



30<sup>th</sup> Annual Report 2015 - 2016



**BOARD OF DIRECTORS***Rajesh V. Shah, Chairman**Niraj Bajaj –Director**Prakash V. Mehta – Independent Director**N. Ramanathan – Independent Director**R. Sankaran – Independent Director**Anna Usha Abraham – Director***KEY MANAGERIAL PERSONNEL**

K.P. Jotwani - Manager

R.G. Golatkar - Chief Financial Officer

P.R. Dhruva - Company Secretary upto 17.8.2015.

Dhawal J. Vora - Company Secretary w.e.f 17.8.2015.

**AUDITORS**

M/s. K.K. Mankeshwar &amp; Co,

Chartered Accountants, Mumbai

**REGISTERED OFFICE**

Bajaj Bhawan, Jamnalal Bajaj Marg

226, Nariman Point

Mumbai- 400021

Tel: (022) 61216666/6626

Fax: (022) 22886663

**E-mail: mel@mukand.com****Website: www.mukandengineers.com****CIN: L45200MH1987PLC042378****BANKERS**

Central Bank of India

**REGISTRAR AND TRANSFER AGENTS**

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Saki Vihar Road,

Sakinaka, Andheri (East), Mumbai- 400072

Tel.: (022) 28470652 / 0653 / 40430200

Fax : (022) 28475207

**E-mail: info@bigshareonline.com****Website: www.bigshareonline.com****A Request:**

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of the Report to the meeting.

**Cover Picture-** Installation and Commissioning of Furnace and Tuyere Shell under modernisation of Blast Furnace # 2 at RINL Visakhapatnam

**ANNUAL GENERAL MEETING**On Monday, 8<sup>th</sup> August, 2016 at 11.30 a.m.

at Kamalnayan Bajaj Hall,

Bajaj Bhawan, Jamnalal Bajaj Marg,

226, Nariman Point, Mumbai- 400 021.

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**IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of Notice/ documents including Annual Report can be made by e-mail to their members. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses, in respect of electronic holdings with the Depository can register through their concerned Depository Participants. Members who hold shares in physical form are requested to send the above information i.e. e-mail address to the Company at **mel@mukand.com** OR to the Registrar and Transfer Agents of the Company at **info@bigshareonline.com** for registration of their e-mail address.

(₹ In Lacs)

## FINANCIAL HIGHLIGHTS

|  | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>I CAPITAL ACCOUNTS</b>                |           |           |           |           |           |
| A. Share Capital                         | 1,258     | 1,258     | 1,258     | 1,258     | 1,258     |
| B. Reserves                              | 3,962     | 4,631     | 4,554     | 4,519     | 4,304     |
| C. Net Worth (A+B)                       | 5,220     | 5,889     | 5,812     | 5,777     | 5,562     |
| D. Borrowings                            | 4,552     | 3,972     | 4,507     | 4,553     | 4,152     |
| E. Gross Block                           | 3,092     | 2,971     | 3,149     | 3,136     | 2,875     |
| F. Net Block                             | 752       | 722       | 993       | 1,065     | 856       |
| G. Debt-Equity Ratio (D/C)               | 0.87:1    | 0.67:1    | 0.78:1    | 0.79:1    | 0.75:1    |
| <b>II REVENUE ACCOUNTS</b>               |           |           |           |           |           |
| A. Gross Revenue                         | 11,203    | 14,136    | 8,850     | 7,811     | 6,866     |
| B. Profit / (Loss) before Taxes (PBT)    | (693)     | 137       | 272       | 532       | 534       |
| C. Profit / (Loss) after Taxes (PAT)     | (668)     | 178       | 182       | 362       | 329       |
| D. Return on Shareholder's Fund %        | (12.80)   | 3.02      | 3.13      | 6.27      | 5.91      |
| <b>III EQUITY SHAREHOLDERS' EARNINGS</b> |           |           |           |           |           |
| A. Equity Dividend                       | -         | -         | 126       | 126       | 126       |
| B. Earnings per Equity Share (in ₹)      | (5.31)    | 1.41      | 1.44      | 2.88      | 2.62      |
| C. Dividend per Equity Share (in ₹)      | -         | -         | 1.00      | 1.00      | 1.00      |
| D. Net Worth per Equity Share (in ₹)     | 41.53     | 46.84     | 46.23     | 45.95     | 44.24     |



## NOTICE

TO

THE MEMBERS,

NOTICE is hereby given that the **30<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Monday, the 8<sup>th</sup> day of August, 2016 at 11:30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021**, to transact the following business:-

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Annual Financial Statements for the year ended March 31, 2016 and the Report/s of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Rajesh V. Shah (DIN: 00033371), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment of M/s. K. K. Mankeshwar & Co., Chartered Accountants (Registration No.106009W), as Statutory Auditors of the Company for the financial year 2016-17 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts / arrangements/ agreements entered into / to be entered with Mukand Limited and Mukand Global Finance Limited, (a wholly owned subsidiary of Mukand Limited), a Group Company and hence a related party within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten percent of the annual turnover of the Company as per Audited Financial Statements for financial year 2015-16; having following details and more detailed in the Explanatory Statement annexed hereto:

| Description of Contract   | Period of Contract               | Total cumulative contract value with Related Parties (₹ in Lacs) |
|---|----------------------------------|--|
| Contract Execution - Design, Erection, Commissioning & Transportation, Consultancy Service - PMS, Contract Execution - Interest on delayed payments, Maintenance Service - Maintenance of EDP System. | April 1, 2016 to March 31, 2017. | 1,621.00   |
| Corporate Guarantee given by Mukand Limited on behalf of the Company for credit facilities.   | April 1, 2016 to March 31, 2017. | 11,500.00  |

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual if any, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above Resolution.”

### NOTES FOR MEMBER'S ATTENTION:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a Proxy on behalf of members upto and not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, 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 a Proxy for any other person or shareholder. The instrument appointing a Proxy, must be deposited at the registered office of the company not less than 48 (forty-eight) hours before the commencement of the meeting. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on poll..

3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, 30<sup>th</sup> July, 2016 to Monday, 8<sup>th</sup> August, 2016** (both days inclusive).
4. As regards the re-appointment of retiring Director Shri Rajesh V. Shah referred to in item no. 2 of the Notice, his brief resume, including shareholding details, have been given in the Report on Corporate Governance which forms part of the Directors' Report and Members are requested to refer to the same.
5. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and in terms of the approval given by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on 12<sup>th</sup> August, 2015, the current auditors of the Company, M/s K. K. Mankeshwar & Co., Chartered Accountants (Registration No.106009W), are eligible to hold the office for a period of five years, upto the 34<sup>th</sup> Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting. The ratification of appointment of M/s K. K. Mankeshwar & Co., Chartered Accountants as Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting along with their remuneration has been put up for the approval of members.

6. Members desiring any information with regards to Accounts / Reports are requested to write to the Company Secretary at least ten days before the Meeting to enable the Management to keep the information ready at the Meeting.
7. Members who have neither received nor encashed their dividend warrant(s) for any of the Financial Years from 2009-2010 upto 2013-2014, are requested to write to the Registrar and Share Transfer Agents of the Company mentioning the relevant Folio Number(s) / DP ID, for issuance of duplicate dividend warrant(s).  
  
In compliance with the provisions of Section 125 of the Companies Act 2013, the Company has identified the unclaimed and unpaid amounts for the financial year ended 31<sup>st</sup> March, 2010 to 31<sup>st</sup> March, 2015 and requisite detailed information was uploaded on the Ministry's website through e-form 5 INV and also on the Company's website within the prescribed time limit.  
  
Further the Company has identified the unclaimed amount of dividend upto the financial year ended March 31, 2016 and requisite detailed information will be uploaded on the Ministry's website through e-form 5 INV and also on the Company's website within the prescribed time limit.
8. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the Members.
9. Electronic copy of the 30<sup>th</sup> Annual Report alongwith proxy form and route map is being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participants(s) for communication purpose and have given positive consent to receive the Annual Report in electronic form, unless any Member has requested for a physical copy of the same. For Members who have not registered their E-mail IDs, physical copies of the 30<sup>th</sup> Annual Report are being sent in the permitted mode. Notice alongwith proxy form and route map is also available on the Company's website.
10. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL / CDSL and that of Members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Bigshare Services Pvt. Ltd). Members are requested to keep the same updated.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Bigshare Services Pvt. Ltd.
12. With a view to help us serve the Members better and those who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
13. Members, who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
14. Corporate members are requested to send in advance, duly certified copy of the Board Resolution / Power of Attorney authorising their representative to attend the Annual General Meeting.
15. Please note that for security reasons, no article / baggage will be allowed at the venue of the meeting.
16. Documents referred to in the Notice and the Explanatory Statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of meeting
17. The Company has been maintaining, *inter-alia*, the following Statutory Registers at its Registered Office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:
  - a) Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 on all working days during business hours. The said Registers shall also be produced at the commencement of the Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
  - b) Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 on all working days during the business hours. The said Registers shall also be produced at the commencement of the Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
18. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is offering remote e-voting facility to its members in respect of the business to be transacted at the Annual General Meeting (AGM) scheduled to be held on Monday, August 8, 2016 at 11:30 a.m. with a request to follow the instructions for voting electronically as given hereinbelow:-

**A) The instructions for members for remote e-voting electronically are as under:-**

- (i) The voting period begins on Thursday, August 4, 2016 at 10.00 a.m. and ends on Sunday, August 7, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 1, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders
- (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:

| For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| PAN  | <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 (refer serial no. printed on the name and address sticker/ Postal Ballot Form/mail) 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. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul> |

|  |  |
|--|--|
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</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 **MUKAND ENGINEERS LIMITED** 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone

users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xix) Note for Non-Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**B) In case of members receiving the physical copy:**

- 1) Please follow all steps from Sr.no.(i) to Sr.no.(xix) above to cast vote.
- 2) 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**C) For members who wish to vote using ballot form:**

- In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the Annual General Meeting, through polling paper as provided in section 107 of the Companies Act, 2013 read with Rule 20 of the Rules and members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting.
- Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

**D) General instructions:**

- i. The Board of Directors has appointed M/s. Ragini Chokshi & Co., Practising Company Secretary (CP No.1436) as the scrutiniser to the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.
- ii. The scrutiniser shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- iii. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared alongwith the scrutiniser's report shall be placed on the Company's and CDSL website. It shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on Monday, August 8, 2016.

**By Order of the Board  
For Mukand Engineers Limited**

**Dhawal J. Vora  
Company Secretary  
Mumbai, May 20, 2016.**

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No.4 of the Notice**

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the Members by way of an Ordinary Resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business and on an arm's length basis.

However, pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approval of the shareholders through Ordinary Resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with Mukand Limited ("ML") and Mukand Global Finance Ltd. (a wholly owned subsidiary of Mukand Ltd.), a group Company and therefore a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual turnover of the Company as per the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2016:-

| <b>Related Parties Transactions where control / significant influence exists:- Financial Year 2016-2017</b> |  |   |                          |  |
|---|--|---|--------------------------|--|
| <b>Sr.No.</b>   | <b>Name of Party</b>   | <b>Nature of Work</b>   | <b>Total ₹ (In Lacs)</b> | <b>Basis for Pricing</b>   |
| <b>A. Operations – Income</b>   |  |   |                          |  |
| 1   | Mukand Ltd.  | Contract Execution - Design, Erection, Commissioning & Transportation | 900.00                   | Bills raised as per contract.  |
| 2   | Mukand Ltd.  | Contract Execution - Interest on delayed payments                     | 20.00                    | Interest charged to Mukand Ltd. on delayed payment against bills. Rate of Interest - 15.50%  |
| 3   | Mukand Ltd.  | Maintenance Service - Maintenance of EDP System                       | 600.00                   | Bills raised as per contract.  |
|   |  | <b>Total</b>  | <b>1,520.00</b>          |  |
| <b>B. Operations – Expenses</b>   |  |   |                          |  |
| 1   | Mukand Ltd.  | Rent  | 45.00                    | Bills raised as per Agreement for office space.  |
| 2   | Mukand Ltd.  | Electricity Charges   | 42.00                    | Bills raised as per Agreement Electricity consumed   |
| 3   | Mukand Ltd.  | Bus Service for staff/IT Infrastructure                               | 11.00                    | Bills raised as per Agreement for office staff.  |
|   |  | <b>Total</b>  | <b>98.00</b>             |  |
| 4   | Mukand Global Finance Ltd. (a wholly owned subsidiary of Mukand Ltd.)                      | Management Fees – Fixed Deposit System Management                     | 3.00                     | Bills raised as per Contract   |
|   |  | <b>Total</b>  | <b>3.00</b>              |  |
| <b>C. Others- Corporate Guarantee</b>   |  |   |                          |  |
|   | Corporate Guarantee given by Mukand Limited on behalf of the Company for credit facilities |   | <b>11,500.00</b>         | Corporate Guarantee given by Mukand Limited to Central Bank of India. No Commission charged. |

#### **The other particulars of above transactions are as under:-**

| <b>Sr. No.</b> | <b>Name of Party</b>   | <b>Particulars</b>   |
|----------------|--|--|
| a.             | Name of the Related Party  | Mukand Limited and Mukand Global Finance Limited (a wholly owned subsidiary of Mukand Ltd.)  |
| b.             | Name of the Director or Key Managerial Personnel who is related, if any:                                   | Shri Rajesh V. Shah- Chairman, Shri Niraj Bajaj- Director & Shri Prakash V. Mehta- Director. |
| c.             | Nature of Relationship:  | Group Company  |
| d.             | Nature, Material Terms, Monetary Value and Particulars of the contract or arrangement                      | As details above   |
| e.             | Any other information relevant or important for the members to take a decision on the proposed resolution: | The transactions are in the ordinary course of business and on an arm's length basis.        |

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

In view the above, it is proposed to seek approval of the Members of the Company through an Ordinary Resolution for the above transactions and the related parties are abstained from voting on the said resolution.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said Resolution except for their holdings in the shares of the Company, if any and to the extent of their memberships and/ or directorships in the subsidiaries and associate companies, if any.

Accordingly, your Directors recommend the Resolution mentioned in Item 4 of the Notice for the approval of the Members.

**By Order of the Board  
For Mukand Engineers Limited**

**Dhawal J. Vora  
Company Secretary**

Mumbai, May 20, 2016.



## DIRECTOR'S REPORT

### TO THE MEMBERS,

1. Your Directors present the 30<sup>th</sup> Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2016.

### 2. Financial Results:

(₹ in Lacs)

| Description   | Current Year | Previous Year |
|---|--------------|---------------|
| Income from operation and other Income                  | 11,203       | 14,136        |
| Profit / (Loss) for the year before tax                 | (693)        | 137           |
| Add/(Less) : Provision for tax (including deferred tax) | (25)         | (41)          |
| Profit / (Loss) after tax                               | (668)        | 178           |
| Add/(Less):Balance brought forward from previous year.  | 2,309        | 2,131         |
| Balance available for appropriation                     | 1,641        | 2,309         |

### 3. Dividend

The Directors do not recommend any dividend on equity shares on account of losses incurred during the financial year ended 31<sup>st</sup> March, 2016.

### 4. Operations

#### 4.1. General -

The income from operations and other income during the year was at ₹ 112 Crores as compared to ₹ 141 Crores in the previous year.

#### 4.2 Engineering -

- 4.2.1 The income from Engineering operation during the year was ₹ 106 Crores as against ₹ 134 Crores in previous year. During the year Electrical Projects of BHEL and NTPC were not completed due to non availability of fronts as synchronization of power plants unit were deferred, due to which there was increase in the fixed expenses. Further due to stiff competition in the market margins have shrunk.

The Company has lodged claims for cost and time overrun which are under active consideration by the client. As per the policy of the Company these will be considered only on acceptance by client. The Management expects to close these projects in all respects by first half of the current financial year 2016-17 and to expedite the escalation claims which on realization will reflect positive results.

- 4.2.2 During the year Company received orders of ₹ 19.35 Crores from NTPC Barh, Patna and BHEL Suratgarh, Rajasthan. The orders on hand will be executed during the Financial Year 2016-17 and beyond.

#### 4.3 Infotech -

Income from Infotech Segment during the year was ₹ 5.40 Crores as compared to ₹ 5.04 Crores in the previous year.

### 5. Fixed Deposits

The Company held ₹ 14.51 Crores as Public Deposits as of March 31, 2016 out of which deposits aggregating to ₹ 0.34 Crores have matured but remain unclaimed as on that date. The Company sends reminder letters to the Fixed Deposit Holders before the date of Maturity of their Fixed Deposits. According to the provisions of Section 73 of the Companies Act 2013, the Company can accept deposits only from its Members and not from Public. Further Section 74 of the said Act, provides that all deposits accepted and outstanding as on March 31, 2014 under the erstwhile Companies Act, 1956 were required to be repaid latest by March 31, 2015, or such further time as allowed by the Company Law Board (CLB) on application made to it, irrespective of the date/s of maturity. In compliance of the above provisions, the Company is not accepting deposits from the Public and deposits from the Members are being accepted to the extent the limit is available. The Company has also submitted an application to CLB to allow it to retain the deposits accepted under the erstwhile Companies Act, 1956, till their maturity. CLB vide its Order dated May 19, 2015 has granted permission to the Company to repay the Fixed Deposits as per due dates.

### 6. Corporate Governance

Pursuant to Regulation 27(2)(b) of SEBI (Listing Obligations and Disclosure Requirement), Regulations 2015, SEBI (LODR) Regulations, 2015, a Report on Corporate Governance, alongwith Auditor's Certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis is separately given in this Report as Annexure-I.

### 7. Extract of Annual Return

An extract of the Annual Return as provided under sub-Section (3) of Section 92 of the Companies Act, 2013 in the prescribed Form MGT – 9 is annexed to this Report as Annexure – II.

### 8. Meetings of the Board and its Committees.

During the year, four Meetings of the Board of Directors of the Company were convened and held. The relevant details, including composition of the Board, date of meetings, attendance and various Committees of the Board are given in the Corporate Governance Report forming part of this Report. The details regarding the composition of various committees are also available on the Company's website [www.mukandengineers.com](http://www.mukandengineers.com).

### 9. Disclosure Regarding Company's policies under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company has framed various Policies as per SEBI (LODR) Regulations, 2015 and Companies Act, 2013; viz Remuneration Policy, Policy on determining material subsidiary, Performance evaluation of the Board, Committees and Directors, Materiality of Related Party transactions, Whistle Blower/Vigil Mechanism, Archival Policy for disclosure, Policy on Board diversity and Code of Conduct for Directors and these policies are displayed on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

## 10. Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantee or investments given or made by the Company under Section 186 of the Companies Act, 2013 are disclosed at Note nos. 11 & 28 of the financial statements

## 11. VIGIL MECHANISM

The Board approved Vigil Mechanism of the Company at its meeting held on 10<sup>th</sup> November, 2014. The purpose of the policy is to provide a framework to promote a responsible and secure Whistle Blowing and to protect Directors/employees wishing to raise a concern about serious irregularities within the Company. During the year under review, no reporting under Vigil Mechanism was made by any employee or Director of the Company.

## 12. Other Information

12.1 As the Company does not own an undertaking where manufacturing operations are carried out, the information to be furnished under Section 134(3)(m) of the Companies Act 2013, is not applicable.

12.2 Details as required under Section 134(3)(h) and Rules 8(2) of the Companies (Accounts) Rules, 2014 in Form No. AOC-2 is attached as Annexure-III

12.3 During the year, there were neither foreign exchange earnings nor any expenditure incurred.

12.4 There are no employees covered under Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

12.5 None of the Directors is paid any Remuneration other than sitting fees for attending Board/other Committee meetings of the Company.

Details of remuneration of Key Management Personnel (KMP) as compared to median remuneration of the employees and other details are as under:

- i) The ratio of the remuneration of each (KMP) to the median remuneration of the employees of the Company for the Financial Year 2015-16 and percentage increase in remuneration over last Financial Year.

| Name and Designation of KMP                          | Ratio of remuneration of KMP with respect to median remuneration of employees | Percentage increase in remuneration over last Financial Year |
|--|---|--|
| K. P. Jotwani, Manager                               | 7.36:1  | 11%  |
| R. G. Golatkar, Chief Financial Officer              | 2.84:6  | 20%  |
| P. R. Dhruva/<br>Dhawal J. Vora<br>Company Secretary | 2.82:0  | -  |

- ii) The percentage increase in the median remuneration of employees in the financial year is 6.6%.

- iii) There are 190 permanent employees on the rolls of the Company as on March 31, 2016.

12.6. The paid-up equity share capital as on March 31, 2016 is ₹ 12.58 Crores. During the year, the Company has neither issued shares with differential voting rights nor has granted stock options / sweat equity.

12.7 There were no significant and material orders passed by the Regulators or Courts or Tribunal during the year under review which would impact the going concern status of the Company and its future operations.

## 13. Director's Responsibility Statement

As required by Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ending March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimated that are 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 loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 14. Directors and Key Managerial Personnel

### 14(a) Directors retiring by Rotation

In accordance with the provisions of Section 152 and other applicable provision of the Companies Act, 2013 and Articles of Association of the Company, Shri Rajesh V. Shah (DIN: 00033371), Director of the Company, will retire in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.