

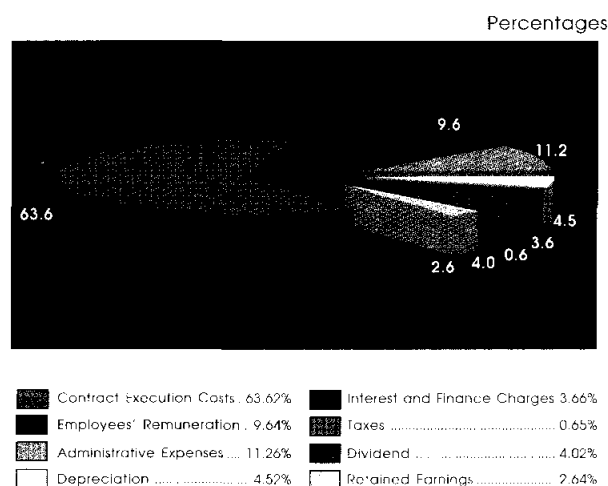
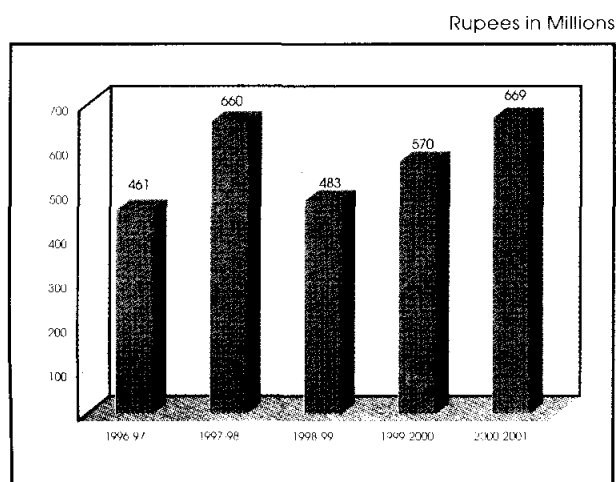
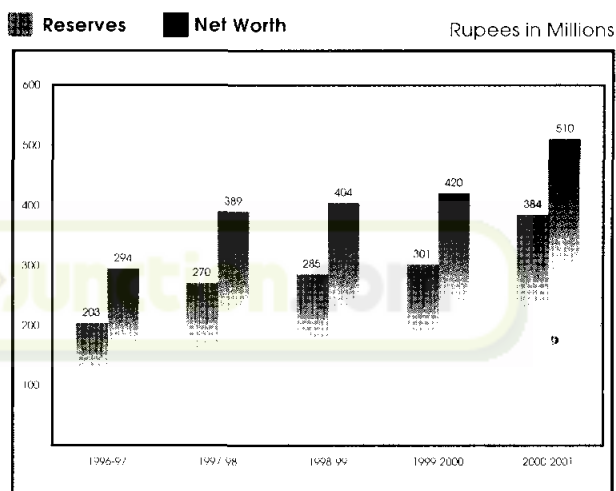
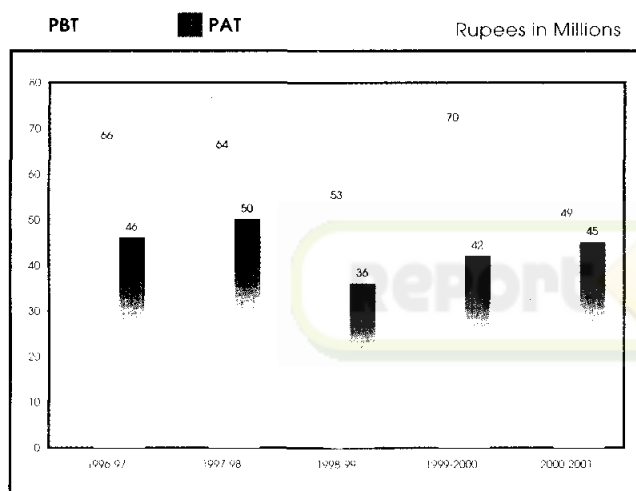


# Mukand Engineers Limited



***15th Annual Report 2000-2001***

	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
<b>I. CAPITAL ACCOUNTS</b> (Rupees in Millions)					
A. Share Capital	126	119	119	119	91
B. Reserves	384	301	285	270	203
C. Net worth (A+B)	510	420	404	389	294
D. Borrowings	201	132	123	56	29
E. Capital Employed (C+D)	711	552	527	445	323
F. Gross Block	337	196	182	192	150
G. Net Block	251	141	144	170	134
H. Debt-Equity Ratio (D/C)	0.39:1	0.31:1	0.3:1	0.14:1	0.1:1
<b>II. REVENUE ACCOUNTS</b> (Rupees in Millions)					
A. Gross Revenue	669	570	483	660	461
B. Profit before Taxes (PBT)	49	70	53	64	66
PBT as % of Gross Revenue	% 7.3	12.3	11.0	9.7	14.2
C. Profit after Taxes (PAT)	45	42	36	50	46
PAT as % of Gross Revenue	% 6.7	7.4	7.5	7.5	9.9
D. Return on Shareholders' Funds	% 8.7	10.0	8.9	12.8	15.5
<b>III. EQUITY SHAREHOLDERS' EARNINGS</b>					
A. Equity Dividend (Rupees in Millions)	24	24	18	20	15
B. Earnings per Equity Share	Rs. 3.42	3.48	2.93	5.50	5.79
C. Dividend per Equity Share	Rs. 2.00	2.00	1.50	2.00	2.00
D. Networth per Equity Share	Rs. 40.50	35.30	34.00	32.70	32.20





## MUKAND ENGINEERS LIMITED

### BOARD OF DIRECTORS

Rajesh V. Shah, Chairman  
Niraj Bajaj  
D. S. Mulla  
D. S. Mehta  
Prakash V. Mehta  
T. S. Anand  
K.P. Jotwani  
F. C. Kohli

### MANAGER OF THE COMPANY AND CHIEF EXECUTIVE

R. Sankaran

### COMPANY SECRETARY

A. P. K. Chettiar

### AUDITORS

Dalal & Shah, Chartered Accountants

### SOLICITORS AND ADVOCATES

Malvi Ranchoddas & Co.

### BANKERS

ABN Amro Bank N. V.  
Allahabad Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
Indian Overseas Bank  
State Bank of India  
UTI Bank Ltd.

### REGISTERED OFFICE

Lal Bahadur Shastri Marg, Kurla, Mumbai - 400 070.

### REGISTRARS AND TRANSFER AGENT

Dynamic Superways and Exports Limited  
Rainbow Palace, I. C. Colony Cross Road No. 5,  
I. C. Colony, Borivli (W), Mumbai 400 103.

#### ANNUAL GENERAL MEETING

on Thursday,  
20th September, 2001  
at 3.30 p.m.  
at Kamalnayan Bajaj Hall,  
Bajaj Bhavan, Jamnalal Bajaj Marg,  
226, Nariman Point, Mumbai 400 021.

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**MUKAND ENGINEERS LIMITED****15TH ANNUAL REPORT 2000 - 2001****NOTICE**

To the Members,

NOTICE is hereby given that 15th ANNUAL GENERAL MEETING of the Members of MUKAND ENGINEERS LIMITED will be held on Thursday, the 20th September 2001 at 3.30 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021 to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2001 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Rajesh V. Shah, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri D.S. Mehta, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold office for the period commencing from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

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

"RESOLVED that Shri F. C. Kohli, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**NOTES FOR MEMBERS' ATTENTION**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

**A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.**

- 2) The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, is annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 14th August 2001 to Friday, 31st August 2001 both days inclusive for the purpose of payment of dividend.
- 4) The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after the 25th day of September, 2001 to those members or their mandates whose names stand registered on the Company's Register of Members:-
  - a) as Beneficial Owners as at the end of business on 13th day of August, 2001, as per the lists to

be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and

- b) as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 14th of August 2001.
- 5) a) The unclaimed dividends for the financial year ended 31st March 1994 and previous years declared by the Company have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not encashed dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Hakoba Compound (Bombay Industrial Estate), 2nd floor, Dattaram Lad Marg, Chinchpokli (East), Mumbai 400 033.
  - b) In terms of Section 205C introduced by the Companies (Amendment) Act, 1999, read with Section 205A of the Companies Act, 1956 as amended, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund. Members who have so far not encashed their Dividend Warrant(s) for the financial year ended 31st March 1995 or any subsequent year are advised to submit their claim to the Company immediately quoting their folio numbers. **It may be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect of such amount.**
  - 6) a) Members are requested to notify immediately any change of address:
    - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
    - (ii) to the Company at the Registered Office in respect of their physical share folios, if any.
  - b) In case, the mailing address mentioned on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
  - 7) Non-resident Indian Members are requested to inform us immediately:-
    - a) The change in the Residential status on return to India for permanent settlement.
    - b) The particulars of NRE Account with a Bank in India, if not furnished earlier.
  - 8) Members holding shares in identical order of names in more than one folio are requested to write to the Registered Office of the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio. The Share Certificates will be returned to the members after making requisite change thereon.





9) a) to avoid the incidence of fraudulent encashment of the warrants, Members are requested to intimate the Company under the signature of the Sole/First Joint holder, the following information, so that the Bank Account Number and name and address of the Bank can be printed on the Dividend Warrant.

- 1) Name of Sole/First Joint holder and Folio No.
- 2) Particulars of Bank Account, viz.
  - (i) Name of the Bank
  - (ii) Name of Branch
  - (iii) Complete address of the Bank with Pincode Number
  - (iv) Account Type, whether Saving (SB) or Current Account (CA)
  - (v) Bank Account Number allotted by the Bank

b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to fill the ECS form attached to this Annual Report.

c) Members, who hold share in the dematerialised form, want to change/ correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give the MICR Code of their bank to their Depository Participant. The Company will not entertain any direct request from members for deletion/change in the bank account details furnished by Depository Participants to the Company.

with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), Members, therefore, now have the option of holding and dealing in the Shares of the Company in electronic form through NSDL or CDSL.

Effective 24th July 2000, trading in shares of the Company is permitted only in dematerialised form.

The DS envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

11) As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form - 2B prescribed by the Government can be obtained from the Registered Office of the Company.

12) Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting. They are also requested to bring their copies of the Annual Report. Copies of the Annual Report would not be distributed at the meeting.

By Order of the Board of Directors  
For **MUKAND ENGINEERS LIMITED**

#### 10) Depository System

The Company, consequent to introduction of the Depository System (DS), entered into agreements

Mumbai  
Dated : June 30, 2001

**A. P. K. Chettiar**  
Company Secretary

#### ANNEXURE TO NOTICE

##### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

##### Re: Item No. 6

Shri F.C. Kohli was appointed as Additional Director of the Company. Under Article 117 of the Articles of Association of the Company, read with Section 260 of the Companies Act, 1956, Shri F.C. Kohli holds office only up to the forthcoming Annual General Meeting.

Notice has been received from a Member under Section 257 of the Companies Act, 1956, together with the requisite deposit proposing Shri F.C. Kohli as a

candidate for the office of the Director. The Board recommends the appointment of Shri F.C. Kohli to the office of the Director.

Except Shri F.C. Kohli, none of the other directors is interested in the Resolution.

By Order of the Board of Directors  
For **MUKAND ENGINEERS LIMITED**

Mumbai  
Dated : June 30, 2001

**A. P. K. Chettiar**  
Company Secretary

**MUKAND ENGINEERS LIMITED****15TH ANNUAL REPORT 2000 - 2001****DIRECTORS' REPORT****DIRECTORS' REPORT**

1. Your Directors have pleasure in presenting their Fifteenth Annual Report and the audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2001.

**2. Financial Results**

	<b>Current Year Rupees</b>	<b>Previous Year Rupees</b>
Profit for the year before tax	<b>48,853,015</b>	69,897,110
Less: Provision for tax	<b>4,328,300</b>	27,532,398
Profit after tax	<b>44,524,715</b>	42,364,712
Less: Prior period adjustments	<b>2,871,881</b>	592,372
Add: Balance brought forward from previous year	<b>30,882,935</b>	30,739,389
Less: Short Provision for tax in respect of earlier years	<b>1,980</b>	1,670
Balance available for appropriation	<b>72,533,789</b>	72,510,059
Appropriations:		
To General Reserve	<b>15,000,000</b>	15,000,000
To Interim Dividend	<b>Nil</b>	23,988,400
To Tax on Interim Dividend	<b>Nil</b>	26,38,724
To Proposed Dividend	<b>24,387,400</b>	Nil
To Tax on Proposed Dividend	<b>2,487,515</b>	Nil
Balance carried to Balance Sheet	<b>30,658,874</b>	30,882,935

**3. Dividend**

The Directors recommend dividend of Rs 2.00 per share (20%) for the year ended 31<sup>st</sup> March 2001 maintaining the same rate of Rs. 2.00 per share (20%) as in the previous year.

**4. Operations**

- 4.1. The income from operations during the year has increased to Rs. 630.5 million compared to Rs. 547.6 million in the previous year registering a growth of about 15% over the previous year. Profit for the year after tax has increased from Rs. 42.36 million to Rs. 44.52 million, an increase of 5% over the previous year.
- 4.2. The Company has consolidated its position by bagging orders worth Rs. 391.0 million during the year.
- 4.3. Major projects completed during the year were the Hot oil heater for Gas Authority of India Limited at Gandhar, Gujarat; Civil works

for 60 mw Captive Power Plant and wagon tippler for Neelachal Ispat Nigam Ltd., (NINL) Jajpur, Orissa; Mechanical equipment erection and piping work for LPG Import/Export facilities for IndianOil Petronas Limited, Haldia, West Bengal. The projects under execution consist of civil works for (i) 2x500 mw super thermal power project for NTPC, Kaniha, Orissa; (ii) 2,000 mw interconnector for PGCIL, Kaniha, Orissa; (iii) Sub-stations for GRIDCO in Meramandali and Boinda, Orissa; (iv) Water treatment Plant for Nagpur Municipal Corporation, Nagpur, Maharashtra; Civil, structural, installation, mechanical, electrical, instrumentation including commissioning of green anode and aluminium bath plant for NALCO, Angul, Orissa; Civil and structural work and raw water reservoir for 2x22 mw begasse based power plant for Godavari Sugar Factory, Sameerwadi, Karnataka; Civil and structural work for (i) Coke oven complex and raw material handling systems for NINL, Jajpur; (ii) NALCO's (earlier IAPL) plant in Angul; Electrical work for NALCO, Damanjodi; Electrical work for BHEL in NINL, Jajpur; Erection of Aluminium caster and rolling mill for BALCO, Korba, Chattisgarh; Structural work for BHEL at Simhadhari Thermal Power Project in Andhra Pradesh, etc.

**4.4. Achievements**

- The Electrical and Instrumentation Department bagged a contract for the erection and assistance in commissioning of Control & Instrumentation of 2x60 mw Captive Power Plant from BHEL.
- The Company's Project team at Simhadhari Thermal Power Project in Andhra Pradesh, was selected by BHEL for safety awareness award.

**4.5. Infotech Division**

The Infotech Division of the Company consolidated its training business with a turnover of Rs. 55.85 million during the current year from the EDP services, ERP Implementation, Education Services and consultancy services. To facilitate synergical benefits and expansion of the present business, the Company acquired the EDP department of Mukand Limited, which possesses facilities in software development, consultancy, data processing, accounting system on ERP, etc.

The prediction of Infotech slowdown as per the Gartner Report resulted in deferment of the expansion plans for setting up new training centres, while enabling a planned consolidation of the activities of the division under one roof at its existing facilities at Kurla.



Mumbai. The Company acknowledges the current Infotech slowdown and sees it as an opportunity to re consolidate its activities for the future growth. Despite recession the world over, the Company is optimistic about achieving better results, as there is resurgence of demand for training in Mainframe Computers and ERP, for which the Division is considered one of the best training institutes in India. Leveraging on this current demand for Mainframe and ERP training, the Company is promoting these courses amongst individuals as well as corporate customers. The Company will enhance its current course offerings by introducing higher-end courses from IBM like MQ Series, Tivoli and others. Additionally, the plans of the division for the year in progress include: Setting up a Sylvan Prometric & VUE testing centre for the students and clients, upgrade its hardware and software which would enhance its ERP enrolments. Setting up Cyber Café for students' use, which will reduce the current overheads on internal hardware usage.

#### 5. Business Prospects

The Company has backlog of orders as on 31<sup>st</sup> March 2001 worth Rs. 700 million. The Company is optimistic of bagging higher valued orders of jobs in the Hydrocarbon sector in view of the much-delayed expansion of the refinery projects that are likely to be finalised in the near future. The Company is negotiating for associating with select foreign bidders. The Company's major focus during the year in progress will be on the road projects, which are being implemented in various parts of the Country. The refurbishment of major Thermal Power Plants is expected to provide suitable business opportunities to the Company.

#### 6. Fixed Deposits

The Company held Rs. 123.13 million as Public deposits as of 31<sup>st</sup> March 2001, out of which, deposits aggregating Rs. 2.00 million have matured but remain unclaimed as on that date.

#### 7. Other Information

As the Company does not own an undertaking where manufacturing operations are carried out, the information to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable. During the year under review the foreign exchange earnings was Rs. 580,172/- and outgo was Rs. 9,406,260/- as compared to Rs.70,000/- and Rs. 34,320,640/- respectively, in the previous year. The Information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed.

#### 8. Directors

Shri Rajesh V. Shah and Shri D. S. Mehta retire by rotation and are eligible for re-appointment.

During the year, Shri S. K. Ahluwalia, resigned as the Director of the Company. The Board places on record its acknowledgement of Shri S. K. Ahluwalia's contribution to the deliberations of the Board. Shri T. S. Anand has been appointed as the Director of the Company in the casual vacancy created by the resignation of Shri S. K. Ahluwalia.

Shri F. C. Kohli was appointed as an Additional Director with effect from 13<sup>th</sup> September 2000. He holds office until the conclusion of this Annual General Meeting and is eligible for re-appointment. The Company has received a notice under Section 257 of the Companies Act, 1956, proposing his appointment as a Director, subject to retirement by rotation.

#### 9. Auditors

Messrs. Dalal & Shah, Chartered Accountants, Auditors of the Company retire and are eligible for re-appointment.

The Shareholders are requested to appoint Auditors for the current year and fix their remuneration.

#### 10. Directors' Responsibility Statement

As required by Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2001. As disclosed in the enclosed Accounts, the Company this year has changed some of the accounting policies, which it was hitherto following. These changed policies shall be followed hereafter;
- (iii) proper and sufficient care has been taken 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;

**MUKAND ENGINEERS LIMITED****15TH ANNUAL REPORT 2000 - 2001**

- (iv) the annual accounts have been prepared on a going concern basis.

**11. Corporate Governance**

The requirement of compliance with code of Corporate Governance as per Clause 49 of the listing agreement would apply to the Company from the next financial year. The Company is progressively implementing the provisions of the Corporate Governance Guidelines so as to comply with the same by 2001-2002. However, the Company has already constituted an "Audit Committee" of Directors with Shri D. S. Mulla, Shri D. S. Mehta and Shri Prakash V. Mehta as members. The Company has also constituted the Shareholders' Committee with Shri Rajesh V. Shah, Shri Niraj Bajaj and Shri K. P. Jotwani as members, to deal with complaints and grievances of the investors. General Information for Shareholders as required by listing agreement is furnished along with this report.

**12. General**

The Directors wish to place on record their deep sense of appreciation for the committed service of employees of the Company for building up a successful track record.

The Directors would also like to express their grateful appreciation for the assistance and co-operation received from the customers, depositors, and business partners during the year.

The Directors thank the Shareholders for their continued confidence and trust placed by them with the Company.

13. The notes referred to in the Auditors' Report are self-explanatory.

For and on behalf of the Board of Directors

Mumbai,  
30<sup>th</sup> June 2001.

**Rajesh V. Shah**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2001.

Sr. no.	Name	Age (Years)	Designation & Nature of Duties	Qualifications	Experience (Years)	Remuneration Received Gross Rs.	Net Rs.	Date of commencement of employment	Last employment held Designation - Period for which post held
1	Shah Jailesh*	40	Chief Executive- Strategic Business Unit (Education Services)	B. Com., P.G.D.C.M., M.B.A.	19	608,291	489,922	12/10/00	Majestic Software Limited Vice President (Strategic Planning) (9 months)

**Notes:**

- Gross Remuneration include Salary, Compensatory Allowance, Special Allowance, Personal Allowance, Bonus, Contribution to Provident and Superannuation Funds, House Rent Allowance, Medical and Leave Travel Benefits, Taxable value of Perquisites, etc., but excludes contribution to Gratuity fund.
- Net Remuneration represents gross remuneration as above less taxes, contribution to Provident and Superannuation Funds.
- The above appointment is contractual.
- The above employee is not related to any Director of the Company.

\*Employed for a part of the financial period under review and in receipt of remuneration not less than Rs. 100,000/- per month.