXPENSES WRITTEN OFF**

₹'000

	Year ended	
	2014	2013
Opening balance as on 1st April	<b>18,30</b>	34,53
Less: Written off during the year	<b>15,23</b>	16,23
<b>TOTAL</b>	<b>3,07</b>	18,30

**30. DERIVATIVES AND FORWARDS**

During the year, the Company incurred loss of ₹111.77 lakhs on account of forwards.

**Forwards:**

The Company entered into foreign exchange hedging contracts by way of a forward confirmation with ICICI Bank Limited. The following are the particulars of such unexpired cash flow hedging contracts as on 31st March, 2014:

Currency	Deal ID	Sell	Closing date	Strike price ₹
USD	21013765	1,00,000	30th April, 2014	58.38
USD	21007054	2,00,000	30th April, 2014	58.06
USD	21045972	1,50,000	28th May, 2014	59.33
USD	21096166	1,50,000	30th May, 2014	61.68
USD	22056117	1,00,000	30th June, 2014	61.28
USD	22045816	1,00,000	30th June, 2014	61.34
USD	22058096	1,00,000	31st July, 2014	61.72
USD	22045857	1,00,000	31st July, 2014	61.77
USD	22045864	1,00,000	28th August, 2014	62.15
USD	22058060	1,00,000	28th August, 2014	61.97

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. EARNINGS PER SHARE**

	2013-14	2012-13
Profit available for equity shareholders (₹)	<b>2,07,96,036</b>	1,18,29,637
Number of equity shares outstanding for BEPS	<b>46,88,306</b>	46,88,306
Weighted average number of potential equity shares, warrants and ESOPs outstanding	<b>38,300</b>	41,292
Total number of equity shares for DEPS	<b>47,26,606</b>	47,29,598
Earning per share - Face value of ₹10		
- Basic (₹)	<b>4.44</b>	2.52
- Diluted (₹)	<b>4.40</b>	2.50



**32. CONTINGENT LIABILITIES**

₹ Lakhs

	As at 31st March	
	2014	2013
Tax disputes	<b>36.83</b>	36.83

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

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

- a. Crossroads Detailing Inc., USA - Subsidiary
- b. RMM Global Inc., USA - Subsidiary
- c. J. Rana Pratap - Management Trainee - Son of Chairman & Managing Director
- d. A. Durga Sundeep - Chief Manager, ITB - Son of Director

**2. Key management personnel**

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

**3. Associated company**

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

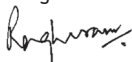
**Related party transactions**

₹ Lakhs

	Subsidiaries		Associate companies		Key management personnel		Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Sales</b>								
Crossroads Detailing, Inc., USA	<b>11,42.16</b>	5,99.91						
RMM Global Inc., USA	<b>12,03.06</b>	9,86.86						
Mold-Tek Packaging Limited			-	5.62				
<b>Remuneration</b>								
J. Lakshmana Rao					<b>56.84*</b>	50.21*		
J. Sudha Rani					<b>43.19</b>	35.02		
J. Rana Pratap							17.76	-
A. Durga Sandeep							11.73	-
<b>Dividend#</b>								
J. Lakshmana Rao					<b>0.41</b>	0.27		
J. Sudha Rani					<b>7.10</b>	4.73		
J. Rana Pratap							-	1.53
Mold-Tek Packaging Limited			<b>4.23</b>	5.08				
RMM Global Inc., USA					<b>0.78</b>	-		
<b>Outstanding receivables as at 31st March, 2014</b>								
Crossroads Detailing Inc., USA	<b>4,81.05</b>	2,47.46						
RMM Global Inc., USA	<b>2,61.01</b>	3,55.47						
<b>Other payables</b>								
Mold-Tek Packaging Limited			-	4.50				
<b>Personal guarantee given to bank</b>								
J. Lakshmana Rao					<b>8,40.00</b>	8,40.00		

\*Excludes payments made in respect of leave encashment of previous year.

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, 2014

for and on behalf of the Board of Directors



**A. SUBRAMANYAM**  
Director-Technical



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



# MOLD-TEK

*Technologies Limited*



**CIN L25200TG1985PLC005631**

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

Tel: + 91 40 4030 0300 | Fax: + 91 40 4030 0328

Website: www.moldtekindia.com | Email: ir@moldtekindia.com

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name and address of the Member(s) \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Folio No./ DP ID & Client ID: \_\_\_\_\_

No. of shares held: \_\_\_\_\_

I/We, being the member(s) of Mold-Tek Technologies Limited, hereby appoint

1. Name \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Or failing him/her:

2. Name \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Or failing him/her:

3. Name \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company at Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033 at Tuesday, 30th day of September, 2014 at 12.00 Noon and at any adjournment thereof in respect of such resolutions as indicated below:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014, Statement of Profit and Loss for the year ended 31st March, 2014 and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2014.
3. To appoint a Director in place of A. Subramanyam (DIN 00654046), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Praturi & Sriram & Co., Chartered Accountants (ICAI Firm Registration No. 002739S).

(Contd.)



**Special Business**

5. To appoint P. Shyam Sunder Rao (DIN: 01770064), who was appointed as a Director liable to retire by rotation, as an Independent Director.
6. To appoint M. Srinivas (DIN: 01311417) who was appointed as a Director liable to retire by rotation, as an Independent Director.
7. To appoint Dr. K. Venkata Appa Rao (DIN: 01741020), who was appointed as a Director liable to retire by rotation, as an Independent Director.
8. To appoint Dr. Surya Prakash Gulla (DIN: 02891694), who was appointed as a Director liable to retire by rotation, as an Independent Director.
9. To appoint C. Vasanth Kumar Roy (DIN: 01102102), who was appointed as a Director liable to retire by rotation, as an Independent Director.
10. To borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.
11. To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Affix 15 P. Revenue Stamp
------------------------------------

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office: Plot No.700, 8-2-293/82/A/700, Road No. 36, Jubilee Hills, Hyderabad-500 033, not less than 48 hours before the commencement of the Meeting.
2. Members who have multiple folios with different joint holders may use copies of this proxy.



# MOLD-TEK

*Technologies Limited*



**CIN L25200TG1985PLC005631**

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

Tel: + 91 40 4030 0300 | Fax: + 91 40 4030 0328

Website: [www.moldtekindia.com](http://www.moldtekindia.com) | Email: [ir@moldtekindia.com](mailto:ir@moldtekindia.com)

## ATTENDANCE SLIP

(To be presented at the entrance)

### 30th ANNUAL GENERAL MEETING

Folio No/ DPID & Client ID :

No. of shares held:

Name and address  
of the Member(s) :

I/We here by record my/our presence at the 30th Annual General Meeting of the Company at Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Road No. 36, Jubilee Hills, Hyderabad - 500 033 at 12.00 Noon on Tuesday, 30th day of September, 2014.

\_\_\_\_\_  
Name of the attended Member/Proxy

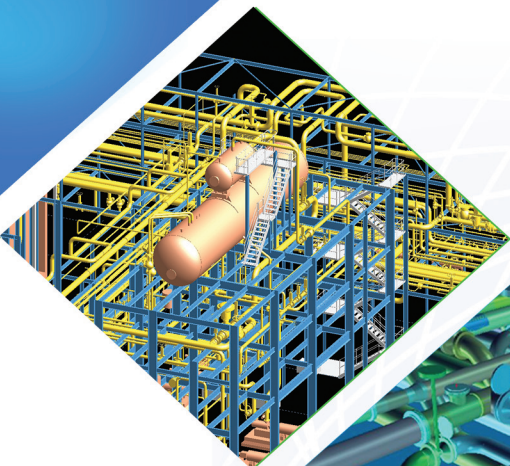
\_\_\_\_\_  
Signature of the attended Member/Proxy

- Note:**
- a. Only Member/proxy can attend the meeting.
  - b. Member/Proxy should bring his/her copy of the annual report for reference at the Meeting.
  - c. Members who have multiple folios with different joint holders may use copies of this Attendance Slip.









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


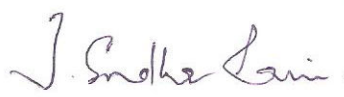
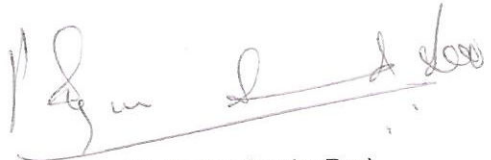



# FORM B

(Clause 31 (a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	Mold-Tek Technologies Ltd
2	Annual financial statements for the year ended	31st March 2014
3	Type of Audit observation	Subject to
4	Frequency of observation	A) Repetitive in respect of observation B) as stated in item 5 below from the financial year ended on 31 <sup>st</sup> March 2012.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Opinion:-</p> <p>A) Regarding debtors balances, ` 82.47 lakhs have been written off during the year (which includes an amount of ` 70.91 lakhs receivable from subsidiaries). No provision has been made for the debtors outstanding for more than 9 months to the tune of `93.19 lakhs</p> <p>(Refer Note 18 of Annual report (Page 52 of Annual Report)</p> <p>B) Regarding Under or non-provision of gratuity liability based on actuarial valuation of `53.30 lakhs as at beginning of the year i.e. 31<sup>st</sup> March, 2013 in accordance with the requirements of Accounting Standard 15 and leave encashment as per actuarial valuation `19.14 lakhs, adversely impacting long-term liabilities, earlier years' profits and correspondingly reserves.</p> <p>(Refer Note 7(b) of Annual report (Page 48 of Annual Report)</p> <p>Management Response:-</p> <p>Refer Page 14 &amp; 15 of Annual report.</p> <p>A) As per disclosures made in the Annual Report.</p> <p>B) As per disclosures made in the Annual Report.</p>

6. Additional comments from the board/audit committee chair:	<p>A) As per disclosures made in the Annual Report.</p> <p>B) As per disclosures made in the Annual Report.</p>
<p>7 To be signed by-</p> <p><input type="checkbox"/> CEO/Managing Director</p>	<p></p> <p>(J. Lakshmana Rao)</p>
<p><input type="checkbox"/> CFO</p>	<p></p> <p>(J. Sudharani)</p>
<p><input type="checkbox"/> Audit Committee Chairman</p>	<p></p> <p>(P. Shyam Sunder Rao)</p>
<p><input type="checkbox"/> Auditor of the company</p>	<p></p> <p>(Sri Raghuram Praturi)</p>

