



**MUKAND  
ENGINEERS**

**31<sup>st</sup> Annual Report  
2016-2017**

## 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

Dhawal J. Vora - Company Secretary

## AUDITORS

M/s. K.K. Mankeshwar & 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](mailto:mel@mukand.com)

Website: [www.mukandengineers.com](http://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](mailto:info@bigshareonline.com)

Website: [www.bigshareonline.com](http://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-** Erection and Commissioning of 60MVA, 400kV/11.5kV Station Transformer with 400kV Overhead Conductor Stringing work at KMPCL Power Plant (6x660MW), Nariyara, Chattisgarh for Employer - SEPCO Electric Power Construction Corporation

### ANNUAL GENERAL MEETING

On Monday, 24<sup>th</sup> July, 2017 at 11:30 a.m.  
at Walchand Hirachand Hall, 4th Floor,  
Indian Merchants' Chamber Building,  
IMC Marg, Churchgate, Mumbai 400 020.

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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](mailto:mel@mukand.com)** OR to the Registrar and Transfer Agents of the Company at **[info@bigshareonline.com](mailto:info@bigshareonline.com)** for registration of their e-mail address.

(₹ In Lacs)

## FINANCIAL HIGHLIGHTS

	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
<b>I CAPITAL ACCOUNTS</b>					
A. Share Capital	1258	1258	1258	1258	1258
B. Reserves	3807	3962	4631	4554	4519
C. Net Worth (A+B)	5065	5220	5889	5812	5777
D. Borrowings	6001	4552	3972	4507	4553
E. Gross Block	3122	3092	2971	3149	3136
F. Net Block	726	752	722	993	1065
G. Debt-Equity Ratio (D/C)	1.18:1	0.87:1	0.67:1	0.78:1	0.79:1
<b>II REVENUE ACCOUNTS</b>					
A. Gross Revenue	11860	11203	14136	8850	7811
B. Profit / (Loss) before Taxes (PBT)	(155)	(693)	137	272	532
C. Profit / (Loss) after Taxes (PAT)	(155)	(668)	178	182	362
D. Return on Shareholder's Fund %	(3.06)	(12.80)	3.02	3.13	6.27
<b>III EQUITY SHAREHOLDERS' EARNINGS</b>					
A. Equity Dividend	-	-	-	126	126
B. Earnings per Equity Share (in ₹)	(1.23)	(5.31)	1.41	1.44	2.88
C. Dividend per Equity Share (in ₹)	-	-	-	1.00	1.00
D. Net Worth per Equity Share (in ₹)	40.29	41.53	46.84	46.23	45.95



## NOTICE

TO

THE MEMBERS,

NOTICE is hereby given that the **31<sup>st</sup> ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Monday, the July 24, 2017 at 11:30 a.m. at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020**, to transact the following business:-

### **ORDINARY BUSINESS:**

- To consider and adopt the Audited Annual Financial Statements for the year ended March 31, 2017 and the reports of the Board of Directors and Auditors' thereon.
- To appoint a Director in place of Ms. Anna Usha Abraham (DIN: 07072268), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
- To ratify the re-appointment of M/s. K. K. Mankeshwar & Co., Chartered Accountants (Registration No.106009W), as Statutory Auditors of the Company for the financial year 2017-18 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company.

### **SPECIAL BUSINESS:**

- To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of the Regulation 23 of Securities and Exchange Board of India (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 Companies and hence a related party within the meaning of the aforesaid law, the value of which either singly or taken together may exceed ten percent of the annual turnover of the Company as per Audited Financial Statements for the financial year 2015-16 & 2016-17. The details of which are given in the tabular chart hereunder and explained in further detail in the Explanatory Statement annexed above;

Name of the Company	Description of Contract	Period of Contract	Total cumulative contract value with Related Parties (₹ in Lacs)
Mukand Limited.	Contract Execution - Design, Erection, Commissioning & Transportation.	April 1, 2016 to March 31, 2017.	1,223.00
Mukand Limited and Mukand Global Finance Limited, (a wholly owned subsidiary of Mukand Limited)	Contract Execution - Design, Erection, Commissioning & Transportation, Consultancy Service – PMS, Contract Execution, Maintenance Service - Maintenance of EDP System- Commission on Corporate Guarantee	April 1, 2017 to March 31, 2018.	2210.92
Mukand Limited .	Corporate Guarantee given by Mukand Limited on behalf of the Company for credit facilities	April 1, 2017 to March 31, 2018.	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."

- To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said Act and Rules made there under (including any statutory modification/s, enactment or re-enactment/s thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the Members / Company be and is hereby accorded for re-appointment and varying the terms & conditions of the remuneration being paid to Shri K. P. Jotwani, as the "Manager" as defined under Section 2(53) to the Companies Act, 2013, as set out in the Draft Agreement between the Company and Shri K.P Jotwani with further liberty to the Directors from time to time, to alter and vary the terms and conditions in such manner as may be agreed upon between the Directors and

Shri K.P. Jotwani in the best interests of the Company, subject to the provisions contained in Companies Act, 2013 as amended from time to time.

**RESOLVED FURTHER THAT** Shri K.P Jotwani shall function as a "Manager" within the meaning of Section 2(53) to the Companies Act, 2013 subject to the superintendence, control and direction of the Board of Directors of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing Resolution, the Board of Directors of the Company and/or any Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution."

#### NOTES FOR MEMBERS' ATTENTION:

1. The Explanatory Statement setting out material facts 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, 15<sup>th</sup> July, 2017 to Monday, 24<sup>th</sup> July, 2017** (both days inclusive).
4. As regards the re-appointment of retiring director Ms. Anna Usha Abraham referred to in item No. 2 of the Notice, her brief resumes, as per the requirements of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) and Clause 1.2.5 of Secretarial Standards- 2 on General Meetings, is provided in Details of Directors seeking Appointment/ Reappointment at the Annual General Meeting is annexed herewith as **Annexure I**.
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 their 29<sup>th</sup> Annual General Meeting 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 year 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, 2016 and requisite detailed information was uploaded on the Ministry's website through e-form 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 31<sup>st</sup> March, 2017 and requisite detailed information will be uploaded on the Ministry's website through e-form 'IEPF Form-2' 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 31<sup>st</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 Participant(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 31<sup>st</sup> Annual Report are being sent in the permitted mode. Notice along with proxy form and route map is also available on the Company's website [www.mukandengineers.com](http://www.mukandengineers.com).
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, Members 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. Please note that for security reasons, no article / baggage will be allowed at the venue of the meeting.
15. 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 1:30 p.m. except holidays, upto the date of Annual General Meeting.
16. 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.
17. 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.
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 Obligation and Disclosure Requirements) Regulations, 2015 the Company is offering 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, July 24, 2017 at 11:30 a.m.** with a request to follow the instructions for voting electronically as under:-
 

**A) The instructions for members for voting electronically are as above:-**

  - (i) The voting period begins on **Thursday, July 20, 2017 at 10:00 a.m.(I.S.T) and ends on Sunday, July 23, 2017 at 5:00 p.m. (I.S.T).** 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 July 17, 2017 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 on 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. 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.

- (xx) 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).

#### **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, (including voting through ballot form received from the Members) 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 Resolutions shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on Monday, July 24, 2017.

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

**Dhawal J. Vora  
Company Secretary  
Mumbai, May 24, 2017.**

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) 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 of 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 (LODR 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 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") & Mukand Global Finance Ltd. (a wholly owned subsidiary of Mukand Ltd.) a Group Company and therefore a related party, during the respective 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 & 31<sup>st</sup> March, 2017 :-

Related Parties Transactions where control / significant influence exists:- Financial Year 2016-17				
Sr. No.	Name of Party	Nature of Work	Total ₹ In Lacs	Basis for Pricing
A	Mukand Limited	Contract Execution - Design, Erection, Commissioning & Transportation	1223.00	Bills raised as per contract.
Related Parties Transactions where control / significant influence exists:- Financial Year 2017-18				
<b>A</b>	<b>Operations – Income</b>			
1	Mukand Limited	Contract Execution - Design, Erection, Commissioning & Transportation	1446.00	Bills will be raised as per contract.
2	Mukand Limited	Maintenance Service - Maintenance of EDP System	576.00	Bills will be raised as per contract.
		<b>Total</b>	<b>2022.00</b>	
<b>B.</b>	<b>Operation - Expenses</b>			
1	Mukand Limited	Rent	27.32	Bills will be raised as per Agreement for office space.
2	Mukand Limited	Electricity Charges	37.20	Bills will be raised as per Agreement Electricity consumed
3	Mukand Limited	Bus Service for staff/IT Infrastructure	6.80	Bills will be raised as per Agreement for office staff.
4.	Mukand Limited	Commission charged on Corporate Guarantee @ 1 % p.a.	115.00	Commission charged on Corporate Guarantee given by Mukand Limited on behalf of the Company for Credit facilities
		<b>Total</b>	<b>186.32</b>	
5	Mukand Global Finance Limited (a wholly owned subsidiary of Mukand Limited)	Management Fees – Fixed Deposit System Management	2.60	Bills will be raised as per Contract
		<b>Total</b>	<b>2.60</b>	
<b>C.</b>	<b>Others- Corporate Guarantee</b>			
	Corporate Guarantee given by Mukand Limited on behalf of the Company for Credit facilities		<b>11500.00</b>	Corporate Guarantee given by Mukand Limited to Central Bank of India.

The other particulars of above transactions are as under:

Sr. No.	Particulars	Particulars
a.	Name of the Related Party:	Mukand Limited and Mukand Global Finance Limited ( a wholly owned subsidiary of Mukand Limited).
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 per 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.



Further, the Members of the Company had approved at the 30<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August, 2016 through an Ordinary Resolution that all the 'material' related party transactions (RPT) even though these were entered into in the ordinary course of business on arm's length basis with Mukand Limited ("ML") a Group Company for the Financial Year 2016-17 to the extent of ₹ 900 lacs for Contract execution – Design, erection, Commissioning & transportation. However, due to settlement of outstanding cost escalation claim by Mukand Limited to the extent of ₹ 323 lacs, the 'material' related party transactions (RPT) exceeded to ₹1,223 lacs, for which approval is being sought from the shareholders.

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

In view of the above, it is proposed to seek approval of the Members of the Company through an Ordinary Resolution for the above transactions and in pursuance of regulation 23(7) of the LODR Regulations, 2015, all entities falling under the definition of "Related Party" shall not vote irrespective of whether the entity is a party to the particular transaction or not.

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.

#### **Item No.5 of the Notice**

The Members of the Company had approved the appointment of Shri K. P. Jotwani as "Manager" of the Company under the erstwhile Companies Act, 1956 for a period of 2 (Two) years for the period from 1<sup>st</sup> June, 2011 to 31<sup>st</sup> May, 2013 and had then further re-appointed him for a further period of 2 (Two) years from 1<sup>st</sup> June, 2013 to 31<sup>st</sup> May, 2015 and again further re-appointed him for a further period of 2 (Two) years from 1<sup>st</sup> June, 2015 to 31<sup>st</sup> May, 2017 with liberty to alter/vary the said terms and conditions in conformity with the requirements of Schedule V of the Companies Act, 2013 and Rules made there under or any amendments thereto. The said terms will expire on 1<sup>st</sup> June, 2017.

Therefore, the Members of the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 24<sup>th</sup> May, 2017 subject to the approval of the Members recommended the appointment of Shri K. P. Jotwani, as the "Manager" of the Company effective from 1<sup>st</sup> June, 2017 for a further period of 27 months. Shri K. P. Jotwani was born on 1/6/1943 (aged 73 years) is a B. E. (Mech.) from M. S. University, Baroda. He joined Mukand Limited in the year 1966 as a Management Trainee and has held various positions in Mukand Limited. Prior to joining the Company, he was in charge of Machine Building Division, and was designated as Vice President (Machine Building) of Mukand Limited.

Shri K P Jotwani has been associated with the Company since 1<sup>st</sup> February, 1997 as the Chief Executive of the Company and the Board of Directors at its meeting held on

29<sup>th</sup> June, 1998 had appointed him as the Chief Executive and "Manager" of the Company. He resigned on 28<sup>th</sup> January, 2000 to join Mukand Limited to head its Machine Building Division. Since 1<sup>st</sup> February, 2000, he was on the Board as Director of the Company, and resigned on 31<sup>st</sup> May, 2002.

Shri K P Jotwani "Manager" of the Company will be entrusted with substantial powers of the Management and will perform such functions as may, from time to time be decided by the Board of Directors of the Company.

The draft agreement between the Company and Shri K P Jotwani is available for inspection at the Registered Office of the Company between 10:00 a.m. and 1:30 p.m. on all working days of the Company up to and including the day of the Meeting. Remuneration payable will be subject to the approval by the Members of the Nomination and Remuneration Committee and the Board of Directors of the Company from time to time within the maximum limit as mentioned hereunder. The draft agreement, *inter-alia*, contains the following terms and conditions effective from 1<sup>st</sup> June, 2017

- (a) Period of Agreement: 27 Months w.e.f. 1-6-2017 to 31-8-2019
- (b) Basic Salary: ₹ 90,000/- per month
- (c) House Rent Allowance – 50% of Basic Salary
- (d) Special Allowance: ₹ 45,000/- per month
- (e) Personal Allowance: ₹ 3,20,000/- per month
- (f) Company's contribution to Provident Fund and Superannuation Fund.
- (g) Gratuity at the rate of one month's salary for each completed year of service.
- (h) Leave with full pay as per the Rules of the Company,
- (i) Company will take insurance cover for accident and hospitalization of self and family in India or abroad.
- (j) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place and return therefrom in respect of self and family in accordance with the rules specified by the Company from time to time.
- (k) Free use of Company's car and reimbursement of operating and maintenance expenses including driver.
- (l) Reimbursement of Domiciliary Medical Expenses

The maximum ceiling for item (i) to (l) is ₹ 5,00,000/-per annum.

- Telephone, telefax and other communication facilities at the residence.
- Subject to statutory ceiling/s, the "Manager" may be given any other allowance/s, perquisites, benefits and facilities as the members of Nomination and Remuneration Committee and Board of Directors from time to time may decide.
- Unutilised leave as on 31<sup>st</sup> May, 2017 will be available for use in future / encashment during the period of continuity of service and balance on termination of service.

However, the perquisites mentioned in (f),(g) and (h) shall not be included in the computation of the ceiling on remuneration

specified in relevant Sections of Schedule V of the Companies Act, 2013. In the absence or inadequacy of profits in any financial year, Shri K. P. Jotwani will be paid the above remuneration within the ceiling laid down under Section II of part II of Schedule V of the Companies Act, 2013 shall be doubled if the Resolution passed by the shareholders as a Special Resolution. Therefore, the above resolution is proposed to be passed as a Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives is in any way concerned or interested in the Resolution, except Shri K. P. Jotwani himself.

Pursuant to Section 190 to the Companies Act, 2013, this may be treated as an abstract of the terms and conditions governing the appointment of Shri K. P. Jotwani as the "Manager" of the Company.

Information pursuant to clause (iv) of the provision to Para B of Section II, Part II of Schedule V to the Companies Act, 2013 is furnished hereunder:-

## I. GENERAL INFORMATION:

### (1) Nature of industry

The Company is engaged in the business of execution of projects in core sectors, handling of all areas of construction, erection and commissioning of equipments, project and design engineering, site fabrication work and giving loans and guarantees on behalf of other corporates.

### (2) Commencement of commercial production

The Company has no plants as the Company carries out various jobs at different sites of customers, hence the question of date of commencement of commercial production does not arise.

### (3) Financial performance based on given indicators

The financial performance of the Company as reflected by total income, profit, earnings per share for the financial year ended 31<sup>st</sup> March, 2017 is as under:-

	(₹ in Lacs)
a. Total Income	11,860
b. Loss before tax	(155)
c. Loss after tax	(155)
d. Earnings per share- Re.	(1.23)

### (4) Export performance & Net Foreign Exchange Earnings / Outgo:-

The details of Export Performance, Foreign Exchange Earnings / Outgo are as under:

	(₹ in Lacs)
Export Performance	NA
Foreign Exchange Earnings	NIL
Foreign Exchange Outgo / Expenditure	NIL

### (5) Foreign investments or collaborations. :- Nil

## II. INFORMATION ABOUT THE APPOINTEE:

### (1) Background details

The relevant information is already given in the Explanatory Statement of the Notice.

### (2) Past remuneration

The gross remuneration drawn by the appointee during the past 3 years are as under:

Financial Year	(₹ in Lacs)
2013-2014	36.75
2014-2015	39.65
2015-2016	45.14

### (3) Recognition or awards: - NIL

### (4) Job profile and suitability:-

Shri K P Jotwani is responsible for booking orders from Steel, Aluminium and Power sectors and its execution thereof. Shri K P Jotwani is a Mechanical Engineer of 1965 batch with post Graduation in Industrial Engineering in 1975 from University of Mumbai. He has been with Mukand Limited since February 1966 and has worked through design, marketing, planning and execution. He was responsible for development of non-crane business in Machine Building Division. He executed MMSM Project of VSP from 1986 to 1990 and also BOF Project of Rourkela Steel Plant from 1994 to 1997. Since 1997, he has been the Chief Executive with the Company. During his tenure business has been developed with SAIL, IISCO, NTPC, BHEL and Vedanta. He has experience of more than 47 years in procuring orders and execution thereof in engineering business. He is the link between Execution Group and the Board.

### (5) Remuneration proposed:

As mentioned herein above.

### (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The remuneration proposed takes into consideration nature and size of business operations; the qualifications, experience and contribution of appointee to all-round growth of the Company; present trends and norms observed in the industry for payment of managerial remuneration by companies of comparable size and nature of business.

### (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

He does not have any pecuniary relationship with the Company except for remuneration drawn as "Manager."