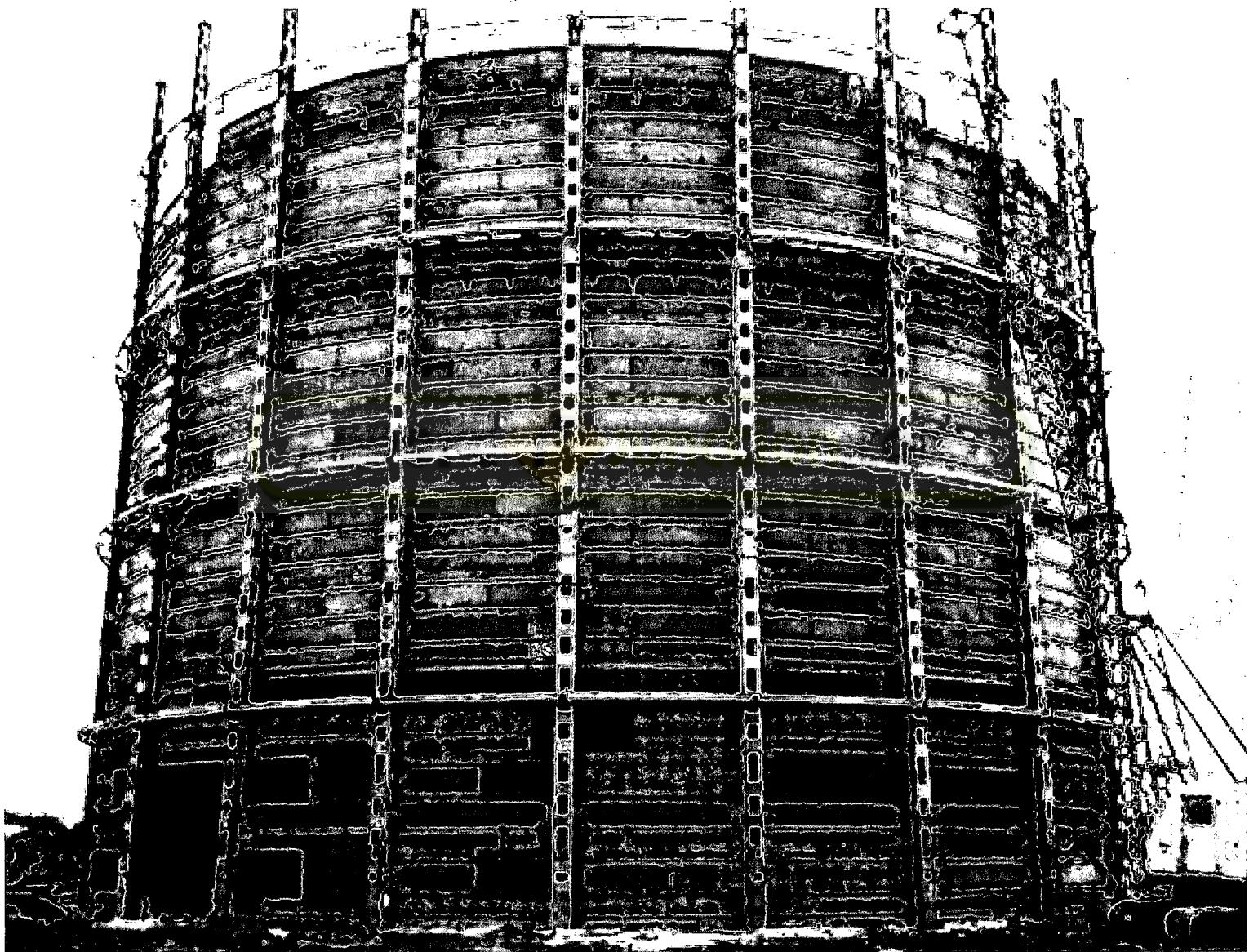




23rd Annual Report 2008-2009



“30,000m³ Gas Holder at NINL, Orissa”

BOARD OF DIRECTORSRajesh V. Shah, *Chairman*

Niraj Bajaj

Prakash V. Mehta

T. S. Anand

N. Ramanathan

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 Tuesday,
28th July, 2009
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.



NOTICE

NOTICE is hereby given that the 23rd ANNUAL GENERAL MEETING of the Members of the Company will be held on **Tuesday, the 28th day of July, 2009 at 3.30 p.m.** at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021, to transact the following business:-

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2009 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.
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 or 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**

Place : Mumbai
Date : 27th May, 2009

**P. R. Dhruva
Company Secretary**

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 23/07/2009 to 28/07/2009, (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 years 1994-1995 to 2000-2001 has been transferred to the Investors' Education and Protection Fund (the Fund) set up by the Central Government. The said Section further provide that

DIRECTORS' REPORT

TO THE MEMBERS,

- Your Directors present the Twenty Third Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March 2009.

2. Financial Results:

	Current Year	(Rs. in Million) Previous Year
Profit for the year before tax	46.15	21.67
Add/(Less) : Provision for tax (including deferred tax)	(6.26)	(0.08)
Profit after tax	39.89	21.75
Add/(Less) : Prior period adjustments	—	(0.03)
Add/(Less) : Excess provisions for taxation	0.08	(0.38)
Add/(Less): Balance brought forward from previous year	44.15	22.81
Balance carried to Balance Sheet	84.12	44.15

3. Dividend:

The Company has made profit during the year, however to conserve resources required to execute the large orders received during the year, 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.560 Million as compared to Rs.286 Million in the corresponding previous year. The Company earned a profit of Rs.39.89 Million during the year under review as compared to Rs. 21.75 Million in the previous year.

4.2 Engineering-

The infrastructure industry has shown positive growth and the investment in expansion / new projects of Power, Petroleum & Engineering is increasing.

4.21 The income from Engineering operation during the year was Rs.485.50 Million as against Rs.203.61 Million in the previous year. Engineering operations earned profit of Rs.37.63 Million during the year under review as compared to Rs.10.24 Million in the previous year.

4.22 New orders amounting to Rs.1215 Millions were received during the year and the outstanding orders as at the end of the year were Rs.2025 Million as against Rs.1298 Million at the beginning of the year.

4.3 InfoTech-

The Income from InfoTech operations during the year was Rs.49.64 Million as compared to Rs.48.50 Million in the previous year. InfoTech operations earned profits of Rs.26.57 Million during the year under review as compared to Rs.28.38 Million in the previous year.

4.4 Financial-

4.41 The Company has submitted applications to enhance existing facilities in line with the quantum jump in the performance of the Company. The Company has also submitted applications to new banks for project specific finance. The Company expects positive response to its applications.

4.42 The Company has received Rs.26.76 Millions by way of interest and installments against debts purchased from Commerzbank AG.

4.43 The Company has recovered loans amounting to Rs.40.00 Million during the year.

The Company has granted 2 years time to these

Companies to repay the balance loan and interest due of Rs.179.45 Million and Rs.62.33 Million respectively.

The Company continues to waive interest due on these loans.

5. Fixed Deposits:

The Company held Rs. 114.04 Million as Public deposits as of 31st March 2009, out of which, deposits aggregating Rs.2.24 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.

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 are no foreign exchange earnings. The Company has paid traveling and consultancy fees amounting to Rs.1.92 Million in foreign currency.

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 judgments 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 2009 and of the profit of the Company for the year ended 31st March 2009.
- 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.

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.

For and on behalf of the Board of Directors

Rajesh V. Shah
Chairman

Place: Mumbai,

Date: 27th May, 2009

REPORT ON CORPORATE GOVERNANCE

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

Clause 49 of the Listing Agreement is given hereunder:-

1. Company's Philosophy :

The Company believes that sound Corporate Governance philosophy is based on the practices of doing business which is open, transparent and accountability is essential in compliance with the spirit of law in all the fields of its operations and interaction with its stakeholders for its long term success. These practices will ensure that the Company, having regard to competitive exigencies, conduct its affairs in such a way that would build the confidence of its various stakeholders, its Board integrity, 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 consists of five Directors including the Non-Executive Chairman. All these five Directors are Non-Executive Directors out of which three Directors are Independent Directors. The Company did not have any pecuniary relation or transaction with Non-Executive Directors during the year under review.

(b) Board Meetings :

During the year four Board Meetings were held on May 19, 2008, July 30, 2008, October 23, 2008 and January 21, 2009. 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 herein below:

Name of the Director	Category	Attendance Particulars	No. of outside Directorships in Public	No. of Member ship (M)/ Chairmanship held in the Company as at 31-03-09
		Board Meetings AGM	Limited Companies	(C) in other Board Committee/s
Shri Rajesh V. Shah	C. NED	4	Yes	6
Shri Niraj Bajaj	NED	3	Yes	11
Shri Prakash V. Mehta	NED	2	No	10
Shri T. S. Anand	NED	4	Yes	2
Shri N. Ramanathan	NED	3	Yes	—

C: Chairman, NED: Non-Executive Director.

(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

Name of the Director	Shri Niraj Bajaj	Shri T. S. Anand
Date of appointment	27 th July, 1992	27 th June, 2001
Expertise in Specific Functional areas	Providing valuable guidance on matters relating to strategic planning and performance, expansion, diversification, new business.	Coordinating 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) Hind Rectifiers Ltd. 3) RPG Life Sciences Ltd. 4) Bajaj Auto Ltd. 5) Hindustan Housing Co. Ltd.	Nil
Chairman / Member of the Committee of the Board of other Companies in which he is a Director	Chairman: Nil Member : Audit Committee 1) RPG Life Sciences Ltd.	Chairman : Nil Member : Nil

3. Audit Committee :

The Audit Committee consists of Shri Rajesh V. Shah, Shri Prakash V. Mehta, Shri T. S. Anand and Shri N. Ramanathan, all of whom are independent Directors except Shri Rajesh V. Shah. The terms of reference of the Audit Committee specified by the Board are as contained in Clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate and one member is having accounting and related financial management expertise.

During the year under review, the Audit Committee met four times on May 19, 2008, July 30, 2008, October 23, 2008 and January 21, 2009. 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", Shri Raphael Kuriyan, Chief Executive and Shri M. R. Karandikar, Chief of Accounts. Shri 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 herein below:

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

C: Chairman, NED: Non-Executive Director.

4. Remuneration Committee & Policy :

The Company has not constituted a Remuneration Committee. The decision regarding remuneration of the "Manager" under the Companies Act, 1956 are 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 / Audit 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.

Remuneration to Shri K. P. Jotwani "Manager" under the Companies Act, 1956 for the year ended 31st March, 2009.

Particulars	(Rupees)
Salary and allowances	14,32,043
Contribution to Provident Fund and Other Funds	1,49,910
Perquisites (including approx. money value)	2,50,494
TOTAL	18,32,447

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' will be, therefore, disclosed in the year of payment.

Sitting fees paid to the Directors for the year ended 31st March, 2009.

Sr. No.	Name of the Director	(Rupees)
1.	Shri Prakash V. Mehta	16,000
2.	Shri T. S. Anand	32,000
3.	Shri N. Ramanathan	24,000
	TOTAL	72,000

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 19, 2008 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 Registrars 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 Bhavan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 on the following dates and time:

Financial Year	Date	Time
2007-2008	30 th July, 2008	3.30 p.m.
2006-2007	27 th July, 2007	3.30 p.m.
2005-2006	20 th July, 2006	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
2007-2008	30 th July, 2008	Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(24) of the Companies Act, 1956, for a period of three years with effect from 1st June, 2008
2006-2007	27 th July, 2007	Nil
2005-2006	20 th July, 2006	Nil

- (c) There were no Resolutions passed vide Postal Ballot during the year.

7. Disclosures :

There were no transactions of material significance entered into by the Company with its Promoters, Directors or their relatives, 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 and are placed before the Audit Committee. 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 are 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 has overall responsibility towards 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 Directors of the Company.

The Company has also instituted a Code of Conduct for prevention of Insider Trading on 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** 28th July, 2009 at 3:30 p.m.
Kamalnayan Bajaj Hall,
Bajaj Bhawan,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai 400 021.
- c. **Reporting on Financial Calender 2009-2010:**
 - June 30 Last week of July
 - September 30 Last week of October
 - December 31 Last week of January
 - For the year ending March 31 Last week of May
- d. **Dates of Book Closure** 23rd July, 2009 to 28th July, 2009.
(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, 2009 to March 31, 2010 to both the Stock Exchanges where the shares of the Company are listed.
- f. **Stock code**
 1. Bombay Stock Exchange Ltd. (BSE) 532097
 2. The National Stock Exchange Ltd. (NSE) Mukand Engg.
 3. ISIN INE 022B01014

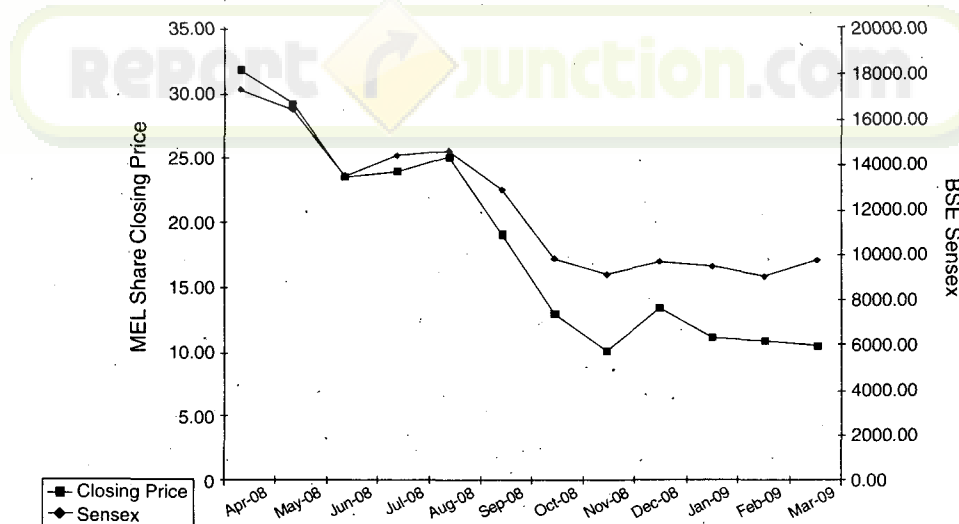
g. Stock Market Data :

(Amount in Rs.)

Month	Bombay Stock Exchange Ltd., Mumbai (BSE)			The National Stock Exchange Ltd. (NSE)		
	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (Nos.)	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (Nos.)
Apr- 08	34.90	28.45	65478	34.95	27.00	135485
May- 08	37.00	26.00	89582	34.95	28.10	74618
June-08	31.25	22.50	54510	33.00	20.00	85654
July- 08	26.00	20.55	56977	26.60	19.00	44058
Aug- 08	26.75	22.30	57584	27.00	22.00	43600
Sep- 08	30.50	17.80	185088	30.85	15.55	135104
Oct- 08	22.00	9.35	88508	21.85	9.15	86682
Nov- 08	14.54	8.80	98768	15.00	8.10	166109
Dec- 08	15.95	9.00	59439	16.30	8.95	71123
Jan- 09	17.30	10.35	68080	15.90	10.00	85823
Feb- 09	12.49	9.75	36427	12.45	9.05	26586
Mar- 09	11.54	8.61	48811	12.15	8.60	79116

Comparative Stock Price Performance:

The Equity share prices of the Company on BSE in comparison with the BSE Sensex is given 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,
Saki Naka, Andheri (East) Mumbai - 400 072.
Tel : (022) 28470652/53
Fax : (022) 28525207
E-Mail : marketing@bigshareonline.com
Website : www.bigshareonline.com

Our Registrar & Transfer Agent M/s Bigshare Services Private Limited recently launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss (www.bigshareonline.com) and help them to serve you better.

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 2008-09 were 4733 shares.

There were no transfers which remained unattended as of 31st March, 2009.

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

j. Investor Services (Complaints received during the year)

Nature of Complaints / Queries	2008-2009		2007-2008	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Interest, Demat & Remat, Change of address and others	113	113	149	149

There were no complaints / queries pending reply as on 31st March, 2009.

k. Distribution of Shareholding as on:

No. of Equity Shares Held	31st March, 2009				31st March, 2008			
	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	21916	80.91	532406	4.23	22166	81.28	540599	4.30
101-200	1974	7.29	346286	2.75	2008	7.36	353621	2.81
201-500	1899	7.01	708545	5.64	1850	6.78	694378	5.52
501-1000	667	2.46	555259	4.42	636	2.33	525849	4.18
1001-5000	489	1.80	1071564	8.52	477	1.75	1082222	8.61
5001-10000	67	0.25	491212	3.91	66	0.24	487467	3.88
10001 & above	75	0.28	8867128	70.53	72	0.26	8888264	70.70
Total	27087	100.00	12572400	100.00	27275	100.00	12572400	100.00

l. Categories of Shareholding as on:

Categories	31st March, 2009				31st March, 2008			
	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	26576	98.11	4197481	33.39	26700	97.89	4006388	31.87
Corporate	408	1.51	2090479	16.62	473	1.73	2276717	18.10
Financial Institutions	5	0.02	1335	0.01	5	0.02	1335	0.01
FIs	1	0.00	65	0.00	1	0.00	65	0.00
NRIs/OCBs	70	0.26	52999	0.42	70	0.26	33094	0.26
Banks	10	0.04	1048	0.01	10	0.04	26033	0.21
Mutual Funds	3	0.01	800	0.01	3	0.01	800	0.01
Trusts	11	0.04	302017	2.40	10	0.04	301792	2.40
Promoters	3	0.01	5926176	47.14	3	0.01	5926176	47.14
Total	27087	100.00	12572400	100.00	27275	100.00	12572400	100.00

m. Dematerialisation of Shares and Liquidity

92.94% of outstanding equity have been dematerialised up to 31st March, 2009. Trading in Equity Shares of the Company on any Stock Exchange is permitted only in the dematerialised form from 24th July, 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 Registrar and Transfer Agent:
Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.

Registered Office of the Company :
Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai - 400 021.
- p. Auditor's 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 Agreement 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 Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2009.

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 Agreement.

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

Venkatesh Subramanian
Partner
Membership no. 37942

MUMBAI : 27th May, 2009