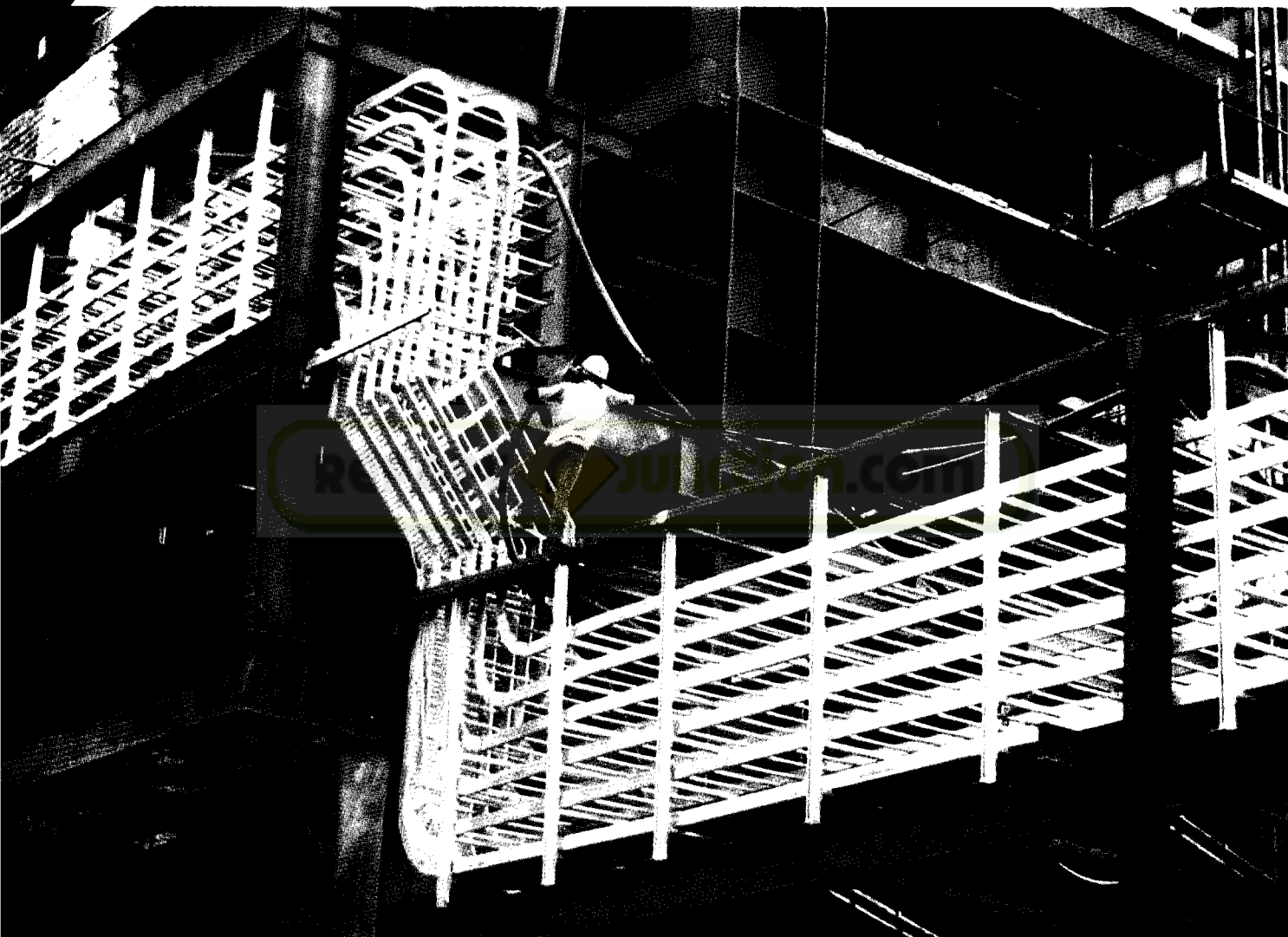


21st
Annual Report

MUKAND ENGINEERS LIMITED



Electrical Work for 2 x 250 MW Power Plant at Chhattisgarh



2006-2007

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21st Annual Report 2006-2007

BOARD OF DIRECTORSRajesh V. Shah, *Chairman*

Niraj Bajaj

D. S. Mulla (upto June 22, 2006)

Prakash V. Mehta

T. S. Anand

N. Ramanathan (w.e.f. May 14, 2007)

MANAGER

K. P. Jotwani

COMPANY SECRETARY

P. R. Dhruva

AUDITORS

Dalal & Shah, Chartered Accountants

REGISTERED OFFICE

Bajaj Bhavan, Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai 400 021.

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka, Andheri (East), Mumbai - 400 072.

ANNUAL GENERAL MEETING

on Friday,
27th July, 2007
3.30 p.m.

at

Kamalnayan Bajaj Hall,
Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai - 400 021.

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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.



21st Annual Report 2006-2007

NOTICE

NOTICE is hereby given that the 21st ANNUAL GENERAL MEETING of the Members of the Company will be held on **Friday, the 27th day of July, 2007 at 3:30 p.m.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021, to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Niraj Bajaj who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri T. S. Anand who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Dalal & Shah, Chartered Accountants, retiring Auditors of the Company who are eligible for re-appointment for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To appoint Shri N. Ramanathan (who was appointed as an Additional Director by the Board of Directors under Article 117 of the Articles of Association of the Company and who holds office under the said Article and Section 260 of the Companies Act, 1956, upto the date of ensuing Annual General Meeting of the Company and in respect of whom, the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as candidate for the office of Director) as a Director of the Company, liable to retire by rotation and to consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 1956, including Section 257, Shri N. Ramanathan be and is hereby elected and appointed as Director of the Company liable to retire by rotation."

NOTES FOR MEMBERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from July 25, 2007 to July 27, 2007, (both days inclusive) for the purpose of Annual General Meeting.
3. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Those Members who have so far not claimed their dividends upto the said period are requested to claim the amount by submitting an application in prescribed Form II to the Registrar of Companies, Maharashtra.

Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividend for the year 1998-99 has been transferred to the Investors' Education and Protection Fund (the Fund) set up by the Central Government. The said Section further provides that amounts remaining unclaimed for a period of seven years from the date of payment shall have to be transferred to the said Fund. Members are requested to note that no claims shall thereafter lie against the said Fund or the Company in respect of the said amount so transferred.

Members who have so far not encashed their Dividend Warrant(s) for the financial year ended 31st March, 2000 or any subsequent year/s are advised to submit their claim to the Company immediately quoting their folio numbers failing which the amount will be transferred to the said Fund pursuant to the provisions of Section 205C of the Companies Act, 1956.

4. 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.
5. The Company's Equity Shares are listed on Bombay Stock Exchange Ltd., Mumbai and The National Stock Exchange of India Ltd., Mumbai.

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

**P. R. Dhruva
Company Secretary**

Place : Mumbai

Date : 14th May, 2007

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Board of Directors has appointed Shri N. Ramanathan as an Additional Director of the Company with effect from 14th May, 2007 pursuant to the provisions contained in Article 117 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. He is an Independent Director on the Board in terms of Clause 49 of the Listing Agreement. As required under Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose him as a candidate for the office of Director together with a deposit of Rs. 500/- (Rupees Five Hundred) as required under the Act.

Shri N. Ramanathan is B. E. (Hons.) of 1960 from Annamalai University and MMS of 1970 from Madras University. He has wide experience in management of manufacture and quality control of precision machinery and heavy duty industrial machines including erection and commissioning. In view of Shri N. Ramanathan's qualifications and his valuable experience, it is in the Company's interest that it should continue to avail of his services as a Member of the Board.

According to the provisions contained in Article 117 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, Shri N. Ramanathan holds office as Director only till ensuing Annual General Meeting and is eligible for appointment as a Director and liable to retire by rotation.

It is in the above circumstances that the Resolution mentioned at Item 5 of the Notice is proposed to be passed and commended for your acceptance.

Shri N. Ramanathan is interested in the Resolution at Item 5 of the Notice.

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

**P. R. Dhruva
Company Secretary**

Place : Mumbai

Date : 14th May, 2007

Registered Office

Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai - 400 021



DIRECTORS' REPORT

TO THE MEMBERS,

1. Your Directors present the Twenty First Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March 2007.

Financial Results	Current Year	(Rs. in Million) Previous Year
Profit for the year before tax	16.15	10.35
Add : Provision for tax (including credit for deferred tax)	0.40	4.89
Profit after tax	16.55	15.24
Add/(Less) : Prior period adjustments	(0.85)	(0.25)
Add/(Less): Balance brought forward from previous year	7.10	(7.89)
Balance carried to Balance Sheet	22.80	7.10

3. Dividend

The Company has made profit during the year. However to conserve resources required to expand activities, your Directors do not recommend payment of dividend on the equity shares.

4. Operations

4.1 General - The income from operations and other income during the year was Rs.310 Million compared to Rs. 271 Million in the corresponding previous year. The Company earned a net profit of Rs.16 Million during the year under review as compared to Rs.15 Million in the previous year.

4.2 Engineering - The infrastructure industry is growing and the investment in expansion / new projects of Petroleum, Steel & Engineering is also increasing.

4.21 The income from Engineering operation during the year was Rs.232 Million. Engineering operations earned profit before interest of Rs.18 Million during the year under review as compared to loss of Rs.15 Million in the previous year.

4.22 Four orders amounting to Rs.347 Million were received during the year and the outstanding orders as at the end of the year were Rs.208 Million as against Rs.500 Million at the beginning of the year.

4.3 Infotech - The Income from Infotech operations during the year was Rs.56 Million. Infotech operations earned profit before interest of Rs.29 Million during the year under review as compared to Rs.7 Million in the previous year.

4.4 Financial -

4.41 The Company has received an approval for Bank Guarantee facility of Rs.50 Million during the year. This will enable the Company to procure more orders.

4.42 The Company has received Rs.28 Million by way of interest and installments against debts purchased from Commerzbank AG.

5. Fixed Deposits

The Company held Rs.90 Million as Public deposits as of 31st March 2007, out of which, deposits aggregating Rs.0.08 Million have matured but remain unclaimed as on that date.

6. Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance, along with Auditor's certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis is separately given in this Report.

7. Other Information

7.1 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.

7.2 During the year under review there were neither foreign exchange earnings, nor foreign exchange outgo.

7.3 None of the employees is covered within the purview of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

8. 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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 31st March 2007 and of the profit of the Company for the year ended 31st March 2007.
- 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;
- the annual accounts have been prepared on a going concern basis.

9. Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Niraj Bajaj and Shri T S Anand, Directors of the Company retire by rotation and are eligible for re-appointment.

During the year under review Shri D. S. Mulla, senior most Director of the Board expired on 22nd June, 2006. The Board places on record its deep sense of appreciation for the immense contribution made by him in the growth of our Company during the tenure of his office as Director of our Company.

The Board has also appointed Shri N. Ramnathan as an Additional Director of the Company with effect from 14th May, 2007. As an Additional Director, Shri N. Ramanathan holds office till the ensuing Annual General Meeting. Accordingly, his appointment as a Director is included at Item No. 5 of the Notice and in the relevant Explanatory Statement.

10. Auditors

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

11. Auditors' Report

The notes referred to in the Auditors' Report are self-explanatory and therefore do not call for any comments under section 217 of the Companies Act, 1956.

For and on behalf of the Board of Directors

Rajesh V. Shah
Chairman

Place: Mumbai,
Date : 14th May, 2007

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REPORT ON CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement with Stock Exchanges)

1. Company's Philosophy :

The Company's Corporate Governance philosophy is based on principles of doing business in a way which is open, transparent and ethically responsible, in compliance with the letter and spirit of the law in all facets of its operations and interactions with its stakeholders viz. shareholders, employees, customers, suppliers, public and other regulatory authorities at large.

2. Board of Directors :

(a) Composition and size of the Board :

The Board of Directors of the Company consisted of five Directors including the Non-Executive Chairman. Shri D. S. Mulla expired on 22nd June, 2006. All remaining four Directors are Non-Executive Directors out of which two Directors are Independent Directors. The Company did not have any pecuniary relation or transaction with Non-Executive Directors during the year under review. Further, Shri N. Ramanathan, being Independent Director has been appointed as an Additional (Non-Executive) Director under Section 260 of the Companies Act, 1956 on May 14, 2007 and holds office upto the ensuing Annual General Meeting.

(b) Board Meetings :

During the year four Board Meetings were held on May 19, 2006, July 20, 2006, October 30, 2006 and January 31, 2007. The Board was presented with the relevant and necessary information. None of the Directors is a member of more than ten Committees or acting as Chairman of more than five Committees across all Companies in which he is a Director. The attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships is given hereunder:

Name of the Director	Cate-gory	Attendance Particulars	No. of outside Directorships in Public Limited Companies	No. of Membership (M)/ Chairmanship (C) in other Board Committee(s)
Board. Last Meetings AGM				
Shri Rajesh V. Shah	C. NED	3 Yes	10	3 (C) 2 (M)
Shri Niraj Bajaj	NED	3 Yes	14	—
Shri D. S. Mulla*	NED	1 No	—	—
Shri Prakash V. Mehta	NED	2 No	10	6 (M)
Shri T. S. Anand	NED	4 Yes	2	—
Shri N. Ramanathan**	NED	—	—	—

C: Chairman, NED: Non-Executive Director.

*Expired on June 22, 2006

**Appointed as an Additional Director on May 14, 2007

(c) Re-appointment of Directors :

Shri Niraj Bajaj and Shri T. S. Anand are liable to retire by rotation and being eligible, offer themselves for re-appointment. Information as required under Clause 49 of the Listing Agreement is given hereunder:-

Name of the Director	Shri Niraj Bajaj	Shri T. S. Anand
Date of appointment	July 27, 1992	June 27, 2001
Expertise in Specific Functional areas	Providing Valuable guidance on matters relating to strategic planning and performance, expansion, diversification, new business.	Coordinated with Financial Committees of Parliament Expertise in Management and Internal Audit. Finance Director of Indian Oil Corporation Ltd. Director of The Institute of Internal Auditors, Florida for 4 years.
List of other Directorships held (in listed Companies)	1) Mukand Ltd. 2) Bajaj Hindusthan Ltd. 3) Hind Rectifiers Ltd. 4) RPG Life Sciences Ltd. 5) Bajaj Auto Ltd.	Nil
Chairman / Member of the Committee of the Board of other Companies in which he is a Director	Chairman: Nil Member : Nil	Chairman : Nil Member : Nil

(d) Appointment of Additional Director :

Shri N. Ramanathan, being Independent Director has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 and holds office upto the ensuing Annual General Meeting. Information as required under Clause 49 of the Listing Agreement is given hereunder:-

Name of the Director	Shri N. Ramanathan
Date of appointment	May 14, 2007
Expertise in Specific Functional areas	Experience in management of manufacture and quality control of precision machinery and heavy duty industrial machines including erection and commissioning.
List of other Directorships held (in listed Companies)	NIL
Chairman/Member of the Committee of the Board of other Companies in which he is a Director	Chairman : NIL Member : NIL

(e) Details of shares held by Non-Executive Directors in the Company are as under :

Sr. No.	Name of the Director	No.s of Equity Shares held on 31 st March, 2007
1	Shri Rajesh V. Shah	50,037

3. Audit Committee :

The Audit Committee consisted of Shri D. S. Mulla, Chairman (upto 22nd June, 2006 when he expired), Shri Prakash V. Mehta (who presided as Chairman at the remaining three meetings) and Shri T. S. Anand, all of whom are independent Directors. During the year under review, Shri Rajesh V. Shah was appointed as member of the Audit Committee on account of the death of Shri D. S. Mulla. Further, Shri N. Ramanathan who was appointed as an Additional Director of the Company was also appointed as an Independent member of the Audit Committee on May 14, 2007. The terms of reference of



Mukand Engineers Limited

the Audit Committee specified by the Board are as contained in Clause 49 of the Listing Agreement.

During the year under review, the Audit Committee met four times on May 19, 2006, July 20, 2006, October 26, 2006 and January 31, 2007. These meetings were also attended by the Statutory Auditors, Internal Auditors, Shri Niraj Bajaj, Director, Shri S. B. Jhaveri, Advisor to the Board, Shri K.P. Jotwani, "Manager" and Shri M. R. Karandikar, Chief of Accounts. Mr. P. R. Dhruva, Secretary acts as Ex-officio Secretary to the Audit Committee. Apart from considering unaudited and/or audited financial results for the relevant quarter, half year and the year, before submission to the Board for its approval, the Committee focused its attention on other matters which *inter-alia* included key areas impacting the overall performance of the Company and major accounting policies and practices, review of internal control system, review of current site progress and Management Information System.

The attendance at the Audit Committee Meetings during the year is given hereunder:

Name of the Director	Category	Attendance Particulars Number of Meetings Attended
Shri D. S. Mulla*	C. NED	1
Shri Prakash V. Mehta	NED	3
Shri T. S. Anand	NED	4
Shri Rajesh V. Shah	NED	2

C: Chairman, NED: Non-Executive Director.

*Expired on June 22, 2006

4. Remuneration Committee & Policy :

The Company has not constituted a Remuneration Committee. The decision regarding remuneration of the "Manager" under the Companies Act, 1956 is taken by the entire Board subject to such approvals as may be necessary. The Company does not pay any remuneration to the Non-Executive Directors except payment of sitting fees for attending the Board / Committee meetings, details of which are given below. However, Shri Rajesh V. Shah, Chairman and Shri Niraj Bajaj, Director of the Company have waived their sitting fees w.e.f. June 30, 2003.

Details of Remuneration to Shri K. P. Jotwani "Manager" under the Companies Act, 1956 for the year ended 31st March, 2007 is given hereunder :

Particulars	(Rupees)
Salary and allowances	8,20,603
Contribution to Provident Fund and Other Funds	79,020
Perquisites (including approx. money value)	1,57,093
TOTAL	10,56,716

The employee wise break up of liability on account of Retirement Schemes based on Actuarial Valuation is not ascertainable. The amounts relating to the 'Manager' are, therefore, disclosed in the year of payment.

Sitting fees paid to the Directors for the year ended 31st March, 2007 are hereunder :

Sr. No.	Name of the Director	(Rupees)
1.	Shri D. S. Mulla	8,000
2.	Shri Prakash V. Mehta	20,000
3.	Shri T. S. Anand	32,000
	TOTAL	60,000

The Company has not issued stock options to any of its Directors.

5. Shareholders' / Investors' Grievance Committee:

The Company had constituted Shareholders' / Investors' Grievance Committee consisting of Shri Rajesh V. Shah as the Chairman, Shri Niraj Bajaj and Shri T. S. Anand. The Company Secretary acts as Compliance Officer to the Committee. The meeting of the said Committee was held on May 14, 2007 which was attended by all the members.

There were no major complaints from the shareholders. The functions of Investors' Grievance Committee are to review and redress Shareholders' / Investors' query/grievance/complaint on matters relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. which were attended by the Registrar & Transfer Agents within stipulated time and some of the routine complaints were also directly attended by the Company Secretary.

The Committee also oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of Investors Services.

6. Annual General Meetings :

- (a) The last three Annual General Meetings were held at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021 on the following dates and time:

Financial Year	Date	Time
2005-2006	July 20, 2006	3:30 p.m.
2004-2005	August 23, 2005	3:30 p.m.
2003-2004	September 20, 2004	3:30 p.m.

- (b) Following Special Resolutions were adopted in the above three Annual General Meetings

Financial Year	Date of Annual General Meeting	Particulars of Resolution
2005-2006	July 20, 2006	Nil
2004-2005	August 23, 2005	Ratification of transaction pertaining to loan from Commerz Bank AG.
2003-2004	September 20, 2004	1) Appointment of Registrar and Transfer Agents under Section 163 and other applicable provisions, if any, of the Companies Act, 1956. 2) Commencement of new business under Section 149(2A) of the Companies Act, 1956.

- (c) The Company passed a Special Resolution pursuant to Section 372A of the Companies Act, 1956, through Postal Ballot to ratify, confirm and approve the Corporate Guarantee given by the Company in favour of Dena Bank for securing the Banking facilities not exceeding Rs.115 Crores (Rupees One Hundred and Fifteen Crores only) granted to JSC Centrodorstroy, the principal contractor for the ongoing road project

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awarded by National Highways Authority of India who in turn have given various sub-contracts to Mukand Ltd. (one of the major Promoters of the Company).

The aforesaid Resolution adopted by Postal Ballot was conducted in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and the results were declared on July 18, 2006.

7. Disclosures :

There were no transactions of material significance entered into by the Company with its Promoters, Directors or their relatives their Companies, the management or their relatives during the year, which have potential conflict with interest of the Company, at large. The details of transactions with related parties entered into in the ordinary course of business are disclosed in the accounts. There was no default in compliance on any matters related to capital markets. Consequently, during the last three years neither any penalties were imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

No transaction with related parties or others have been entered into which is not at arm's length.

The Company receives professional services in the normal course of business from M/s. Malvi Ranchoddas & Co., a legal firm in which Shri Prakash V. Mehta is a partner. In the opinion of the Board, these transactions do not affect the independence of the said Director.

The process of identification and evaluation of various risks inherent in the business environment and operations of the Company and initiation of appropriate measures for prevention and / or mitigation of the same is dealt with by the Operational Head under the supervision of the "Manager" who reports to the Board of Directors of the Company.

The Company has adopted a Code of Conduct for its Directors and Senior Management cadres in the meeting of the Board of Director of the Company.

The Company has also instituted a Code of Conduct for prevention of Insider Trading in the securities of the

Company for its Directors and key Managerial persons as required by SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended.

8. Means of Communication :

Quarterly/half yearly un-audited and yearly audited results are published in English and local language newspapers as specified by SEBI and as required under the Listing Agreement. The Management Discussion and Analysis is a part of the annual report. All financial and other vital information is promptly communicated to the Stock Exchanges on which the Company's Shares are listed.

9. General Information for Shareholders :

- a. **Registered Office** Bajaj Bhawan,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai - 400 021
- b. **Date, Time and Venue of Annual General Meeting** July 27, 2007 at 3:30 p.m.
Kamalnayan Bajaj Hall,
Bajaj Bhawan,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai 400 021.
- c. **Reporting on Financial Calender 2007-2008 :**
 - First Quarter Last week of July
 - Second Quarter Last week of October
 - Third Quarter Last week of January
 - Annual Last week of May
- d. **Dates of Book Closure** July 25, 2007 to July 27, 2007.
(both days inclusive)
- e. **Listing Details :**
The Company's Shares are listed on the Stock Exchanges at Mumbai (Bombay Stock Exchange Ltd., Mumbai and The National Stock Exchange of India Ltd.) The Company has paid the Listing fees for the period from April 1, 2007 to March 31, 2008 to both the Stock Exchanges where the shares of the Company are listed.
- f. **Stock code**
 1. Bombay Stock Exchange (BSE) 532097
 2. The National Stock Exchange (NSE) Mukand Engg.
 3. ISIN INE 022B01014

g. Stock Market Data :

(Amount in Rs.)

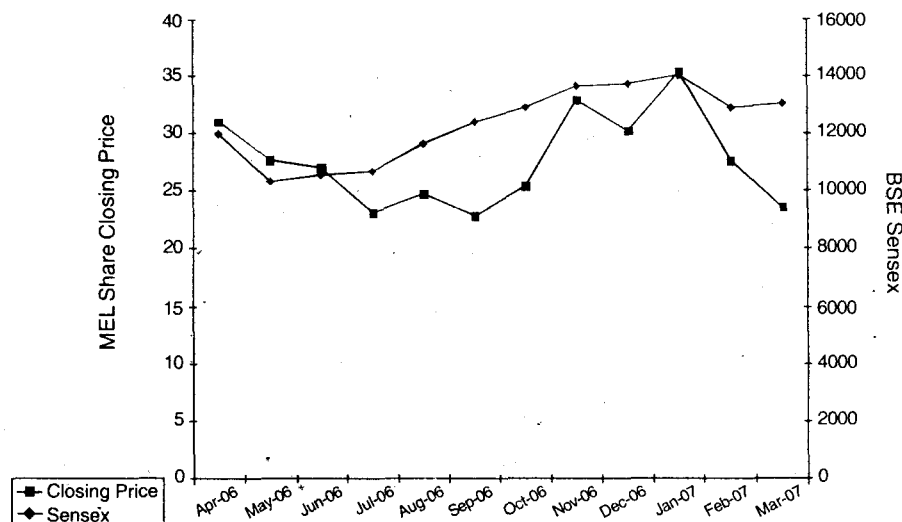
Month	Bombay Stock Exchange, Mumbai (BSE)			The National Stock Exchange (NSE)		
	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (No.s)	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (No.s)
Apr- 06	37.40	28.65	256,563	37.70	28.80	122,687
May- 06	35.55	26.00	383,996	34.75	26.50	186,599
June- 06	29.10	19.15	208,632	28.45	18.95	59,870
July- 06	28.40	20.55	86,139	28.35	20.30	42,804
Aug- 06	26.50	22.10	101,098	28.25	22.00	59,292
Sep- 06	26.10	22.20	157,080	27.95	21.40	74,109
Oct- 06	32.45	22.30	268,875	32.30	22.35	251,391
Nov- 06	34.70	22.60	593,508	34.50	22.30	568,862
Dec- 06	33.95	24.25	301,021	33.75	22.00	177,659
Jan- 07	45.00	28.80	1,438,474	45.00	28.50	841,614
Feb- 07	37.80	26.50	425,318	38.00	26.00	177,072
Mar- 07	29.00	22.05	198,991	29.00	22.10	117,637



Mukand Engineers Limited

Comparative Stock Price Performance:

The Equity share prices of the Company on BSE in comparison with the BSE Sensex is depicted in the following graph.



h. Registrar and Transfer Agents

(For share transfers and other communication relating to share certificates, dividend and change of address, etc.)

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka, Andheri (East) Mumbai - 400 072.

Tel : (022) 28470744/28470652/53

Fax : (022) 28475207

E-Mail : bigshare@bom.7.vsnl.net.in

i. Share Transfer System

The Share Transfers are approved by a Committee of Directors and are registered within a period of 15 days from the date of receipt, if the documents are complete in all respect. During the year under review, the Company has followed the guidelines issued by SEBI for dematerialisation of shares sent for transfer by the investors.

Total number of shares transferred in physical form (non-dematerialised) during 2006-07 were 21812 shares.

There were no transfers which remained unattended as of March 31, 2007.

The Board in their respective Board Meetings held duly ratified the transfers.

j. Investor Services (Complaints received during the year)

Nature of Complaints / Queries	2006-2007		2005-2006	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Interest, Demat & Remat, Change of address and others	153	153	198	198

There were no complaints / queries pending reply as of March 31, 2007.

k. Distribution of Shareholding as on March 31

No. of Equity Shares Held	2007				2006			
	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
1-100	22,684	81.42	539,100	4.29	23,922	81.26	563,336	4.48
101-200	1,982	7.11	350,321	2.78	2,134	7.25	380,118	3.02
201-500	1,919	6.89	725,170	5.77	2,029	6.89	767,004	6.10
501-1000	646	2.32	534,232	4.25	695	2.36	575,777	4.58
1001-5000	488	1.75	1,116,786	8.88	507	1.72	1,162,656	9.25
5001-10000	64	0.23	466,189	3.71	80	0.27	587,050	4.67
10001 & above	79	0.28	8,840,602	70.32	72	0.25	8,536,459	67.90
Total	27,862	100.00	12,572,400	100.00	29,439	100.00	12,572,400	100.00



21st Annual Report 2006-2007

I. Categories of Shareholding as on March 31

Categories	2007				2006			
	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
Individuals	27,364	98.22	4,554,755	36.23	28,819	97.89	4,551,364	36.20
Bodies Corporates	397	1.42	2,048,093	16.28	528	1.79	2,227,791	17.72
Financial Institutions	5	0.02	1,335	0.01	5	0.02	1,335	0.01
FIs	1	0.00	65	0.00	1	0.00	65	0.00
NRIs/OCBs	79	0.28	40,093	0.32	70	0.24	50,056	0.40
Banks	10	0.04	1,083	0.01	11	0.04	1,208	0.01
Mutual Funds	3	0.01	800	0.01	3	0.01	800	0.01
Promoters	3	0.01	5,926,176	47.14	2	0.01	5,739,781	45.65
Total	27,862	100.00	12,572,400	100.00	29,439	100.00	12,572,400	100.00

- m. Dematerialisation of Shares and Liquidity** 92.47% of outstanding equity have been dematerialised up to March 31, 2007. Trading in Equity Shares of the Company on any Stock Exchange is permitted only in the dematerialised form from July 24, 2000 as per Notifications issued by SEBI.
- n. Plant Locations** The Company has no plants but carries out jobs at various sites of customers.
- o. Investor Correspondence** For any queries, investors are requested to get in touch with the Company's
 1) Registrar and Transfer Agent:
 Bigshare Services Pvt. Ltd.
 E-2/3, Ansa Industrial Estate, Saki Vihar Road,
 Sakinaka, Andheri (East), Mumbai - 400 072.
 2) Registered Office of the Company
 Bajaj Bhawan, Jamnalal Bajaj Marg,
 226, Nariman Point, Mumbai - 400 021.
- p. Auditors' Certificate of Corporate Governance** The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in the Listing Agreements with Stock Exchanges. This is annexed to the Directors' Report. The certificate will be sent to the Stock Exchanges along with annual return to be filed by the Company.

Auditors' Certificate on Corporate Governance

To
 The Members
 Mukand Engineers Limited
 Bajaj Bhawan,
 226, Nariman Point,
 Mumbai - 400 021.

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2007.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our 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.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us, for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
DALAL & SHAH
 Chartered Accountants

Ashish Dalal
 Partner
 Membership no. 33596-

MUMBAI, 14th May, 2007.



MANAGEMENT DISCUSSION AND ANALYSIS

1. ENGINEERING AND CONSTRUCTION DIVISION :

1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Company undertakes detailed Engineering, Civil and Structural work including Mechanical, Electrical and Piping, for the clients in Petroleum, Power Generation and Steel / Aluminium manufacturing sectors.

1.2 GROWTH OPPORTUNITY AND THREATS :

During the year, Company received four orders from Petroleum and power sectors amounting to Rs.347 Million. The Company has started work on all the new projects during the year.

Engineering activities depend on the availability of the engineers and workmen with adequate skills. There is a general shortage of skilled manpower as there is demand on account of rapid development in the economy.

1.3 OUTLOOK :

The economy during current fiscal is expected to grow at about 8%. New projects will be undertaken for capacity expansion and infrastructure developments. Steel, Power & Petroleum industries are expanding their production capacities. Company has a good track record of executing expansion projects in these industries.

1.4 RISK MANAGEMENT :

The Company quotes for projects of clients and locations where it has a reasonable assurance of project finance, support facilities and the availability of project site free from obstructions. This will help the Company to complete projects in time and achieve optimum margins.

The Company has substantially improved its Compensation structure and other facilities to attract skilled manpower.

2. INFOTECH DIVISION :

The Company continues to undertake Electronic Data Processing and ERP advisory & support activities. Efforts are on to procure additional business from large companies who are outsourcing.

3. SEGMENTWISE PERFORMANCE :

The Income from operations of the Engineering and Construction business amounted to Rs.232 million for the year under review as against Rs.155 million in the previous year. Infotech business income amounted to Rs.56 million in the current year against Rs.46 million in the previous year. The detailed disclosures in respect of both the segments of the Company are available in the financial statements.

4. INTERNAL CONTROL SYSTEM :

The Company has instituted a system of internal control to safeguard and protect the assets of the Company. The Company has also appointed an independent auditor whose reports are regularly reviewed by the Management, and guidelines and procedures are formulated and monitored for proper controls.

5. FINANCIAL PERFORMANCE :

For the year under review turnover and other receipts amount to Rs.310 million compared to Rs.271 million in the previous year. The profit for the year before interest and depreciation amounted to Rs.53 million as against profit of Rs.68 million in the previous year.

The Company has received an approval for Bank Guarantee facility of Rs.50 Million during the year. This will enable the Company to procure more orders. Discussions with the Bankers will be continued to get enhanced Bank Guarantee facility.

6. HUMAN RESOURCE MANAGEMENT INITIATIVES :

Company is developing quality manpower. New recruitments at various levels are being made to increase collective output and help achieve higher productivity.

7. CAUTIONARY STATEMENT :

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, interest costs, Government regulations, economic developments within/outside the country.