



2018-19

33rd ANNUAL REPORT

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.comWebsite: www.mukandengineers.com

CIN: L45200MH1987PLC042378

BANKERS

Central Bank of India

REGISTRAR AND SHARE TRANSFER AGENTS**Bigshare Services Pvt. Ltd.**1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri (E), Mumbai-400059

Tel: (022) 62638200. Fax : (022) 62638299

e-mail : info@bigshareonline.comWebsite : 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-

- 1) Erection, Testing and Commissioning of MV & LV Switchgears (11KV/0.433KV Air Cooled Indoor & Oil Filled Outdoor Transformers Up To 2.5 MVA; 2 MVA DG Sets; 1500 Ah Battery Sets; Tray Work)
- 2) HT & LT Cabling and Earthing

Being executed for Main Plant and Water System at Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd–Harduaganj Thermal Power Project (1x660 MW), Harduaganj, Aligarh, UP through Toshiba JPS.

33rd ANNUAL GENERAL MEETING

On Thursday, 8th August, 2019 at 11:30 a.m.
at Kamalnayan Bajaj Hall, Bajaj Bhawan,
Jamnalal Bajaj Marg, 226, Nariman Point,
Mumbai – 400 021.

CONTENTS**Page No.**

Notice	1
Directors' Report	13
Management Discussion and Analysis	17
Corporate Governance	25
Independent Auditors' Report	43
Balance Sheet	50
Statement of Profit & Loss	51
Cash Flow Statement	52
Notes to the Accounts	55

IMPORTANT COMMUNICATION TO MEMBERS

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

(₹ in lacs)

FINANCIALS AT A GLANCE

	2018-19	2017-18	2016-17	2015-16	2014-15
I CAPITAL ACCOUNTS					
A. Share Capital	1,258	1,258	1,258	1,258	1,258
B. Reserves	441	2,678	4,119	3,962	4,631
C. Net Worth (A+B)	1,699	3,936	5,377	5,220	5,889
D. Borrowings	7,541	5,903	5,584	4,552	3,972
E. Net Block	516	622	744	752	871
F. Debt-Equity Ratio (D/C)	4.44:1	1.50:1	1.04:1	0.87:1	0.67:1
II REVENUE ACCOUNTS					
A. Gross Revenue	5,503	7,935	13,619	11,203	14,136
B. Profit / (Loss) before Taxes (PBT)	(2,263)	(1,109)	(307)	(693)	137
C. Profit / (Loss) after Taxes (PAT)	(2,213)	(1,085)	(260)	(668)	178
D. Return on Shareholders' Fund %	(130.00)	(27.57)	(4.83)	(12.80)	3.02
III EQUITY SHAREHOLDERS' EARNINGS					
A. Equity Dividend	-	-	-	-	-
B. Earnings per Equity Share (in ₹)	(17.61)	(8.63)	(2.07)	(5.31)	1.41
C. Dividend per Equity Share (in ₹)	-	-	-	-	-
D. Net Worth per Equity Share (in ₹)	13.51	31.31	42.77	41.53	46.84

NOTICE

To,
The Members,

NOTICE is hereby given that the **33rd ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Thursday, the 8th day of August, 2019 at 11:30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021**, to transact the following business:-

ORDINARY BUSINESS:

- To consider and adopt the Audited Annual Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon;
- To appoint a Director in place of Shri Rajesh V. Shah (DIN: 00021752) who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- Approval / Ratification of Material Related Party Transactions for F.Y. 2019-20 / F.Y. 2018-19.**

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 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 Members 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) and Mukand Sumi Metal Processing Limited (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 2017-18 & 2018-19. The details of which are given in the tabular chart hereunder and explained in further detail in the Explanatory Statement annexed hereto;

Name of Related Party	Description of Contract	Period of Contract	Total cumulative contract value with Related Parties (₹ in Lacs)
Mukand Limited	Inter Corporate Deposit along with interest.	April 1, 2018 to March 31, 2019	1,457.37
Mukand Ltd and Mukand Global Finance Limited (wholly owned subsidiary of Mukand Limited) and Mukand Sumi Metal Processing Limited. (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- Supplies of Traded Material –Purchase of Cranes & Maintenance, Rent, and Management fees –fixed deposit –SAP up-gradation services – Inter-Corporate Deposit along with Interest thereon, etc	April 1, 2019 to March 31, 2020	8,030.00
Mukand Limited	Corporate Guarantee given by Mukand Limited for credit facilities	April 1, 2019 to March 31, 2020.	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.”

- Continuation of Shri Prakash V. Mehta (DIN:00001366) as an Independent Director.**

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

“RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) and other applicable provisions if any, of the Companies Act, 2013, continuation of Shri Prakash V. Mehta (DIN:00001366)

as a Non-Executive Independent Director of the Company, notwithstanding that he has already attained the age above 75 years, w.e.f. April 1, 2019 till the end of his current tenure, i.e. upto the date of this 33rd Annual General Meeting of the Company, be and is hereby approved and ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which includes a Committee, constituted for the time being in force thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient and any such acts and things done or caused to be done by the Board (which includes a Committee, constituted for the time being in force thereof) prior to this date thereof are hereby ratified, confirmed and approved as the acts and deeds of the Company.”

5. **Continuation of Shri N. Ramanathan (DIN:01566914) as an Independent Director.**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) and other applicable provisions if any, of the Companies Act, 2013, continuation of Shri N. Ramanathan (DIN:01566914) as a Non-Executive Independent Director of the Company, notwithstanding that he has already attained the age above 75 years, w.e.f. April 1, 2019 till the end of his current tenure, i.e. upto the date of this 33rd Annual General Meeting of the Company, be and is hereby approved and ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which includes a Committee, constituted for the time being in force thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient and any such acts and things done or caused to be done by the Board (which includes a Committee, constituted for the time being in force thereof) prior to this date thereof are hereby ratified, confirmed and approved as the acts and deeds of the Company.”

6. **Re-appointment of Shri Prakash V. Mehta (DIN: 00001366) as an Independent Director.**

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

“**RESOLVED THAT** pursuant to provisions of sections 149, 152, and any other applicable provisions of the Companies Act, 2013, (‘the Act’) read with Schedule IV of the Act the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including

any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Prakash V. Mehta (DIN: 00001366), who was appointed as an Independent Director of the Company for a term of five years, i.e. upto 33rd AGM and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years commencing from August 09, 2019 upto August 08, 2024, not liable to retire by rotation, notwithstanding that he has already attained the age above 75 years.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion consider necessary in relation thereto.”

7 **Re-appointment of Shri N. Ramanathan (DIN:01566914) as an Independent Director.**

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

“**RESOLVED THAT** pursuant to provisions of sections 149, 152, and any other applicable provisions of the Companies Act, 2013, (‘the Act’) read with Schedule IV of the Act the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri N. Ramanathan (DIN:01566914), who was appointed as an Independent Director of the Company for a term of five years, i.e. upto 33rd AGM, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years commencing from August 09, 2019 upto August 08, 2024, not liable to retire by rotation, notwithstanding that he has already attained the age above 75 years.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion consider necessary in relation thereto.”

8 **Re-appointment of Shri R. Sankaran (DIN: 00381139) as an Independent Director.**

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

“**RESOLVED THAT** pursuant to provisions of sections 149, 152, and any other applicable provisions of the Companies Act, 2013, (‘the Act’) read with Schedule IV of the Act the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri R. Sankaran (DIN: 00381139), who was appointed as an Independent Director of the Company for a term of five years, i.e. upto 33rd AGM and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years commencing from August 09, 2019 upto August 08, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion consider necessary in relation thereto."

NOTES FOR MEMBERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A person can act as a Proxy on behalf of Members not exceeding Fifty (50) members and holding in aggregate shares not more than 10 percent of the total issued Share Capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total issued share capital of the Company carrying voting rights may appoint a single person as a Proxy and such person shall not act as a Proxy for any other person or shareholder.

Proxies submitted on behalf of Companies must be supported by an appropriate Resolution/Authority, as applicable. Members may please note that a Proxy does not have the rights to speak at the Meeting and can vote only on poll.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
3. The Company's Statutory Auditors, Messrs K.K. Mankeshwar & Co. , Chartered Accountants, registered with the Institute of Chartered Accountants of India vide Registration Number 106009W, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on August 12, 2015 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking

ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of items of Special Business, and as per Regulation 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015 or SEBI Listing Regulations 2015) for item no's 3 to 8 of the Notice is annexed hereto.
5. The Notice of Meeting will also be available on the Company's website www.mukandengineers.com
6. Brief profile of Directors viz. Shri Rajesh V. Shah, Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran as per the requirements of Regulation 26(4) & 36(3) of SEBI LODR Regulations 2015 and paragraph 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in "Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting" annexed herewith as **Annexure I**.
7. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, July 27, 2019 to Thursday, August 8, 2019** (both days inclusive).
8. 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.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to address their query to the Secretary at the Registered Office well in advance so that the same may reach him at least 10 days before the date of the Meeting to enable the Management to keep the required information readily available at the AGM.
10. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
11. 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.
12. 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.

13. 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 Registrars and Share Transfer Agent (RTA) of the Company i.e. Bigshare Services Private Limited. Members are requested to keep the same updated.
 14. (a) Members who have neither received nor encashed their dividend warrant(s) for financial year 2011-12 are requested to write to the Registrars and Share Transfer Agent of the Company mentioning the relevant Folio Number(s)/ DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s). It may be noted that the unclaimed dividend for financial year 2011-12 can be claimed by shareholders by August 30, 2019.
 - (b) Pursuant to the Provisions of Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 13th August, 2018 (the date of the last Annual General Meeting) on the website of the Company **www.mukandengineers.com** and also on the website of the Ministry of Corporate Affairs.
 - (c) The members/claimants whose shares, unclaimed dividend, etc. have been transferred to the IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in). The member/claimant can file only one consolidated claim in a financial year as per IEPF Rules.
 - (d) In terms of section 124(5) of the Companies Act, 2013, dividend amount for the year ended 31st March, 2012, remaining unclaimed for a period of seven years shall become due for transfer in September, 2019 to the IEPF established by the Central Government.
- Further, In terms of section 124(6) of the Act, In case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account. Therefore, the members who have not claimed dividends in respect of financial years from 2011-12 onwards are requested to approach the Company/RTA for claiming the same as early as possible on receipt of this Notice.
15. The Company has designated an exclusive e-mail ID **mel@mukand.com** to enable the investors to post their grievance, if any, and monitor its redressal.

16. Members / Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the Meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
17. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore, members holding shares in physical form are requested to furnish their PAN along with self-attested photocopy of PAN Card to the RTA. Members holding shares in demat form are requested to register the details of their PAN with their DPs.
18. As per the provisions of Section 72 of the Act, the facility for making/varying/cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the Share Department of the Company/Registrar and Share Transfer Agent or from the Website of the Ministry of Corporate Affairs at **www.mca.gov.in**.
19. In terms of Section 101 and 136 of the Act, read together with the Rules made thereunder, the Listed Companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding copies of the above referred documents to all those members who have registered their email ids with their respective DP's or with the RTA by electronic mode.
20. To receive shareholders' communications from the Company through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with the RTA.
21. Documents referred to in the Notice and the Explanatory Statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the AGM.
22. The Company has been maintaining, inter alia, the following statutory registers at its registered office which are open for inspection on working days during business hours subject to advance intimation, in terms of the applicable provisions of the Act by members and others as specified below:
 - i) Register of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013. 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 right to attend the meeting.

- ii) Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013. The said Registers shall be kept open for inspection at the Annual General Meeting of the Company and shall be made accessible to a person having right to attend the meeting.

23. Please note that for security reasons, no article/ baggage will be allowed at the venue of the meeting.
24. Route map showing directions to arrive at venue of the meeting is provided in the Annual Report.
25. For more details on shareholders' matters, please refer to the section on Shareholders' Information, included in the Report on Corporate Governance forming part of the Directors' Report.
26. 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 electronic voting (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 **Thursday, August 8 2019 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 under:-

- (i) The voting period begins on **Sunday, 4th August, 2019 at 9.00 a.m. (I.S.T)** and ends on **Wednesday, 7th August, 2019 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 **27th July, 2019** 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**
Click on Shareholders
- (iii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

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"> 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. 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.
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"> 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 (iii).

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (viii) Click on the EVSN for the relevant **MUKAND ENGINEERS LIMITED** on which you choose to vote.
- (ix) 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.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xiv) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) 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.
- (xvi) 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 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.
 - 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 and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

B) In case of members receiving the physical copy:

- 1) Please follow all steps from sr. no. (i) to sr. no. (xvi) above to cast vote.
- 2) The voting period begins on **Sunday, August 4, 2019 at 9.00 a.m.** (IST) and ends on **Wednesday, August 7, 2019 at 5.00 p.m.** (IST). 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 27 ,2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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 under help section or write an email to 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 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 Rules thereof and Members attending the meeting who have not already cast their votes by remote e- voting shall be able to exercise their right at the meeting.
- Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

D) General instructions:

- i. The Board of Directors has appointed M/s Ragini Chokshi & Co., Practising Company Secretary (CP No.1436) as the Scrutiniser to the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.
- ii. The Scrutiniser shall, immediately after the conclusion of voting at the Annual 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 forty eight hours 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 or a person authorised by him in writing who shall countersign the same and declare the result of the same.
- iii. The results declared along with the Scrutiniser’s Report shall be placed on the Company’s / CDSL website and shall also be communicated to the Stock Exchanges. Subject to the receipt of the requisite number of votes, the resolution shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on Thursday, August 8, 2019.

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

Dhawal J. Vora
Company Secretary
Mumbai, May 20, 2019.

ANNEXURE TO THE NOTICE

Pursuant to Section 102(1) of the Companies Act, 2013 ("Act") Read with SEBI (LODR) Regulations 2015, the following explanatory statement sets out all material facts relating to business mentioned under item numbers 3 to 8 of the accompanying Notice:

Item No. 3

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

However, pursuant to regulation 23 of 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 Limited (a Wholly Owned Subsidiary of Mukand Limited) and Mukand Sumi Metal Processing Limited (Subsidiary of Mukand Limited) a Group Companies and therefore a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, have/ 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 31st March, 2018 & 31st March, 2019;

Related Parties Transactions where control / significant influence exists:- Financial Year 2018-2019				
Sr. No.	Name of Related Party	Nature of Work	Total ₹ In Lacs	Basis for Pricing
1.	Mukand Limited.	ICD along with interest	1,457.37	Interest as per prevailing market rate.
Related Parties Transactions where control / significant influence exists:- Financial Year 2019-2020				
A. Operations – Income				
1	Mukand Limited.	Contract Execution - Design, Erection, Commissioning, Transportation, ERP Services, trading activities etc	4,250.00	As per contract.
		Total	4,250.00	
B. Operations – Expenses				
1	Mukand Limited.	Purchase of Cranes & Maintenance, Rent & Electricity for office space, commission on Corporate Guarantee, reimbursement of expenses , etc	461.00	As per Contract
2	Mukand Global Finance Limited (Wholly Owned Subsidiary of Mukand Limited)	Management Fees – Fixed Deposit System Management	4.00	As per Contract
3	Mukand Sumi Metal Processing Limited. (Subsidiary of Mukand Limited)	Reimbursement of SAP Upgradation Services	2.50	As per Contract
		Total	467.50	
C.	Mukand Limited	ICD along with interest thereon	3312.50	Interest as per the prevailing market rate
D. Others- Corporate Guarantee				
	Corporate Guarantee given by Mukand Limited for availing Credit facilities with Central Bank of India		11,500.00	Corporate Guarantee given by Mukand Limited to Central Bank of India.

The other particulars of above transactions are as under:-

Sr. No.	Details	Particulars
a.	Name of the Related Party:	Mukand Limited, Mukand Global Finance Limited (Wholly Owned Subsidiary of Mukand Limited) and Mukand Sumi Metal Processing Limited (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 N. Ramnathan - Director, Shri Prakash V. Mehta - Director & Shri R. Sankaran - 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 32nd Annual General Meeting held on August 13, 2018 through an Ordinary Resolution that all the 'Material Related Party Transactions' even though these were entered into in the ordinary course of business and on arm's length basis with Mukand Limited ("ML") a Group Company during the Financial Year 2018-19, however due to delay in settlement of major claims by clients, the company had availed additional loan along with interest from Mukand Limited ("ML") a Group Company to the extent of ₹ 1,457.37 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 Listing Regulations, 2015, all entities falling under the definition of "Related Party" shall not vote to approve the relevant transaction 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 3 of the Notice for the approval of the Members.

Item No. 4 and 5

The Members of the Company at the 28th Annual General Meeting held on August 13, 2014, had appointed Shri Prakash V. Mehta and Shri N. Ramanathan, as an Independent Directors of the Company for a period of five consecutive years effective from August 13, 2014 upto August 12, 2019 or upto the date of 33rd AGM whichever is earlier, and therefore their first term expire on the date of this 33rd AGM i.e. August 8, 2019.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which are effective from April, 2019, a person who has attained the age of seventy five years can continue as a Non-Executive Director in a listed Company, provided approval of its members by way of a Special Resolution is obtained. Shri Prakash V. Mehta and Shri N. Ramanathan are above the age of seventy five years.

Special Resolution as set out in business no. 4 to 5 seeks approval of shareholders for continuation of Directorship of Shri Prakash V. Mehta and Shri N. Ramanathan as Independent Director of the Company effective from 1st April, 2019 upto end of the existing term i.e. upto 33rd AGM.

None of the Directors, Manager, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution except Shri Prakash V. Mehta, and Shri N. Ramanathan to the extent of their respective shareholdings, if any, in the Company.

Accordingly, your Directors recommend the resolution mentioned in Item 4 & 5 of the Notice for the approval of the Members.

Item No. 6 to 8

The Members of the Company at the 28th Annual General Meeting held on August 13, 2014, had appointed Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran, as an Independent Directors of the Company for a period of five consecutive years effective from August 13, 2014 upto August 12, 2019 or upto the date of 33rd AGM whichever is earlier, and therefore their first term expire on the date of this 33rd AGM i.e. August 8, 2019.

The Board upon recommendation of the Nomination and Remuneration Committee, based on the skills, rich experience, knowledge, continued valuable guidance of above said Directors to the management and based on the outcome of performance evaluation, has in the Meetings held on May 20, 2019 recommended re-appointment of Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran as Independent Directors of the Company for second consecutive term of 5 years subject to approval of members, pursuant to Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran are persons of high repute, integrity and have vast experience and knowledge in diverse areas. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services.

The Company has received from Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran, i) consent in writing to act as Director, ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013, iii) Intimation confirming their eligibility for such appointment and a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations, 2015 iv) Intimation confirming that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties, and v) Confirmation that they are not debarred to hold the office of Director by SEBI or any other statutory authorities.

In the opinion of the Board, Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R.Sankaran, fulfills the conditions specified in the Act and Listing Regulations, 2015 for their re-appointment as Independent Directors of the Company and are independent of the Management. Copies of the draft letters for their appointment as Independent Directors setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company and will be kept open at venue of AGM till the conclusion of the AGM.

In the opinion of the Board of Directors, Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R.Sankaran, being eligible, approval of members through Special Resolution is sought for their re-appointment as Independent Directors, pursuant to Section 149 and other applicable provisions of the Act and Rules there under and that the said Directors shall not be liable to retire by rotation.

As required under Regulations 26(4) and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Clause 1.2.5 of Secretarial Standards- 2, brief resume and other requisite information of the above said Directors is annexed to and forms a part of this Notice.

None of the Directors, Manager, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution except Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran to the extent of their respective shareholdings, if any, in the Company.

Accordingly, your Directors recommend the resolution mentioned in Item No 6 to 8 of the Notice for the approval of the Members.

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

Dhawal J. Vora
Company Secretary
Mumbai, May 20, 2019.

Registered Office :
Bajaj Bhawan,
Jamnalal Bajaj Marg
226, Nariman Point,
Mumbai- 400021

ANNEXURE- I

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India regarding the Directors proposed to be appointed/re-appointed at the Annual General Meeting

Name of the Director	Shri Rajesh V Shah (Non-Executive, Non Independent Director)	Shri Prakash V. Mehta (Non-Executive, Independent Director)	Shri N. Ramanathan (Non-Executive, Independent Director)	Shri R. Sankaran (Non-Executive, Independent Director)
DIN No	00021752	00001366	01566914	00381139
Date of Birth	October 1, 1951	February 12, 1942	December 29, 1937	September 12, 1949
Age	67 years	77 years	81 years	69 years
Nationality	Indian	Indian	Indian	Indian
Date of first appointment	October 23, 1989	August 19, 1992	May 14, 2007	February 07, 2012
Date of Last Re-appointment	August 8, 2016	August 13, 2014 - an Independent Director for a term of five consecutive years in accordance with the applicable provisions of the Companies Act, 2013	August 13, 2014 - an Independent Director for a term of five consecutive years in accordance with the applicable provisions of the Companies Act, 2013	August 13, 2014 - an Independent Director for a term of five consecutive years in accordance with the applicable provisions of the Companies Act, 2013
Qualification	M.A. in Mathematics from Cambridge University, U.K., Master in Business Administration from University of California at Berkeley, U.S.A., and has completed Programme for Management Development at Harvard Business School, U.S.A.	Graduate from Bombay University, LL.B. and a Solicitor	B. E. (Hons.) from Annamali University and MMS from Madras University	B.E. (Mech) from Madras University & MBA (Finance & Marketing) from IIM, Kolkata
Relationship with other Directors Manager and other Key Managerial Personal of the Company	None	None	None	None
Experience & Expertise in Specific Functional areas	He has extensive business experience in various corporate matter of the Company and successfully lead the various project of the Company. He is responsible for providing strategic planning for affairs of the Company, directions and overseeing the operation of the Company.	He has vast experience in the field of Law and also an expert in Corporate Law, Acquisitions, Joint Ventures and Foreign Collaborations. He is a Member of the Maharashtra & Goa Bar Association and a member of the Managing Committee of the Bombay Incorporated Law Society. He is also a member of the Board of Directors of various other reputed Companies.	He has extensive experience in the field of Marketing, Manufacturing and quality control of precision machinery and heavy duty industrial machines including erection and commissioning	He has extensive experience in the field of management of manufacture, designing, planning and quality control of precision machinery and heavy duty industrial machines including erection and commissioning
Shareholding of Director as on March 31, 2019	34,066	Nil	200	438

Name of the Director	Shri Rajesh V Shah (Non-Executive, Non Independent Director)	Shri Prakash V. Mehta (Non-Executive, Independent Director)	Shri N. Ramanathan (Non-Executive, Independent Director)	Shri R. Sankaran (Non-Executive, Independent Director)
List of Directorship of other Companies as on March 31, 2019.^	Public Companies 1) Mukand Limited* 2) Kalyani Mukand Limited 3) Jeewan Limited 4) Mukand Sumi Metal Processing Limited 5) Mukand Sumi Special Steel Limited Private Companies 1) Akhil Investments & Traders Private Limited 2) Amar Jyoti Agro Private Limited 3) Amivir Agro Co. Private Limited 4) Sunnysdays Agro Co. Private Limited 5) Anant Jeewan Agro Co. Private Limited 6) Rajpriya Agro Co. Private Limited 7) Kulpi Port Holding Private Limited 8) Bengal Port Private Limited 9) Eastern Gateway Terminals Private Limited 10) KVS Energy & Sports Private Limited 11) Jyoti Shah Premises and Investments Private Limited 12) Rajvi Engineering Investments Private Limited 13) Kshitij Holding and Engineering Private Limited	Public Companies 1) Advani Hotels and Resorts (I) Limited* 2) Bharat Bijlee Limited* 3) Oriental Aromatics Limited* 4) Hikal Limited* 5) Mukand Limited* 6) Mukand Sumi Special Steel Limited Private Companies 1) India Safety Vault Private Limited 2) IRIS Investments Private Limited 3) Lotus Shopping Centers Private Limited 4) Pegasus Assets Reconstruction Private Limited 5) Rajasvi Prosperities Holdings Private Limited 6) Tulsidas Khimaji Private Limited	Public Companies Mukand Global Finance Limited	Public Companies 1) Bombay Forgings Limited 2) India Thermal Power Limited 3) Vidyavihar Container Limited 4) Mukand Sumi Metal Processing Limited 5) Mukand Global Finance Limited

Name of the Director	Shri Rajesh V Shah (Non-Executive, Non Independent Director)	Shri Prakash V. Mehta (Non-Executive, Independent Director)	Shri N. Ramanathan (Non-Executive, Independent Director)	Shri R. Sankaran (Non-Executive, Independent Director)
List Membership / Chairmanship of Committees of other Board as on March 31,2019. #	Chairman : Nil Member : A) Audit Committee <ul style="list-style-type: none"> Jeewan Limited 	Chairman : A) Audit Committee <ul style="list-style-type: none"> Advani Hotels and Resorts (I) Limited* B) Stake holders Relationship committee <ul style="list-style-type: none"> Bharat Bijlee Limited* Member : A) Audit Committee <ol style="list-style-type: none"> Bharat Bijlee Limited* Hikal Limited* Mukand Limited* Oriental Aromatics Limited* Advani Hotels and Resorts (I) Limited* B) Stake holders Relationship committee <ol style="list-style-type: none"> Hikal Limited* Bharat Bijlee Limited* 	Chairman : Nil Member : A) Audit Committee <ul style="list-style-type: none"> Mukand Global Finance Limited 	Chairman : Nil Member : A) Audit Committee <ul style="list-style-type: none"> Mukand Global Finance Limited
Number of Meetings of the Board attended during the year	3 out of 5	4 out of 5	5 out of 5	5 out of 5
Details of Remuneration last Drawn – (F.Y 2018-19)	Nil	Sitting Fess : ₹ 1,70,000/-	Sitting Fess : ₹ 2,30,000/-	Sitting Fess : ₹ 2,30,000/-
Terms and Conditions of Appointment	N.A	Re-appointment as an Independent Director of the Company not liable to retire by rotation for a period of five consecutive years commencing from August 9, 2019 to August 8, 2024.	Re-appointment as an Independent Director of the Company not liable to retire by rotation for a period of five consecutive years commencing from August 9, 2019 to August 8, 2024	Re-appointment as an Independent Director of the Company not liable to retire by rotation for a period of five consecutive years commencing from August 9, 2019 to August 8, 2024

*Listed Company

^^ List of Directorship of public and private Companies are considered.

Chairmanship and Membership of Audit Committee and Stakeholder's Relationship Committee are considered.

DIRECTORS' REPORT

TO THE MEMBERS,

1. Your Directors are pleased to present the 33rd Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2019.

2. Financial Results

(₹ in Crores)

Description	Current Year	Previous Year
Revenue from operations and other Income	55.03	79.35
Profit / (Loss) for the year Before Tax	(22.63)	(11.09)
Add / (Less) : Provision for Tax (including Deferred Tax)	(0.50)	(0.24)
Profit / (Loss) After Tax	(22.13)	(10.85)
Other Comprehensive Income	(0.24)	(3.56)
Total Comprehensive Income / (Loss)	(22.37)	(14.41)
Earnings Per Share in ₹	(17.61)	(8.63)

3. Dividend

The Directors do not recommend any dividend on equity shares on account of loss incurred during the financial year ended March 31, 2019.

4. Transfers to Reserves

In view of losses for the year under review, no amount has been transferred to the Reserves.

5. Operations

5.1. General -

The income from operations and other income during the year was at ₹ 55.03 Cr as compared to ₹ 79.35 Cr in the previous year.

5.2 Engineering –

The Revenue from engineering operations during the year was ₹ 47 Cr as against ₹ 70 Cr in previous year. During the year, execution of many projects particularly Electrical Projects of BHEL and NTPC were prolonged as synchronization of power plants were delayed due to reasons attributable to Clients. Further due to delay in completion cost has increased. The Company has lodged claims for cost and time overrun which are under active consideration. As per the policy of the Company, these will be considered for revenue recognition only on acceptance by client.

The Company has also lodged claims for reimbursement of establishment cost. As per the policy of the Company these will be considered only on acceptance by client. The Management expects to close major of the projects during current financial year i.e. F.Y. 2019-2020 and to expedite the escalation claims.

5.3 Infotech -

Revenue from Infotech Segment during the year was ₹ 6.73 Cr as compared to ₹ 5.88 Cr. in the previous year.

6. Fixed Deposits

The Company is authorized to accept Fixed Deposits upto 35% of the aggregate of the paid-up share capital, free reserves and securities premium account in terms of Companies (Acceptance of Deposits) Rules, 2014 only from its Members. Deposits accepted during the year amounted to ₹ 0.15 Crs, re-paid during the year amounted to ₹ 4.23 Crs and matured & unclaimed deposits as at the end of the year were ₹ 0.13 Crs. The Company held ₹13.46 Crs as Fixed Deposit as of March 31, 2019. There has been no default in repayment of deposits or payment of interest thereon during the year. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

7. Statutory Auditor

Pursuant to the provisions of section 139 of the Companies Act, 2013, the Members at the Annual General Meeting of the Company held on August 12, 2015 appointed M/s K.K. Mankeshwar & Co., Chartered Accountants, Mumbai (Firm Registration No. 106009W) as Statutory Auditors of the Company from the conclusion of 29th Annual General Meeting (AGM) till the conclusion of 34th Annual General Meeting, for five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence, the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

8. Corporate Governance Report

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosures Requirement), Regulations 2015 ("Listing Regulations") a report on Corporate Governance **Annexure-IV**, along with Auditor's Certificate regarding compliance of conditions of Corporate Governance and also Management Discussion and Analysis is separately given in this Report as **Annexure-I**.

A Certificate of the "Manager" as per Companies Act, 2013 and Chief Financial Officer of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

9. Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure - II** which forms an integral part of this Report and is also available on the Company's website viz. www.mukandengineers.com.

10. Meetings of the Board and its Committees

During the year under review, 5 (Five) Board Meetings of the Board of Directors of the Company were convened

and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations, 2015. The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

11. Details in respect of frauds reported by auditors under section 143(12) of the Companies Act, 2013

There was no instance of fraud reported during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

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

The Company has framed various policies as per LODR Regulations, 2015 & Companies Act, 2013; viz i) Remuneration ii) Determining material subsidiary iii) Performance evaluation of the Board, Committees and Directors, iv) Materiality of Related Party Transactions, v) Whistle Blower/Vigil Mechanism vi) Archival Policy for disclosure vii) Board diversity and viii) Code of Conduct for Directors are displayed on the website of the Company www.mukandengineers.com. The brief about the policies are given in **Annexure-VI**.

13. Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements forming a part of this Annual Report.

14. Vigil Mechanism / Whistle Blower Policy

The purpose of the policy is to provide a framework to promote responsible and secure Whistle Blowers and to protect Directors/Employees wishing to raise a concern about serious irregularities within the Company. During the year under review, no reporting under Vigil Mechanism was made by any Employee or Director of the Company. The Whistle Blower Policy has been available on the website of the Company at www.mukandengineers.com.

15. Material Subsidiary

Your Company does not have any material subsidiary as per the thresholds laid down under the Listing Regulations, 2015. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations, 2015 as amended from time to time. The Policy was revised effective from April 1, 2019 in line with the amendments made to the Listing Regulations, 2015. The Policy has been uploaded on the Company's website viz www.mukandengineers.com.

16. Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

17. Composite Scheme of Amalgamation

During the year under review, on recommendation of the Audit Committee, the Board of Directors of the Company on July 16, 2018, has considered and approved the Scheme of Amalgamation amongst Adore Traders and Realtors Private Limited ("Adore"), Mukand Global Finance Limited ("MGFL"), Mukand Engineers Limited ("MEL") and Mukand Limited ("Mukand") and their respective Shareholders and Creditors as per the provisions of Section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme, inter alia, provides for amalgamation of Adore with MGFL and then amalgamation of MGFL (post merger of Adore) and MEL with Mukand. The Appointed Date for the amalgamation is April 1, 2019.

Observation Letters with no adverse observations have been received from BSE Limited and National Stock Exchange of India Limited by Mukand and MEL in respect of the scheme. On receipt of observation letter, MEL along with Mukand, MGFL and Adore had filed the Company Scheme Application with National Company Law Tribunal, Mumbai Bench ("NCLT") and the same is pending before NCLT. The Scheme is subject to requisite approvals of respective shareholders, creditors, NCLT and other Statutory or Regulatory authorities as may be applicable.

18. Details of Significant and Material Orders passed by the Regulators or Courts or Tribunal impacting the going concern status and Company Operations in Future

During the year under review, observation Letters with no adverse observations have been received from BSE Limited and National Stock Exchange of India Limited by Mukand and the Company in respect of the scheme. Other approvals and formalities in respect of the aforesaid amalgamation are under process.

19. Other Information

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

19.2 During the year, under review there were no foreign exchange earnings but expenditure in foreign currency incurred amounting to ₹ 3.88 Crores.

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

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

- 19.5 Details relating to remuneration of Key Managerial Personnel (KMP) is available in MGT-9 **Annexure-II**. As per provision of Section 136(1) of the Companies Act, 2013 these particulars will be made available to a shareholder on request.
- 19.6 The paid-up equity share capital as on March 31, 2019 is ₹ 12.58 Cr. During the year under review, the Company has neither issued shares with differential voting rights nor has granted stock options/sweat equity.
- 19.7 There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and upto the date of this report.
- 19.8 The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.
- 19.9 During the year under review, no case was reported to the Committee formed under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 19.10 A Cash Flow Statement for the year 2018-19 is attached to the Balance Sheet.

20. Risk Management

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board & Audit Committee.

21. Directors' Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual accounts for the year ending March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- that the Directors have prepared the annual accounts on a going concern basis;
- that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. Directors and Key Managerial Personnel

(a) Directors retiring by rotation

In accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Rajesh V. Shah (DIN: 00021752), Director of the Company, will retire in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Shri Rajesh V. Shah has been given in the Notice convening the Annual General Meeting.

(b) Independent Directors

Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R.Sankaran were appointed Independent Directors at the 28th Annual General Meeting (AGM) held on August 13, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, there re-appointment for a second term of five years is proposed at the ensuing Annual General Meeting for the approval of the Members by way of Special Resolution.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct & Ethics.

(c) Key Managerial Personnel (KMP)

During the year under review the Company has complied with the provisions of Section 203 of the Companies Act, 2013 and the information of the KMP is available on the website of the Company www.mukandengineers.com. None of the KMPs of the Company has resigned during the year under review.

23. Related Party Transactions

There was no Related Party Transactions (RPT) entered into by the Company during the financial year, which attracted the provisions of section 188 of Companies Act, 2013. However, there was material RPT, which got covered as material RPT's under Regulation 23 of Listing Regulations.

During the financial year 2018-19, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, all RPTs were placed before Audit Committee for its prior / omnibus approval. The requisite disclosure in Form AOC-2 is furnished in **Annexure-III**.

The Related Party Transaction Policy as approved by Board is available on the website of the Company www.mukandengineers.com.

24. Details in respect of Internal Financial Controls with reference to financial statements

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliance, appropriate authorization, reporting and recording of transactions. The scope of the audit activity is broadly guided by the annual audit plan approved by the top management and audit committee. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

25. Familiarisation Programme for Independent Directors

The Company has held familiarization programme for the Independent Directors by way of presentations on various aspects of business and deliberations held on major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 7 of the Listing Regulations, 2015. The particulars of familiarization programme for Independent Director can be accessed through the website of the Company www.mukandengineers.com.

26. Auditor's Report

The report given by the Auditors on the financial statements is a part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their report.

27. Secretarial Auditors and Secretarial Audit Report

The Board has appointed M/s. Ragini Chokshi & Co, (C.P.No 1436) Company Secretaries in whole-time practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2018-19. The report of the Secretarial Auditors is annexed to this Report as **Annexure-V**. The observation of the Secretarial Auditors in their report are self-explanatory and therefore in the opinion of the Director, do not call for any further explanation.

28. Acknowledgement

The Board of Directors thanks the Banks, Central and State Government Authorities, Shareholders, Customers, Suppliers, Employees and Business Associates for their continued co-operation and support to the Company.

On behalf of the Board of Directors

Rajesh V. Shah
Chairman
DIN: 00021752

Mumbai, May 20, 2019.

Management Discussion and Analysis

1 Engineering Construction Division

1.1 Industry Structure and Developments

The Capital Goods industry forms the backbone of the Manufacturing sector as it supplies the industrial machinery required for carrying out the manufacturing activities. It can be said that the capital goods industry has a significant multiplier effect on the overall economic growth as it forms the basic building blocks for a large number of user industries by providing critical inputs, such as machinery and equipment, necessary for manufacturing.

Your company is involved in offering engineering, procurement, construction, and allied services in the areas of capital intensive projects which include feasibility studies, planning, procurement, construction, installation and commissioning of projects across industries such as energy, oil and gas, power, metallurgical, heavy industry sectors.

The target sectors of business of the Company continue to be in power and metallurgical sectors, mainly in the areas of Supply and Installation of equipments for Power Generation Plants & Integrated Steel Plants. The contracts cover erection of Mechanical Plant, Structural Works, Piping Works and Electrical Works. The Company also undertakes Engineering and Project Management jobs for Steel Plants and Electrical works at Power Plants.

1.2 Opportunity and Threats

Opportunity

Growing Economy- There is some movement in expansion of steel plants and improvising power plants.

The Company has an order book of ₹ 90 crores executable mostly in F.Y. 2019-2020 & F.Y. 2020-2021. The emphasis for the coming year is therefore to book fresh orders and to have a healthy order book at the end of the year.

Threats

Delays in project completion because of delays by customers being in the Public Sector.

1.3 Future Outlook

Due to slowdown in the economy & expansion, new capacities were given less priority resulting in delays in new orders in flow and execution. The management perceives that with the economy showing signs of revival in the current fiscal, the capital investments in the economic sectors of interest to the Company can be reasonably expected. The Company has tendered for jobs in Power, Steel, Lime, which are in various stages of finalization. Many Companies in the infrastructures space have closed down in the last two years giving us competitive edge & better pricing now.

1.4 Risk Management

As the contracts undertaken by the Company are generally in the Public Sector and in reputed Private Sector Companies, the risk of payment defaults by the clients is negligible. The Company evaluates project location environment risks while bidding and before accepting contracts. The provision for escalation in cost due to delays in execution of project is considered while quoting tenders. There are also escalation clauses in the major value contracts from Public Sector.

2 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 Internal Auditor whose reports are regularly reviewed by the Management, and guidelines and procedures are formulated and monitored for proper controls.

3 Significant changes in key financial ratios as compared to the previous year

Revenue from Operations is ₹ 5,503 lacs as compared to ₹ 7,935 lacs in the previous year, a drop of 30.64%. Net profit /(loss) margin ratio is at (40.22%) as against (13.68%) for the previous year. Interest coverage ratio is (1.11) as compared to (0.08) in the previous year.

Revenue is down by 31% due to non-availability of workable fronts from client viz. NTPC/BHEL/NMDC. This has correspondingly affected the profit margins and interest coverage ratio.

Current ratio for the year under report is 1.06 as against 1.28 for the previous year. Debt equity ratio stood at 0.42 as compared to 0.38 in the previous year. The Inventory Turnover Ratio is 0.93 as compared to 0.60 in the previous year. This is high due to reduction in Operational Revenue. The Return on Net Worth has declined from (28%) in previous year to (130%) in current year. This is due to higher loss in current year as major of the jobs under execution were delayed beyond the contractual period.

4 Human Resource Management Initiatives

The Company has adequate supervisory and managerial staff for execution of the present orders. Further recruitments shall be considered based on the skill set and volume of work that would arise out of fresh orders. Systematic training in site operational control and management are imparted regularly to ensure efficient execution.

5 Cautionary Statements

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.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on Financial Year ended on 31st March, 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS ;

1	CIN	L45200MH1987PLC042378
2	Registration Date	30 th January, 1987
3	Name of the Company	MUKAND ENGINEERS LIMITED
4	Category/Sub-category of the Company	Public Company / Limited by shares
5	Address of the Registered office & contact details	Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021. Tel: (022) 61216666/6626 Fax: (022) 22886663 E-mail: mel@mukand.com Website: www.mukandengineers.com
6	Whether listed company	Yes (Listed on NSE & BSE)
7	Name, Address & contact details of the Registrar & Share Transfer Agent, if any.	Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri(E), Mumbai-400059 Tel: (022) 62638200. Fax : (022) 62638299 E-Mail : info@bigshareonline.com Website : www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Engineering & Construction	429	87
2	Infotech Services	620	13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 1 st April, 2018				No. of Shares held at the end of the year as on 31 st March, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	556007	0	556007	4.42	521872	0	521872	4.15	-0.27
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6108926	0	6108926	48.59	6108926	0	6108926	48.59	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	6664933	0	6664933	53.01	6630798	0	6630798	52.74	-0.27
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	400	400	0	0	400	400	0	0
b) Banks / FI	465	393	858	0.006	265	393	658	0.01	0
c) Central Govt.	63950	0	63950	0.51	80363	0	80363	0.64	0.13
d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	64415	793	65208	0.51	80628	793	81421	0.65	0.13
2. Non-Institutions									
a) Bodies Corp.	686110	39222	725332	5.77	565139	39166	604305	4.81	-0.96
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3468658	260805	3729463	29.66	3559228	236530	3795758	30.20	0.53
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1104692	0	1104692	8.79	1215091	0	1215091	9.66	0.88
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	143351	284	143635	1.14	132353	284	132637	1.05	-0.09
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	49439	0	49439	0.39	17692	0	17692	0.14	-0.25
Trusts	88948	750	89698	0.71	93948	750	94698	0.75	0.04
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	5541198	301061	5842259	46.47	5583451	276730	5860181	46.61	0.14
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5605613	301854	5907467	46.99	5664079	277523	5941602	47.26	0.27
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12270546	301854	12572400	100.00	12294877	277523	12572400	100.00	0.00

ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 1 st April, 2018			Shareholding at the end of the year as on 31 st March, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	Shares Pledged / encumbered to total shares	
1	Anant Bajaj	2,550	0.02	0	2,550	0.02	0	0.00
2	Bajaj Sevashram Private Ltd	94,800	0.75	0	94,800	0.75	0	0.00
3	Bansri Rajesh Shah	0	0	0	0	0	0	0.00
4	Baroda Industries Private Limited	2,400	0.02	0	2,400	0.02	0	0.00
5	Czaee Suketu Shah	185	0.00	0	185	0.00	0	0.00
6	Jamnalal Sons Private Limited	13,92,245	11.07	0	13,92,245	11.07	0	0.00
7	Jeewan Limited	14,000	0.11	0	14,000	0.11	0	0.00
8	Jyoti Shah	99,043	0.79	0	0	0	0	-0.79
9	Kaustubh Rajesh Shah	0	0	0	0	0	0	0.00
10	Minal Bajaj	19,250	0.15	0	19,250	0.15	0	0.00
11	Mukand Limited	45,39,781	36.11	0	45,39,781	36.11	0	0.00
12	Niraj Bajaj	1,050	0.01	0	1,050	0.01	0	0.00
13	Niraj Bajaj	4,12,700	3.28	0	4,12,700	3.28	0	0.00
14	Niravnayan Bajaj	3,000	0.02	0	3,000	0.02	0	0.00
15	Priyarthika Rajesh Shah	500	0.00	0	500	0.00	0	0.00
16	Rahulkumar Bajaj	12,675	0.10	0	12,675	0.10	0	0.00
17	Rajesh Virendrakumar Shah	1,612	0.01	0	34,066	0.27	0	0.26
18	Shekhar Bajaj	1,200	0.01	0	1,200	0.01	0	0.00
19	Shri Sanjivnayan Bajaj	19	0.00	0	19	0.00	0	0.00
20	Sidya Investments Limited	17,400	0.14	0	17,400	0.14	0	0.00
21	Suketu Viren Shah	158	0.00	0	158	0.00	0	0.00
22	Suman Jain	846	0.01	0	846	0.01	0	0.00
23	Sunaina Kejriwal	19	0.00	0	19	0.00	0	0.00
24	Madhur Bajaj	1,200	0.00	0	1,200	0.00	0	0.00
25	Isarnan Steel And Minerals Pvt. Ltd.	48,300	0.38	0	48,300	0.38	0	0.00
26	Neelakantan Krishnan Iyer*	0	0	0	32454	0.26	0	0.26
TOTAL		66,64,933	53.01	0	66,30,798	52.74	0	-0.27

* As a Trustee of Jadavdevi Suketu Trust

iii) Change in Promoters' Shareholding

Sr No.	Particulars		Shareholding at the beginning of the year (1 st April, 2018) / at the end of the year (31 st March, 2019)		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year		66,64,933	53.01		
1	Late Jyoti Shah					
	10.05.2018	Transmission	(97,363)	(0.77)	65,67,570	52.24
2	Late Jyoti Shah					
	04.06.2018	Transmission	(1,680)	(0.01)	65,65,890	52.23
3	Rajesh Shah					
	15.03.2019	Transmission	32,454	0.26	65,98,344	52.48
4	Neelakantan Krishnan Iyer c/o Jadavdevi Suketu Trust					
	15.03.2019	Transmission	32,454	0.26	66,30,798	52.74
	At the end of the year		66.30.798	52.74		

iv) **Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	SURENDRA BHAICHAND JHAVERI				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	1,87,695	1.49		
2	RAKESH SAJJAN GUPTA				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	1,41,485	1.13		
3	SASI STAR FINANCE PVT. LTD.				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	1,17,676	0.94		
4	JYOTI RAKESH GUPTA				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	73,409	0.58		
5	RUPAN MEHTA				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	62,800	0.50		
6	G S FAMILY TRUST				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	60,098	0.48		
7	PANKAJ KUMAR RANAWAT				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	55,051	0.44		
8	MANISHKUMAR SUMATILAL MEHTA				
	At the beginning of the year 1st April, 2018	51,214			
	Date-wise Increase / (Decrease)				
	06/04/2018 - Sale	250	0.0	50,964	0.41
	25/01/2019 - Sale	50,929	0.41	35	0.00
	At the end of the year 31st March, 2019	35	0.00		
9	KASHMIRA MANISH MEHTA				
	At the beginning of the year 1st April, 2018	0	0.00		
	Date-wise Increase / (Decrease)				
	25/01/2019 - Purchase	50,929	0.41	50,929	0.41
	At the end of the year 31st March, 2019	50,929	0.41		
10	TUSHAR K MEHTA				
	At the beginning and at the end of the year. No change for the year ended 31 st March, 2019.	48,999	0.39		

V. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (1 st April, 2018)		Shareholding at the end of the year (31 st March, 2019)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Rajesh V. Shah – Chairman/Director	1,612	0.013	34,066	0.271
2.	Niraj Bajaj – Director	4,13,750	3.290	4,13,750	3.290
3.	N. Ramanathan – Director	200	0.002	200	0.002
4.	R. Sankaran – Director	438	0.003	438	0.003

(1) Shareholding of all other Directors - NIL.

(2) Shri K. P. Jotwani ('Manager under Companies Act, 2013), Shri Rajan Golatkar (Chief Financial Officer) and Shri Dhawal J. Vora (Company Secretary), Key Managerial Personnel (KMPs) of the Company does not hold any shares in the Company

VI. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	2,996.98	1,620.00	1,753.91	6,370.89
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	16.59	104.47	121.06
Total (i+ii+iii)	2,996.98	1,636.59	1,858.38	6,491.95
Change in Indebtedness during the Financial Year				
* Addition	25.90	2,716.00	15.46	2,757.36
* Reduction	21.11	280.00	422.75	723.86
Net Change	4.79	2,436.00	(407.29)	2,033.50
Indebtedness at the end of the Financial Year				
i) Principal Amount	3,001.77	4,056.00	1,346.62	8,404.39
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	76.25	112.91	189.16
Total (i+ii+iii)	3,001.77	4,132.25	1,459.53	8,593.55

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Name of the Manager
		K. P. Jotwani
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission - as % of profit - others, specify...	Nil
5	Others, please specify	4.47
	Total	51.91
	Ceiling as per the Act	84.00

The Company does not have any Managing Director nor Whole time Director.

B. Remuneration to other Directors;

(₹ in lacs)

Sr.No	Particulars of Remuneration*	Name of Directors			Total Amount
		Prakash V. Mehta	N. Ramanathan	R. Sankaran	
1	Independent Directors				
	Fee for attending Board Meetings	0.80	1.00	1.00	2.80
	Fee for attending Audit Committee Meetings	0.80	1.00	1.00	2.80
	Fee for attending Other Committee Meetings	0.00	0.20	0.20	0.40
	Commission	Nil	Nil	Nil	Nil
	Others – Independent Directors Meeting	0.10	0.10	0.10	0.30
	Total (1)	1.70	2.30	2.30	6.30
2	Other Non-Executive Directors				
	Fee for attending Board Committee Meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (1+2)	1.70	2.30	2.30	6.30
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Companies Act, 2013	-	-	-	-

*No remuneration is paid to any of the Director of the Company . The sitting fees paid to Independent Directors is disclosed above

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ in lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	14.43	16.03	30.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	0.22	0.25	0.47
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- Others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify(PF/SA/Perks)	Nil	2.82	3.74	6.56
	Total	Nil	17.47	20.02	37.49

* The Company does not have CEO

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year, there were no penalties, punishment and compounding of offences under the Companies Act, 2013

On behalf of the Board of Directors

Rajesh V. Shah
Chairman
DIN: 00021752

Mumbai, May 20, 2019

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship:	NIL
(b)	Nature of contracts/arrangements/transactions:	NIL
(c)	Duration of the contracts / arrangements/transactions:	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	Date(s) of approval by the Board:	NIL
(g)	Amount paid as advances, if any:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship:	Mukand Limited , Mukand Global Finance Limited (Wholly Owned Subsidiary of Mukand Limited), Adore Traders & Realtors Private Limited (Wholly Owned Subsidiary of Mukand Global Finance Limited) and Mukand Sumi Metal Processing Limited (subsidiaries of Mukand Limited).
(b)	Nature of contracts/arrangements/transactions:	Contract Execution - Design, Erection, Commissioning & Transportation, Consultancy Service – PMS, Contract Execution, Maintenance Service - Maintenance of EDP System- Commission on Corporate Guarantee-Supplies of Traded Material –Purchase of Cranes & Maintenance, Rent, and Management fess –Fixed Deposit –SAP up-gradation services – ICD along with Interest. Commission on Bank Guarantee.
(c)	Duration of the contracts / arrangements/ transactions:	As per Contract entered into for each transaction.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Arms length basis and credit period as per terms of contracts.
(e)	Date(s) of approval by the Board, if any:	Omnibus Approval and In the first quarter meetings of the Board.
(f)	Amount paid as advances, if any:	Nil

On behalf of the Board of Directors

Rajesh V. Shah
Chairman
(DIN – 00021752)

Mumbai, May 20,2019

CORPORATE GOVERNANCE REPORT

Directors Report - Annexure - IV

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations, 2015 / LODR Regulations, 2015").

1. Company's Philosophy on Code of Corporate Governance:

The Company's philosophy on Corporate Governance practices is built on core values, beliefs, and ethics derived through sustained efforts and commitment to the highest standards of Corporate Conduct. The Company believes sound Corporate Governance is critical for enhancing long-term economic value of the Company and sustainable return to its stakeholders by adopting best corporate practices in a fair and transparent manner. Your Company is in full compliance with the norms and disclosures that have to be made from time to time with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations, 2015" / "LODR Regulations, 2015") as amended.

2. Governance Structure:

The Corporate Governance structure at Mukand Engineers Limited is as follows:

- **Board of Directors :** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- **Committees of the Board :** The Board has constituted the following Committees viz, Audit Committee, Remuneration and Nomination Committee, and the Stakeholders Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

(a) Composition and category of the Board

The Board of Directors of the Company consists of six Directors including the Non-Executive Chairman. All these Six Directors are Non-Executive Directors out of which three Directors are Independent Directors and a Non-Executive Woman Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, 2015 as well as section 149 of the Companies Act, 2013 read with the Rules issued thereunder. The Company did not have any material pecuniary relation or transaction with Non-Executive Directors / Independent Directors during the year under review. The Nomination and Remuneration Committee of the Company has recommended the appointment of Shri Prakash V. Mehta, Shri R. Sankaran and Shri N. Ramanathan as a Independent Directors on May 20, 2019. The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to the Senior Management.

(b) Board Meetings

During the year under review, 5 (five) Board Meetings were held on May 28, 2018, July 16, 2018, August 13, 2018, November 14, 2018 and February 12, 2019. 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 / she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. The attendance at the Board Meetings during the year under review and at the last Annual General Meeting and also number of other Directorships is given herein below:

Name of the Director / DIN	Category ** of Director	Attendance Particulars		Number of positions held in other Public Limited Companies			No of shares held as on 31.03.2019
		Board Meetings	Last AGM held on 13/08/18	Directorships	Committee Memberships (Including as Chairman)	Committee Chairmanships	
Shri Rajesh V. Shah DIN -00021752	C/NED	3/5	Yes	5	1	-	34,066
Shri Niraj Bajaj DIN -00028261	NED	4/5	No	6	1	1	4,13,750
Shri Prakash V. Mehta DIN -00001366	NED/ID	4/5	Yes	7	7	2	Nil
Shri N. Ramanathan DIN -01566914	NED/ID	5/5	Yes	1	1	-	200
Shri R. Sankaran DIN-00381139	NED/ID	5/5	Yes	5	1	-	438
Smt. Anna Usha Abraham DIN-07072268	NED	5/5	Yes	1	-	-	Nil

** C: Chairman, NED: Non-Executive Director, NED ID: Non-Executive Independent Director

Notes :

- Directorships exclude Private Limited Companies and Foreign Companies.
- Included Membership / Chairmanship of Audit Committee and Stakeholder Relationship Committee.
- All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Boards of other Public Limited Companies other than Mukand Engineers Limited.
- As per declarations received, none of the Directors serves as an Independent Director in more than 7 listed Companies.
- None of the Directors holds office as Director including alternate Director, in more than twenty companies at the same time. None of them has Directorship in more than ten Public Companies.
- profiles of each of the above Directors are available on the Company's website www.mukandengineers.com.

Directorship in other listed companies as on March 31, 2019, is tabulated hereunder:

Sr. No.	Name of the Director	List of Directorship held in Other Listed Companies and Category of Directorship
1	Niraj Bajaj	Bajaj Auto Limited - (Non - Executive Director) Mukand Limited - (Executive Director)
2	Rajesh V. Shah	Mukand Limited - (Executive Director)
3	Prakash V. Mehta	Oriental Aromatics Limited - (Independent Director) Hikal Limited - (Independent Director) Bharat Bijlee Limited - (Independent Director) Mukand Limited - (Independent Director) Advani Hotels and Resorts (India) Limited - (Independent Director)
4	R. Sankaran	Nil
5	N. Ramanathan	Nil
6	Anna Usha Abraham	Nil

Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
- Financial and Management skills.
- Technical /Legal/Professional skills and specialized knowledge in relation to Company's business.

Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations, 2015. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.mukandengineers.com.

Number of Independent Directorships

As per Regulation 17A of the Listing Regulations, 2015, Independent Directors of the Company do not serve as Independent Director in more than seven listed Companies. None of the Independent Directors of the Company resigned during the year under review.

(c) Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. In addition to the items which are required to be placed before the Board for its noting and /or approval, information is provided on all the significant items related to the Company. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, 2015. Regular updates provided to the Board of Directors by the Management.

Post Meeting Mechanism

The important decisions taken at the Board / Board Committee Meetings are communicated to the concerned departments.

Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

Roles, Responsibilities and Duties of the Board

The duties of Board of Directors have been enumerated in Listing Regulations, 2015, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

Familiarization Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Director is also explained in detail the Compliance required from him/her under Companies Act, 2013, the Listing Regulations, 2015 and other various statutes and an affirmation is obtained. The Chairman also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The particulars of familiarization programme for Independent Director can be accessed through the website of the Company www.mukandengineers.com.

(d) Orderly succession to Board and Senior Management

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to the Senior Management.

(e) Review of legal compliance reports

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

(f) Maximum tenure of Independent Directors:

The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and regulation 25(7) of SEBI LODR, 2015.

(g) Formal Letter of Appointment to Independent Directors:

The Company issues a formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are placed on the Company's website www.mukandengineers.com.

(h) Re-appointment of Directors

i) Director liable to retire by rotation

Shri Rajesh V. Shah, Non Executive Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

ii) Independent Directors

Shri Prakash V Mehta, Shri R. Sankaran and Shri N. Ramanathan who are retiring due to expiry of first term, being eligible offer themselves for re-appointment for the second term of five consecutive years commencing from August 09, 2019 upto August 8, 2024.

Board has recommended for the re-appointment of aforesaid Directors. Brief profile and other particulars of aforesaid Directors seeking appointment / re-appointment at the forthcoming 33rd Annual General Meeting in pursuance of regulation 36(3) of the SEBI LODR, 2015 are annexed to the Notice convening Annual General Meeting, which forms part of the Annual Report.

GOVERNANCE CODES

Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the Members of Senior Management Team (one level below the Board of Directors) of the Company are required to affirm annually Compliance of this Code. A declaration signed by the Chairman of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the website of the Company www.mukandengineers.com.

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

Insider Trading Code

The Company has adopted revised Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations) in its meeting held on February 12, 2019. The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website www.mukandengineers.com. The Company has also formulated "Policy on Inquiry" in case of leak of UPSI.

3. Committees of the Board:

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has three Board Level Committees:

- A) Audit Committee,
- B) Nomination and Remuneration Committee and
- C) Stakeholders 'Relationship Committee.

3(A) Audit Committee:

The Audit Committee consists of Shri Rajesh V. Shah, Shri Prakash V. Mehta (Chairman of Audit Committee), Shri N. Ramanathan and Shri R. Sankaran as Members, all of whom are Independent Directors except Shri Rajesh V. Shah. There was no change in the composition of the Committee during the year.

Terms of reference of the Audit Committee have been reviewed and revised by the Board at its meeting held on February 12, 2019. Brief description of the terms of reference of the Audit Committee, inter-alia are as follow:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any Related Party Transactions.
 - g) Qualifications in the draft Audit Report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval including the financial statements, in particular, the investments made by unlisted subsidiary(ies);
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. To review Management Discussion and Analysis of financial condition and results of operations;
21. To review and approve Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
22. To review Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
23. To review Internal Audit Reports relating to internal control weaknesses;
24. To review the appointment, removal and terms of remuneration of the Chief Internal Auditor / Internal Auditors;
25. To review statement of deviations, if any:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations, 2015.
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations, 2015.
26. To review compliance with the provisions of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

All Members of the Audit Committee are Independent, Non- Executive Directors except Shri Rajesh V. Shah and are 'financially literate' as required under the provisions of the Companies Act, 2013 and regulation 18(1) (c) of the SEBI Listing Regulations, 2015. Moreover, the Chairman and Members of the Audit Committee has 'accounting or related financial management expertise'.

During the year under review, the Audit Committee met 5 (five) times on May 28, 2018, July 16, 2018, August 13, 2018, November 14, 2018 and February 12, 2019. The requisite quorum was present at all the Meetings. The maximum gap between two Meetings was not more than 120 days. These meetings were also attended by the Statutory Auditors, Internal Auditors, Shri Niraj Bajaj, Director, Ms Anna Usha Abraham, Director, Shri K.P. Jotwani, "Manager" and Shri R. G. Golatkar, Chief Financial Officer as invitees whenever required. Shri Dhawal J. Vora, Company Secretary acts as Secretary to the Audit Committee as required by Regulation 18(1) (e) of the SEBI (LODR) Regulation, 2015.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Statements as required by the Regulation 33 of the Listing Regulations, 2015. The Company's quarterly Un-audited Financial Statements are made available on the website www.mukandengineers.com.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's Financial Statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls. The Audit Committee reviews and ensures committee with the applicable Accounting Standards as per section 133 of the Companies Act, 2013 along with the review of the Annual Financial Statements.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company, to answer shareholders' queries.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2018-19 is detailed below;

Name of the Member	Category**	Number of Meetings held during F.Y. 2018-19	Number of Meetings Attended
Shri Prakash V. Mehta	C/ID/ NED	5	4
Shri Rajesh V. Shah	NED	5	3
Shri N. Ramanathan	ID/ NED	5	5
Shri R. Sankaran	ID / NED	5	5

**C: Chairman, NED: Non-Executive Director, ID- Independent Director.

3(B) Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee consisting of Shri R. Sankaran (Chairman of Nomination and Remuneration Committee), Shri N. Ramanathan and Shri Rajesh V. Shah as Members, all of whom are Independent Directors except Shri Rajesh V. Shah. The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015. During the year under review, the Nomination and Remuneration Committee met on February 12, 2019. There was no change in composition of the committee during the year under review.

The requisite quorum was present at the Meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the Meetings held and attended by the Members of the Committee during the financial year 2018-19 is detailed below:

Name of the Member	Category**	Number of Meetings held during F.Y. 2018-19	Number of Meetings Attended
Shri R. Sankaran	C/ID/ NED	1	1
Shri Rajesh V. Shah	NED	1	0
Shri N. Ramanathan	ID / NED	1	1

**C: Chairman, NED: Non-Executive Director, ID- Independent Director

The decision regarding remuneration of the "Manager" under the Companies Act, 2013 and of the Key Managerial Personnel is recommended by the Committee to the Board subject to such other approvals, if any. The Company does not pay any remuneration to the Non-Executive Directors except payment of sitting fees for attending the Board / Other Committee Meetings etc. details of which are given below. However, Shri Rajesh V. Shah, Chairman, Shri Niraj Bajaj, Director and Smt. Anna Usha Abraham, Director of the Company have waived their sitting fees.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) has been reviewed by the Board of Directors at its meeting held on February 12, 2019, which covers the areas mentioned in Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations, 2015. Brief description of the terms of reference of the NRC, inter-alia are as follows:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual Directors to be carried out by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
3. To take into account financial position of the Company, trend in the industry, appointees qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders while approving the remuneration payable to Managing Director, Whole Time Director or Manager.
4. To lay down / formulate the evaluation criteria for performance evaluation of Independent Directors & the Board.
5. To devise a policy on Board diversity.
6. To recommend to board, whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
7. To review and approve the remuneration and change in remuneration payable to Whole-Time Directors.
8. To recommend to Board, all remuneration payable to senior management (i.e. members of the core management team, i.e. members one level below the Chief Executive Officer/Managing Director/ Whole Time Director and shall specifically include Company Secretary and Chief Financial Officer).

Sitting fees (Gross) paid to the Directors for the year ended March 31, 2019 is as under:

Sr. No.	Name of the Director	Amount (₹ in Lacs)
1.	Shri Prakash V. Mehta	1.70
2.	Shri N. Ramanathan	2.30
3.	Shri R. Sankaran	2.30
TOTAL		6.30

Remuneration paid to following Key Managerial Personnel's (KMPs) for the year ended March 31, 2019.

(₹ in Lacs)

Name	Shri K. P. Jotwani	Shri Rajan Golatkar	Shri Dhawal J. Vora
Designation	'Manager' under Companies Act, 2013	Chief Financial Officer	Company Secretary
Salary and allowances	50.57	18.23	15.95
Contribution to Provident Fund and Other Funds	1.02	1.54	1.30
Perquisites (including approx. money value)	0.32	0.25	0.22
TOTAL	51.91	20.02	17.47

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.

The Company does not have a stock options scheme for its Directors/ Employees.

Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a Remuneration Policy providing (a) criteria for determining qualifications, positive attributes and independence of Directors, and (b) a policy on remuneration for Directors, Key Managerial Personnel and other Employees. The same is placed on the website of the Company www.mukandengineers.com.

3(C) Stakeholders' Relationship Committee:

Stakeholders Relationship Committee consists of Shri R. Sankaran as the Chairman, Shri Rajesh V. Shah and Shri N. Ramanathan as Members, all of whom are Independent Directors except Shri Rajesh V. Shah, Shri Dhawal J. Vora is the Compliance Officer for complying with the requirements of Securities Law and also acts as Secretary to the Committee. There was no change in the composition of the Committee during the year under review.

The meeting of the said Committee was held on May 28, 2018 which was attended by all the Members.

There were no major complaints from the stakeholders during the year under review.

Terms of Reference:

The term of reference of the Stakeholders Relationship Committee has been reviewed by the Board of Directors at its meeting held on February 12, 2019 and brief description of the terms of reference of the Stakeholders Relationship Committee inter-alia is as follows:

- I. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, etc.
- II. Review of measures taken for effective exercise of voting rights by shareholders.
- III. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- IV. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Investor Services (Complaints received during the Financial Year)

Nature of Complaints / Queries	2018-2019		2017-2018	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Demat & Remat, Change of address and others	264	264	213	213

There were no complaints / queries pending reply as on March 31, 2019.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Bigshare Services Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Committee of Directors (Stakeholders Relationship Committee) Meetings are circulated to the Board and noted by the Board of Directors.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

4. Evaluation of Board's Performance:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees constituted as required by the provisions of the Companies Act, 2013 and Listing Regulations.

6. Annual General Meetings:
(a) The last three Annual General Meetings were held on the following dates, time and venue:

Financial Year	Date	Time	Venue
2017-2018	August 13, 2018	11.30 a.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.
2016-2017	July 24, 2017	11.30 a.m.	Walchand Hirachand Hall, 4 th Floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.
2015-2016	August 08, 2016	11.30 a.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.

(b) The details of the Special Resolutions passed in the Annual General Meetings held in the previous three (3) years are given below:

Financial Year	Date of Annual General Meeting	Details of Special Resolution Passed
2017-2018	August 13, 2018	Nil
2016-2017	July 24, 2017	Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(53) of the Companies Act, 2013, for a further period of twenty seven Month with effect from 1 st June, 2017.
2015-2016	August 08, 2016	Approval of Related Party Transactions pursuant to the provisions of the Regulation 23 of SEBI(Listing Obligation and Disclosure Requirement) Regulation, 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.

(c) Postal Ballot:

There were no resolutions passed through Postal Ballot during the financial year 2018-2019.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Directors being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process. During the year under review, the Independent Directors met on February 12, 2019 and all the Independent Directors were present at this Meeting.

5. Board Diversity Policy:

In compliance with the provisions of the SEBI Listing Regulations, 2015, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board comprises adequate number of Members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present meets with the above objective. The same is placed on the website of the Company www.mukandengineers.com.

7. Related Party Transactions:

There were no materially significant Related Party Transactions made by the Company with its Promoters, Directors or their Relatives during the year, which may have potential conflict with the interest of the Company at large. The committee granted omnibus approval for the repetitive Related Party Transactions proposed to be entered into by the Company. On a periodic basis, the Audit Committee reviewed and approved Related Party Transactions. The details of transactions with related parties are disclosed in the financial statements. As required under Regulation 23(1) of the Listing Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.mukandengineers.com.

8. Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

9. Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, 2015, the Company has formulated Whistle Blower Policy for Vigil Mechanism of Directors and Employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website www.mukandengineers.com.

10. Other Disclosures:

- (a) The Company has complied with the requirements of specified in Regulations 17 to 27 and clause (b) to (i) of Sub Regulations (2) of Regulation 46 of the Listing Regulations, 2015, SEBI and other Statutory Authorities on all the matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities relating to the above.
- (b) 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.
- (c) 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.

- (d) All Directors and Senior Management personnel have affirmed compliance with the code of conduct for financial year 2018-19 as required under regulation 26(3) of Listing Regulations, 2015. A declaration to this effect signed by the Chairman is given in this Annual Report.
- (e) The Policy on determining "Material" Subsidiaries terms of provisions of Listing Regulations, 2015 is uploaded on the website of the Company www.mukandengineers.com.
- (f) Disclosure as required by item 10(f) of Part C of Schedule V of the SEBI (LODR) Regulations 2015 with respect to demat suspense account/unclaimed suspense account is not applicable to the Company.
- (g) 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 Personnel as required by SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. Further, the other policies / rules framed by the Company as required under Companies Act, 2013 and Listing Regulations, 2015 are also available of the website of the Company www.mukandengineers.com.
- (h) Business risk evaluation by the management is an ongoing process within the Company. The assessment is periodically examined by the Board.
- (i) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).- Not Applicable
- (j) Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.- Not Applicable
- (k) **Mandatory Requirements**
The Company has fully adopted the mandatory requirements of all the Regulations of SEBI LODR, 2015.

(l) Non-Mandatory Requirements

• Shareholders' rights:

Company has not adopted the practice of sending out half – yearly declaration of Financial performance to shareholders Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

• Audit Qualifications:

There are no modified opinions in Audit Report.

• Reporting of Internal Auditor:

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

11. Means of Communication:

The quarterly Un-Audited and yearly Audited Financial results are published in English and regional language newspapers. The Financial Results, Shareholding Pattern and other Corporate Communication to Stock Exchanges are filed in compliance with Regulation 30 of SEBI (LODR) Regulations, 2015 and also available on the website of the Company www.mukandengineers.com. Likewise, the said information is also filed electronically with NSE through NEAPS portal. The Company has complied with filing submissions through BSE's Online Portal. 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 where the Company's shares are listed. No Presentations was made to Institutional Investors or to the analysts.

12. Details of fees paid to Statutory Auditors:

During the year, total fees for all services paid by the Company to the Statutory Auditors M/s. K.K. Mankeshwar & Co. and all entities in the network firm/network entity of which the Statutory Auditor is a part is as under:

(₹ in Lacs)

Particulars	Paid by the Company
Auditors Remuneration	F.Y. 2018-19
- As Auditors	7.20
- For other services	3.80
Total	11.00

13. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the financial year 2018-19, no sexual harassment complaints were filed or pending for disposal with Company.

14. Certificate from Practising Company Secretary regarding non disqualification of Directors:

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority from being appointed or continuing as Directors of Companies. Mrs. Ragini Chokshi of M/s. Ragini Chokshi & Associates, Practicing Company Secretary, Mumbai, has submitted a certificate to this effect and same is attached to this Report.

15. Cost Audit:

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013, cost records and Cost Audit is not applicable to the Company.

16. General Information for Shareholders:

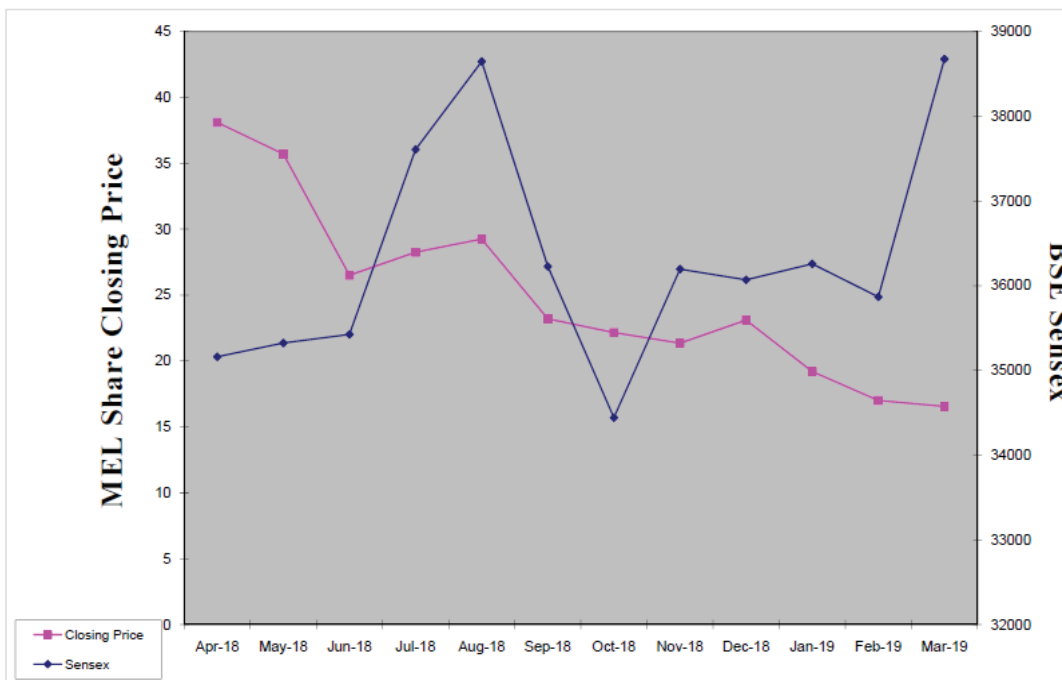
a.	Registered Office	Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021.
b.	Date, Time and Venue of Annual General Meeting	Thursday, 8 th August, 2019 at 11.30 a.m. Kamalnayan Bajaj Hall, Bajaj Bhawan, 226, Jamnalal Bajaj Marg, Nariman, Point, Mumbai -400021.
c.	Financial Year	1 st April to 31 st March
Reporting in the Financial Calendar 2019-2020:		
i.	Approval of audited annual results for the year ending 31 st March, 2019	20 th May, 2019
ii.	Annual General Meeting	8 th August, 2019
iii.	Unaudited first quarter financial results	August, 2019
iv.	Unaudited second quarter financial results	November, 2019
v.	Unaudited third quarter financial results	February, 2020
vi.	Approval of audited annual results for the year ending 31 st March, 2020	May, 2020
d.	Dates of Book Closure	27 th July, 2019 to 8 th August, 2019. (Both days inclusive)
e.	Listing Details	Listing fees payable to BSE & NSE have been paid in full.
f.	Stock code	
1.	BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai – 400 001.	532097
2.	National Stock Exchange of India Limited(NSE) Exchange Plaza, 5 th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	MUKANDENG
3.	ISIN	INE 022B01014
4.	Corporate Identity Number (CIN)	L45200MH1987PLC042378

g. Stock Market Data

Month	Bombay Stock Exchange Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	High Price	Low Price	High Price	Low Price
Apr-2018	43.90	36.20	43.60	36.10
May-2018	40.15	34.00	39.00	34.10
June-2018	35.00	25.10	35.00	24.35
July-2018	31.00	24.10	30.70	24.00
Aug-2018	32.95	26.70	33.00	26.65
Sep-2018	29.80	23.00	30.90	22.50
Oct-2018	26.95	20.10	27.70	20.25
Nov-2018	25.25	21.30	25.95	21.00
Dec-2018	28.40	19.65	28.75	19.50
Jan-2019	23.85	18.65	24.00	18.45
Feb-2019	20.00	13.65	19.65	13.80
Mar-2019	20.90	16.25	21.80	16.35

Comparative Stock Price Performance:

The Equity share prices of the Company on Bombay Stock Exchange in comparison with the Bombay Stock Exchange Sensex for the period from **1st April, 2018 to 31st March, 2019** are given in the following graph:



h. Registrar and Share Transfer Agents

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

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri(E), Mumbai-400059
Tel: (022) 62638200. Fax : (022) 62638299
E-Mail : info@bigshareonline.com
Website : www.bigshareonline.com

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

i. Unclaimed Dividend / Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Companies Act, 2013. The details of unclaimed/unpaid dividend are available on Company's website viz. www.mukandengineers.com.

j. Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF requesting them, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPF.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

k. Details of Unclaimed Dividend as on March 31, 2019 and due dates for transfer are as follows:

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (₹)	Due Date for transfer to IEPF Account
1.	2011-12	August 13, 2012	1,97,441	September 18, 2019
2.	2012-13	August 13, 2013	1,90,927	September 18, 2020
3.	2013-14	August 13, 2014	2,14,118	September 18, 2021
4.	2014-15	No Dividend Declared	N.A.	N.A.
5.	2015-16	No Dividend Declared	N.A.	N.A.
6.	2016-17	No Dividend Declared	N.A.	N.A.
7.	2017-18	No Dividend Declared	N.A.	N.A.

l. Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

m. Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

n. Share Transfer System

During the year under review, the Company has followed the guidelines issued by SEBI for dematerialization of shares sent for transfer by the investors. Total number of shares transferred in physical category (non-dematerialized) during 2018-2019 was 553 shares versus 2,954 shares during 2017-18. There were no transfers which remained unattended as of March 31, 2019. The Board in their respective Board Meetings duly takes note of the transfers.

o. Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

p. Distribution of Shareholding as on:

No. of Equity shares held	31 st March, 2019				31 st March, 2018			
	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
1-500	18,452	92.15	13,10,705	10.43	19,554	92.70	13,72,230	10.91
501-1000	774	3.87	6,46,776	5.14	764	3.62	6,43,931	5.12
1001-2000	369	1.84	5,81,959	4.63	366	1.73	5,72,211	4.56
2001-3000	137	0.68	3,48,486	2.77	121	0.57	3,07,670	2.45
3001-4000	68	0.34	2,44,510	1.94	69	0.33	2,46,486	1.96
4001 – 5000	55	0.28	2,61,794	2.08	56	0.27	2,66,991	2.12
5001-10000	97	0.48	6,85,214	5.45	97	0.46	6,95,841	5.53
10001-above	72	0.36	84,92,956	67.56	68	0.32	84,67,040	67.35
Total	20,024	100.00	1,25,72,400	100.00	21,095	100.00	1,25,72,400	100.00

q. Categories of Shareholding as on:

Categories of Shareholder	31 st March, 2019				31 st March, 2018			
	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	19,651	98.14	50,28,541	40.00	20,699	98.12	48,83,594	38.84
Corporate	202	1.01	6,04,305	4.81	226	1.07	7,25,332	5.77
(IEPF) Central Government	1	0.01	80,363	0.64	1	0.01	63,950	0.51
Financial Institutions	2	0.01	70	0.00	2	0.01	70	0.01
FIs	0	0	0	0	0	0	0	0
NRIs/OCBs	122	0.60	1,32,637	1.06	121	0.57	1,43,635	1.14
Banks	6	0.03	588	0.00	6	0.03	788	0.01
Mutual Funds	1	0.01	400	0.00	1	0.01	400	0.00
Trusts	12	0.06	94,698	0.75	11	0.05	89,698	0.71
Promoters	27	0.13	66,30,798	52.74	28	0.13	66,64,933	53.01
Total	20,024	100.00	1,25,72,400	100.00	21,095	100.00	1,25,72,400	100.00

r. Dematerialisation of Shares and Liquidity	97.79 % of outstanding equity shares have been dematerialised upto March 31, 2019. 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.
s. Outstanding GDRs/ADRs/Warrants/ Convertible instruments and their impact on equity	Your Company does not have any outstanding GDRs/ADRs/ Warrants/ Convertible Instruments as on March 31, 2019.
t. Commodity price risk and hedging activities.	The Company is exposed to the risk of price fluctuations of Stores and Spares. The Company proactively manages these risks through inventory management and proactive vendor development practices The Company does not indulge in commodity hedging activities.
u. Plant Locations	The Company has no plants but carries out jobs at various sites of customers.

v. Investor Correspondence	For any queries, investors are requested to get in touch with the Company's Registrar and Share Transfer Agents: Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059. or Registered Office of the Company: Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai-400021.
w. Credit Rating assigned by M/s Brickwork Rating India Private Limited vide their letter dated April 4, 2019.	Fixed Deposit from Shareholders – BWR FB+ (Outlook – Credit watch with developing implication) Cash Credit from Central Bank of India – BWR B+ (Outlook – Credit watch with developing implication) BG /L.C facilities from Central Bank of India – A4
x. 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 LODR Regulations, 2015 with Stock Exchanges. This is annexed to the Directors' Report.

On behalf of the Board of Directors

Rajesh V. Shah
Chairman
DIN: 00021752

Mumbai, May 20, 2019

DECLARATION

Code of Conduct Certificate

This is to confirm that for the Financial Year 2018-19 all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as laid down by the Company.

On behalf of the Board of Directors

Rajesh V. Shah
Chairman
DIN - 00021752

Mumbai, May 20, 2019

Certificate by 'Manager' and Chief Financial Officer under the Companies Act, 2013 (Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We, the undersigned, in our respective capacities as Manager (under the Companies Act, 2013 and Chief Financial Officer of **Mukand Engineers Limited** ("the Company"), to the best of our knowledge and belief certify that ;

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2019 and that to the best of knowledge and belief, we state that:
 - 1) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Statutory Auditors and Audit Committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K. P. Jotwani
Manager
Mumbai, May 20, 2019

R. G. Golatkar
Chief Financial Officer

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Mukand Engineers Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 27th April, 2018.
2. We have examined the compliance of conditions of Corporate Governance by Mukand Engineers Limited ('the Company'), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

3. Management's Responsibility

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

4. Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the 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.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)-1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of our information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

GIRISH M. PATHAK
Partner
Membership No. 102016
For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN- 106009W
Mumbai, May 20, 2019

SECRETARIAL AUDIT REPORT

Form No. MR – 3

Secretarial Audit Report

For the Financial Year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

MUKAND ENGINEERS LIMITED

Bajaj Bhawan, 3rd Floor,
226 Nariman Point,
Mumbai-400 021.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MUKAND ENGINEERS LIMITED (CIN: L45200MH1987PLC042378)** (hereinafter called the Company) for the year ended on March 31, 2019. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;

Directors Report- Annexure-V

- d. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **(Not applicable to the Company during the Audit Period)**;
 - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998; **(Not applicable to the Company during the Audit Period)**;
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Industries (Development & Regulation) Act, 1951;
2. Labour Laws and other incidental laws;
3. Environment Protection Act, 1986 and other Environmental Laws;
4. Employees State Insurance Act, 1948;
5. Bombay Stamp Act, 1958;
6. Indian Contract Act, 1872;
7. Minimum Wages Act, 1948;
8. Negotiable Instruments Act, 1881;
9. The Trade Marks Act 1999;
10. The Legal metrology Act, 2009;
11. Acts as prescribed under Shop and Establishments act of various local authorities.

We have also examined compliance with applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulation 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

As per Clarification sought by NSE dated April 03, 2019 and as per Para A of Schedule III read with Regulation 30 Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulation 2015, the revision in credit rating was not submitted to stock exchange within prescribed time limit through oversight.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following

1. Board of Directors has approved the scheme of Amalgamation of Company with Mukand Limited by requisite Majority in a Board Meeting held on July 16, 2018.
2. Approval of revised Scheme of Amalgamation by Board of Directors in their meetings held on November 14, 2018 and February 12, 2019.
3. Company has filed an application for Amalgamation of Company with Mukand Limited before NCLT, Mumbai bench on January 25, 2019.
4. NCLT, Mumbai bench has passed an order dated February 06, 2019 against petition no 3988, in respect of full and final settlement of claims filled by Racon Industries against the company as per the consent terms signed by both the parties.

**For Ragini Chokshi & Co.
(Company Secretaries)**

**Ragini Chokshi
(Partner)
C.P.NO. 1436
FCS NO. 2390**

Mumbai, May 15, 2019

**Certificate on Compliance under clause 10 (i) of para C of Schedule V of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members of

MUKAND ENGINEERS LIMITED

In terms of clause 10 (i) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority.

**For Ragini Chokshi & Co.
(Company Secretaries)**

**Ragini Chokshi
(Partner)
C.P.NO. 1436
FCS NO. 2390**

Mumbai, May 15, 2019

Company's Policies

Brief description of Company's policies on I) Directors Appointment and Remuneration, determining criteria for qualification independence, II) Remuneration for Directors and Key Managerial Personnel, III) Performance Evaluation of the Board, Committees and Directors, IV) Materiality of Related Party transactions, V) Risk Management, VI) for Determining Material Subsidiaries and VII) Whistle Blower/Vigil Mechanism.

I) Policy on Directors appointment and Remuneration, determining criteria for qualification/independence, etc.

- i) The 'Policy on the Board Diversity' is formulated by the Nomination & Remuneration Committee of the Board of Directors of the Company,
- ii) The Committee, while recommending the appointment of Directors, is required to keep in view that the persons being recommended are persons of eminence having diverse experience and skills in areas such as profession, business, industry, finance, law, administration, research etc., add value to the strategic needs of the Company and serve the governance.
- iii) Independence of Independent Directors: An Independent Director to meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) concerning independence of directors.

II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

i) Independent Directors (IDs)

IDs are paid –

- a) a sitting fee of ₹ 20,000 for every meeting of the Board or Audit Committee thereof attended by them as a member; and
- b) a sitting fee of ₹ 10,000 for attending every meeting of Committee of the Board other than that of Audit Committee Meeting.

ii) Key Managerial Personnel & Other Employees

The objective of the Remuneration Policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Company does not have stock option plans and hence such instruments do not form part of the remuneration package.

Remuneration to Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

III) Performance Evaluation

The criteria for evaluation of performance of the Board, its Directors and Committees are formulated by the Nomination & Remuneration Committee of the Board of Directors of the Company and are as above:

Directors Report- Annexure-VI

For Board & Committees of the Board;

- a. The Board will have requisite number of Independent Directors including a woman director as required under Companies Act, 2013;
- b. Frequency and Quality of Meetings and attendance thereat;
- c. Discharge of the key functions and other responsibility prescribed under Law;
- d. Monitoring the effectiveness of corporate governance practices;
- e. Ensuring the integrity of the Company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (for Board and Audit Committee);
- f. Reviewing Management's Performance

For Directors

- a. Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition;
- b. Acting in good faith and in the interests of the Company as whole;
- c. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

IV) Policy on Materiality of Related Party transactions

All Related Party Transactions (RPTs) of the Company covered under the Companies Act, 2013 and Regulation 23 of SEBI LODR, 2015 are to be approved by the Audit Committee of the Board from time to time.

Consent of the Board and the Shareholders would be taken in respect of all RPTs, except in following cases:

- a. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules framed thereunder or the SEBI LODR, 2015 as may be applicable; or
- b. Where the transactions are entered into by the Company in its ordinary course of business and are on an arms' length basis; or
- c. Where the transactions to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules thereunder, SEBI LODR, 2015 and other applicable provisions for the time being in force. The above policy will be available on the website of the Company at www.mukandengineers.com

V) Risk Management Policy of the Company.

The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and/or mitigation of the same are dealt with by the concerned operational heads under the overall supervision of the Chairman of the Company. The Audit Committee/Board periodically reviews the adequacy and efficacy of the overall risk management system.

VI) Policy for determining Material Subsidiaries

“Material non listed Indian subsidiary” shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. The above policy will be available on the website of the Company at www.mukandengineers.com

VII) Whistle Blower Policy/Vigil Mechanism

The Director/Employee to address the complaint to any member of the Enforcement Committee along with the available details and evidence to the extent possible. In case, the complaint is received by a person, other than an enforcement committee member, the same is required to be forwarded by him to the Enforcement Committee.

The Whistle Blower is to be protected from any kind of discrimination, harassment, victimization or any other unfair employment practice.

The Enforcement Committee to investigate and decide the case and recommend action within four weeks to the Chairman. The final action to be taken will be decided by the Chairman.

The Director in all cases and employee in appropriate or exceptional cases to have direct access with the Chairman of the Audit Committee of the Board of Directors of the Company.

The Company affirms that no employee has been denied access to the Audit Committee.

The Enforcement Committee to report to the Chairman.

On behalf of the Board of Directors

Rajesh V. Shah
Chairman

DIN: 00021752

Mumbai, May 20, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Mukand Engineers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mukand Engineers Limited** ("the Company"), which comprises of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its losses (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matters	How our audit addressed the key audit matter
1. Revenue from Contracts with Customers	
<p>The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" which is the new revenue Accounting Standard.</p> <p>The application and transition to this new revenue accounting standard is complex and involves certain key judgments relating to identification of distinct performance obligations, the appropriateness of the basis used to measure the quantum and the period when the revenue is recognized. Additionally, new revenue accounting standard mandates disclosures which involves collation of information in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>The Company adopted Ind AS 115 and applied the available exemption provided therein, of not restating the comparative period.</p> <p>Refer to Note-1(v)(ii) to the Financial Statements</p>	<p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies by comparing with the applicable accounting standards. Evaluated the design, processes and internal controls relating to the new revenue accounting standards. Selected a sample of continuing and new contracts, and tested procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls, information used in recording and disclosing revenue in accordance with the new revenue accounting standard were carried out. Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness of the relevant disclosures

Key Audit Matters	How our audit addressed the key audit matter
2. Revenue recognition-Fixed price contracts The Company inter alia engages in fixed price contracts, where, revenue is recognized using a percentage of completion computed as per input method based on management's estimate on contract costs (Refer Note-1(v)to the Financial Statements) We identified revenue recognition of fixed price contracts as a KAM considering: <ul style="list-style-type: none"> • There is an inherent risk around the estimation of the revenues, given the customized, complex nature and interdependence on performance of these contracts. • Application of revenue recognition accounting standards is complex and involves number of key judgments and estimates including estimating the future cost-to-completion of these contracts, which is used to determine the percentage completion of the relevant performance obligations. • These contracts may involve onerous obligations on the Company that requires critical estimates to be made by the management and • At year end, a significant amount of work in progress related to these contracts is recognized in the balance sheet. 	Our audit procedures on revenue recognized from fixed price contracts included: <ul style="list-style-type: none"> • Obtaining and understanding the systems processes and controls implemented by the management for recording and calculating revenue and the associated contract assets, unearned and deferred revenue balances. • In respect of selected samples relating to fixed-price contracts, we tested that the revenue recognized is in accordance with the accounting standard by : <ul style="list-style-type: none"> □ Evaluating the identification of performance obligation □ Testing management's calculations of the estimation of the contract costs and onerous obligations, if any we: • Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management • Performed retrospective review of costs incurred with estimated cost to identify significant variations and verify whether those variations have been considered in estimating the remaining cost to complete the contract. • Assessed the appropriateness of the work in progress (contract assets) as on balance sheet date by evaluating the underlying documentations to identify possible delays in achieving milestones which may require change in estimated cost to complete the remaining performance obligation and • Performed test of details including analytical review to determine the reasonableness of the contract costs • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations which prevents unauthorized changes to recording of efforts incurred

Key Audit Matters	How our audit addressed the key audit matter
3. Evaluation of uncertain tax positions The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. This involves significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosure in the Financial Statements. Refer Note.34to the Financial Statements	Our audit procedures include the following substantive procedures: <ul style="list-style-type: none"> • Obtained details of completed tax assessments and demands for the year ended March 31,2019 from the management to understand management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. • Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions. • Legal precedence and other rulings in evaluating management's position on these uncertain tax positions were also considered. • We also considered the effect of new information in respect of uncertain tax positions as at April,2018 to evaluate whether any change was required to management's position on these uncertainties. • Read and analysed select key correspondences, external legal opinions/consultations by managements for key uncertain tax positions.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussions and Analysis, Board Report and its Annexure, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, a material misstatement when it exists. Misstatements can arise from fraud or error and are considered but is not a guarantee that an audit conducted

in accordance with Standards on Auditing (SA) will always detect material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the

current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-Section (11) of the Section 143 of the Act (hereinafter referred to as "the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a Director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its Manager during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2019 on its financial position in its Financial Statements.
 - ii. The Company has made provision as at March 31, 2019 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company has not entered into any Derivative Contracts during the financial year.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019

GIRISH M. PATHAK

Partner

Membership No. 102016

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN- 106009W

Mumbai, May 20, 2019

"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT

(The Annexure referred to in our report to the members of the **Mukand Engineers Limited** for the year ended March 31, 2019.)

(i) In respect of its Fixed Assets:

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the explanation given to us, the Fixed Assets were physically verified by the Management in accordance with a regular program covering all the assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the management during the year has physically verified a portion of the fixed assets and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties in its name.
- (ii) The physical verification of inventory has been conducted at reasonable interval by the management during the year. In our opinion, the frequency of verification is reasonable.
- (iii) In our opinion, and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Act during the year. Consequently, clauses (iii) (a), (iii) (b) and (iii) c of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under Section 185 and 186 of the Act. The Company has complied with the provisions of 186 of the Act, in respect of investments made in any body corporate.

- (v) In our opinion and according to the information and explanations given to us, the Company has generally complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 to the extent notified, with regard to deposits accepted from the public. The Company not being an "Eligible Company" as defined in Companies (Acceptance of Deposits) Rules, 2014, sought and obtained the approval from the Company Law Board for extension in time limit for repayment of Public Deposits outstanding as on March 31, 2015 on the respective due dates of maturity.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) In respect of Statutory Dues:
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance Corporation (ESIC), Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. Some delays have been observed in the payment of Income Tax, Goods and Services Tax and Cess. As explained to us, there were no dues towards Custom Duty Wealth Tax and Excise Duty during the year.
 - (b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance Corporation, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as on 31st March, 2019 for a period of more than six months from the date they become payable.
 - (c) According to information and explanations given to us upon our enquiries in this regard and records of the Company, the following statutory dues in respect of Income Tax, Works Contract Tax, Entry Tax and Service Tax as at 31st March, 2019 have not been deposited by the Company on account of disputes:

Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	86,22,250	2000-2001, 2001-2002	High Court of Bombay
Income Tax	84,55,448	1999-2000 2005-2006	Income Tax Appellate Tribunal
Income Tax	1,87,91,813	2013-2014 2015-2016	Commissioner of Income Tax-Appeal
Income Tax	98,95,634	2002-2003 to 2012-2013	Income Tax Department Authorities
Works Contracts Tax	75,83,974	2001-2002 and 2002-2003	High Court-UP & Odisha
Works Contracts Tax	2,20,76,799	2001-2002 to 2004-2005, 2011-2012, 2012-2013, 2014-2015	Sales Tax Department Authorities
Entry Tax	8,11,173	1999-2000 to 2002-2003	High Court, Odisha
Entry Tax	1,27,835	2003-2004 and 1999-2000	Asst. Commissioner (Sales Tax)
Service Tax	99,88,826	2011-2012	Commissioner Appeal-Service Tax -Mumbai
Service Tax	84,63,618	2009-2010 and 2011-2012	Commissioner Appeal-Service Tax-Thane
Service Tax	87,78,646	2008-2009 and 2009-2010	Commissioner Appeal-Service Tax-Mumbai

- (viii) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks during the year. There are no dues to any Debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of related party transactions have been disclosed in the Notes to the Financial Statements as required by the applicable accounting standard.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

GIRISH M. PATHAK

Partner

Membership No. 102016

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN- 106009W

Mumbai, May 20, 2019

"ANNEXURE B" TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mukand Engineers Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that;

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

GIRISH M. PATHAK

Partner

Membership No. 102016

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN- 106009W

Mumbai, 20th May, 2019

BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Notes	(₹ in lakhs)	
		As at 31st March, 2019	As at 31st March, 2018
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	515.50	620.85
(b) Other Intangible assets	3	-	1.35
(c) Financial Assets			
i) Investments	4	376.38	801.39
ii) Trade receivables	5	420.56	182.28
iii) Loans	6	15.46	4.98
iv) Others	7	388.83	433.00
(d) Deferred tax assets(net)	8	413.19	364.75
(e) Other non-current assets	9	2,405.35	2,299.11
Total Non - Current Assets		4,535.27	4,707.71
2 Current Assets			
(a) Inventories	10	4,973.51	4,543.02
(b) Financial Assets			
i) Trade receivables	5	4,716.09	5,857.15
ii) Cash and cash equivalents	11	37.81	14.61
iii) Bank balances other than (iii) above	12	186.27	78.50
iv) Loans	6	24.91	35.51
v) Others	7	2,836.45	2,477.43
(c) Other current assets	13	319.37	170.27
Total Current Assets		13,094.41	13,176.49
Total Assets		17,629.68	17,884.20
II EQUITY AND LIABILITIES			
Equity			
(a) Share capital	14	1,257.98	1,257.98
(b) Other equity	15	441.17	2,678.07
Total Equity		1,699.15	3,936.05
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	16	487.52	1,311.58
ii) Trade payables	19	309.47	242.80
iii) Other financial Liabilities	20	4.05	6.04
(b) Provisions	17	326.06	293.53
Total Non -Current Liabilities		1,127.10	1,853.95
2 Current liabilities			
(a) Financial liabilities			
i) Borrowings	18	7,053.80	4,591.90
ii) Trade payables	19	4,930.87	5,025.95
iii) Other financial liabilities	20	1,664.96	1,073.90
(b) Other current liabilities	21	240.22	485.74
(c) Provisions	17	50.65	49.21
(d) Current tax liabilities(Net)	22	862.93	867.50
Total Current Liabilities		14,803.43	12,094.20
Total Equity and Liabilities		17,629.68	17,884.20

Notes 1 to 44 form an integral part of the Financial Statements
As per our attached report of even date

GIRISH M. PATHAK
Partner
Membership No: 102016
For & on behalf of
K.K. MANKESHWAR & CO
Chartered Accountants
Firm Registration No: 106009W

Mumbai, May 20, 2019

RAJESH V. SHAH
Chairman
DIN : 00021752

R. SANKARAN
Director
DIN : 00381139

D.J. VORA
Company Secretary

K. P. JOTWANI
Manager

R. G. GOLATKAR
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

		(₹ in lakhs)	
Particulars	Notes	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
I. Revenue from Operations	23	5,344.58	7,591.98
II. Other Income	24	158.76	342.56
III. Total Income (I + II)		5,503.34	7,934.54
IV. Expenses:			
Contract Execution Costs	25	4,547.16	5,762.89
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(479.70)	(578.63)
Employee benefits expense	27	1,455.11	1,633.69
Finance costs	28	1,000.67	893.92
Depreciation and amortization expense	29	104.99	117.48
Other Expenses	30	1,056.99	1,214.26
Total Expenses (IV)		7,685.22	9,043.61
V. Loss for the year before Exceptional Items and tax (III-IV)		(2,181.88)	(1,109.07)
VI. Exceptional Items (refer note no 30 (c))		81.18	-
VII. Loss before tax (V- VI)		(2,263.06)	(1,109.07)
VIII. Tax Expense:	31		
Current tax		-	-
Deferred tax		(49.56)	(23.86)
IX. Loss for the period (VII-VIII)		(2,213.50)	(1,085.21)
X. Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss			
(a) I. Remeasurement of Defined Benefit scheme	42	4.29	5.17
II. Income tax effect		(1.12)	(1.60)
(b) I. Equity instruments designated at fair value through other comprehensive income		(26.57)	(358.99)
II. Income tax effect		-	-
(ii) Items that will be reclassified to Profit or Loss		-	-
Other Comprehensive Income for the year (net of tax) (x)		(23.40)	(355.42)
XI. Total Comprehensive Income for the year (IX+X)		(2,236.90)	(1,440.63)
XII. Earning per Equity Share of ₹10/- each:	32		
Basic		(17.61)	(8.63)
Diluted		(17.61)	(8.63)

Notes 1 to 44 form an integral part of the Financial Statements

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K.K. MANKESHWAR & CO

Chartered Accountants

Firm Registration No: 106009W

RAJESH V. SHAH

Chairman

DIN : 00021752

R. SANKARAN

Director

DIN : 00381139

D.J. VORA

Company Secretary

K. P. JOTWANI

Manager

R. G. GOLATKAR

Chief Financial Officer

Mumbai, May 20, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(loss) before tax	(2,263.06)	(1,109.07)
Adjustments for:		
Depreciation and amortisation expense	104.99	117.48
Finance Cost	1,000.67	893.92
Profit/(Loss) on sale of investment/ Assets	(18.76)	3.13
Interest Income	(36.08)	(64.84)
Net gain on fair value changes of Preference shares	(0.40)	(0.36)
Operating profit before working capital changes	(1,212.64)	(160.16)
Adjustments for:		
(Increase)/Decrease in trade receivables	902.82	(551.01)
(Increase)/Decrease in inventories	(430.49)	(624.99)
(Increase)/Decrease in loans/bank	(107.77)	(2.68)
(Increase)/Decrease in other financial asset	(294.19)	774.54
(Increase)/Decrease in other current asset	(255.33)	(36.13)
Increase/(Decrease) in trade payables	(28.42)	343.04
Increase/(Decrease) in other financial liabilities	91.18	(170.08)
Increase/(Decrease) in provisions	33.96	0.33
Increase/(Decrease) in other current liabilities & others	(245.80)	251.32
Increase/(Decrease) in other current liabilities & others	(245.75)	251.31
Cash generated from operations	(1,546.68)	(175.82)
Income Tax paid	-	-
Net Cash Inflow/Cash Outflow from operating activities	(1,546.68)	(175.82)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflows		
Sale proceeds of Investment, property, plant and equipment	424.85	9.47
Loans / deposits realised	0.12	370.71
Interest received	15.42	291.21
	440.39	671.39
Outflows		
Purchase of property, plant and equipment	(0.70)	(6.58)
Additions to Facilities at Customers Sites	(4.86)	(1.35)
	(5.56)	(7.94)
Net cash inflow from investing activities	434.83	663.45
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflows		
Proceeds from long-term borrowings	-	162.14
Proceeds from short-term borrowings(net)	2,879.89	364.11
	2,879.89	526.25
Outflows		
Repayment of long-term borrowings	(824.06)	(195.82)
Interest paid	(920.78)	(841.01)
	(1,744.84)	(1,036.83)
Net cash inflow/ (used in) financing activities	1,135.05	(510.58)
Net increase/ (decrease) in cash and cash equivalents	23.20	(22.95)
Cash and cash equivalents at the beginning of the financial year	14.61	37.56
Cash and cash equivalents at end of the year	37.81	14.61

The accompanying notes are an integral part of these Financial Statements.

Notes:

The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS 7) statement of cash flows.

This is the Cash Flow Statement referred to in our report of even date.

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K.K. MANKESHWAR & CO

Chartered Accountants

Firm Registration No: 106009W

RAJESH V. SHAH

Chairman

DIN : 00021752

R. SANKARAN

Director

DIN : 00381139

D.J. VORA

Company Secretary

K. P. JOTWANI

Manager

R. G. GOLATKAR

Chief Financial Officer

Mumbai, May 20, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019
A. Equity share capital

(₹ in lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of the reporting year	1,257.98	1,257.98
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	1,257.98	1,257.98

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Equity instruments through other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April, 2018	2,247.66	73.57	(127.43)	484.27	2,678.07
Loss for the year FY18-19	-	-	(2,213.50)	-	(2,213.50)
Other comprehensive income	-	-	3.17	(26.57)	(23.40)
Dividend paid	-	-	-	-	-
Balance as at 31st March, 2019	2,247.66	73.57	(2,337.76)	457.70	441.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

Background of the company

Mukand Engineers Limited is a company limited by shares, incorporated and domiciled in India. The company is predominantly engaged in to construction / erection business. The registered office of the company is located at Bajaj Bhawan, Jamnalal Bajaj Marg 226, Nariman Point Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 20, 2019.

Note 1: Significant Accounting Policies followed by the Company

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Assets held for sale-measured at fair value less cost to sell.
- iii) defined benefit plans - plan assets measured at fair value;

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs, except when otherwise indicated.

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(iii) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. 12 months.
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle i.e. 12 months.
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(b) Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non cenvatable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except where management estimate of useful life is different.

Depreciation commences when the assets are ready for their intended use.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

Based on an independent technical evaluation, the useful life of Office Equipment has been estimated 20 years (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

Asset class	Useful Life
Plant & Equipment	2 to 15 years
Furniture & Fixture	10 years
Computers	3 to 6years
Vehicles	8 to 10 years
Office Equipment	1 to 20 years
Air conditioners	5 years
SAP licence	5 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(c) Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

Amortisation

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Currently it is amortised over a period of five years.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Leases

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which

case they are capitalised in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(e) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

(f) Impairment of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and contractual terms of the cash flows.

Initial Recognition & Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments (either through profit and loss or through other comprehensive income, if designated)

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether

the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

- a) **Business Model Test:** The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument which does not meet the criteria for amortised cost or FVTOCI is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity Instruments

For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

Derecognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

(II) Equity & Financial Liabilities

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- At amortised cost
- At fair value through profit or loss (FVTPL)

Financial liabilities at amortised cost:

The company is classifying the following under amortised cost;

- Borrowings from banks
- Borrowings from others
- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Derecognition of financial liabilities:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(III) Financial guarantees contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS109 and the amount recognised less cumulative amortisation.

(IV) Derivative financial instruments

Derivative financial instruments such as forward contracts are taken by the company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

(V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(h) Fair value measurement:

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(i) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, work-in-progress, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

The net realisable value of work-in-progress is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods. Raw materials held for the production of finished goods are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

(j) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The company periodically evaluates

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31st MARCH, 2019**

positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(k) Provisions and Contingencies**Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent Liabilities & Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(l) Employee Benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have any unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as superannuation scheme, provident fund.

Gratuity Obligations

The gratuity liability as per the Payment of Gratuity Act, 1972 for Permanent Employees is funded with the Life Insurance Corporation of India.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution plans

Defined Contribution Plans such as superannuation scheme, provident fund are charged to the Statement of Profit and Loss as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

(m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or

loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

(n) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(p) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) Non-current assets held for sale

The Company classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

(r) Dividend distribution to equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

(s) Foreign currencies

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains or losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(t) Revenue Recognition

Engineering construction business:

Revenue from construction/project related activity and contracts for supply/ commissioning of plant and equipment is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably (5% to 15% depending upon the contract) subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Procurement of goods and materials, prior to commencement of the contract activity, is not considered as a progress in the contract activity and hence, no revenue is recognised, although, value of such goods and materials procured, exceeds 5% / 10% / 15% of the estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- i. the amount of revenue can be measured reliably;
- ii. it is probable that the economic benefits associated with the contract will flow to the company;
- iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Claims made on account of variation in contract work and extension of time, both, are recognised as revenue only when and to the extent of the acceptance of the claim and or variation by the customers.

Unbilled Revenue

Difference between revenue as per percentage of completion method and billing milestone are considered as unbilled revenue and receivable from such revenue are shown as other financial assets.

Infotech Business:

Income from Infotech services provided is accounted on accrual basis.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(u) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(v) Significant accounting estimates, judgements and assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- i. **Useful lives of property, plant and equipment:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Act and also as per management estimate for certain category of assets. Assumptions also need to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.
- ii. **Construction Income:** Revenue is recognised based on the in proportion to the stage of completion of the transaction at the reporting date. Determination of the stage of completion is very technical and determined by the management experts.
- iii. **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.
- iv. **Defined benefit plan:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. **Allowances for uncollected accounts receivable:** Trade receivables do are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

vi. **Impairment of non-financial assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vii. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019
Note 2: Property, plant and equipment

(₹ in lakhs)

Particulars	Plant and Equipment (owned)	Plant and Equipment (leased)	"Furniture & Fixtures (owned)"	Office Equipments (owned)	Air Conditioner (owned)	Vehicles (owned)	Vehicles (leased)	Computers (owned)	Computers (Leased)	Facilities at Customer Site	Total
Year ended 31 March 2019											
Gross carrying amount											
Deemed cost as at 1 April 2018	585.85	28.34	9.46	100.61	10.20	4.32	-	41.01	31.64	140.13	951.56
Additions	0.50	-	-	-	-	-	-	0.20	-	4.86	5.57
Disposals/Adjustment	(24.90)	-	(0.84)	-	-	-	-	-	-	(0.10)	(25.84)
At 31 March 2019	561.45	28.34	8.62	100.61	10.20	4.32	-	41.21	31.64	144.89	931.29
Accumulated depreciation											
As at 1 April 2018	134.52	4.48	3.31	17.13	2.89	1.64	-	15.32	21.70	129.72	330.71
Depreciation charge during the year	64.80	2.83	1.17	8.16	2.07	0.82	-	8.11	8.30	7.37	103.64
Disposals/Adjustment	(18.08)	-	(0.48)	-	-	-	-	-	-	-	(18.56)
At 31 March 2019	181.24	7.31	4.00	25.29	4.96	2.46	-	23.43	30.01	137.09	415.79
Net carrying amount as at 31 March 2019	380.21	21.03	4.62	75.32	5.24	1.86	-	17.78	1.63	7.80	515.50
Net carrying amount as at 31 March 2018	451.33	23.86	6.15	83.48	7.31	2.68	-	25.69	9.94	10.41	620.85

Note (a): The lease term in respect of assets acquired under finance lease generally expire within 3 to 5 years. The plant and equipment, computers and vehicles have been purchased by the Company on finance lease basis have been pledged as security against the loan outstanding.

Note (b): Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 16 & 18 on 'borrowings'.

Note (c): In respect of certain office equipments, the useful life has been estimated as 20 years (on a single shift basis) against 5 years as per schedule II of the Companies Act, based on independent technical valuation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

3

Intangible Assets		(₹ in lakhs)
Particulars	ERP Software	Total
Year ended 31 March 2018		
Gross Carrying amount as at 1 April 2018	14.35	14.35
Additions	-	-
At 31 March 2019	14.35	14.35
Accumulated amortisation and impairment		
As at 1 April 2018	13.00	13.00
Amortisation charge for the year	1.35	1.35
At 31 March 2019	14.35	14.35
Net carrying amount as at 31 March 2019	-	-
Net carrying amount as at 31 March 2018	1.35	1.35

4

Non-Current Investments		(₹ in lakhs)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
A) Investments in Equity Instruments		
i) Quoted other investment carried at Fair value through other comprehensive income		
Mukund Limited*	372.28	797.69
*6,81,200 (March 31, 2018: 13,62,400) equity shares of ₹ 10/- each fully paid up		
ii) Unquoted other investment carried at Fair value through other comprehensive income		
India Thermal Power Limited	-	-
*7,153 (March 31, 2018: 7,153) equity shares of ₹ 10/- each fully paid up	0.72	0.72
Less: Provision for diminution in the value of investments	(0.72)	(0.72)
	-	-
B) Investments in Preference Shares		
i) Quoted other investment carried at amortized cost (Note 1)		
Mukund Limited	4.10	3.70
52,400 (March 31, 2018) 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up		
Total	376.38	801.39
Aggregate amount of quoted investments and market value thereof	376.38	801.39
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	0.72	0.72

*681,200 (March 31, 2018: 681,200) fully paid equity shares of Mukund Limited is pledged as collateral security against cash credits facilities availed from Central Bank of India (Refer Note 18 Short term borrowings).

Note 1. Investment in preference shares of Mukund Ltd. are listed. However considering the fact that the shares are thinly traded, we cannot take the valuation from the market, hence we have considered the investment as Level 3 investment considering no similar category of instrument is available in the market and valuation of the same has been done in accordance with Level 3 instrument based on the inputs and data available.

Note 2. Refer Note 43 for information about the Fair Value measurement.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31st MARCH, 2019**

5 Trade Receivables		(₹ in lakhs)	
	31 st March 2019	31 st March 2018	
	Current	Non- current	Current Non- current
Unsecured, considered good	5,210.86	1,051.87	6,333.51 392.99
Less: Allowances as per expected credit loss model	(494.77)	(631.31)	(476.36) (210.71)
	4,716.09	420.56	5,857.15 182.28
Unsecured, Considered Doubtful	302.72	-	252.72 -
Less: Allowances as per expected credit loss model	(302.72)	-	(252.72) -
	-	-	- -
Total	4,716.09	420.56	5,857.15 182.28

* Non current portion includes amount receivable where defection period is over as per the terms of contract.

Note (a): No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

Note (b): The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in **Note 44**.

Note (c): For receivables secured against borrowings, see **Note 18**.

Note (d): For receivables due from related parties, refer **Note 36**.

6 Loans		(₹ in lakhs)	
	31 st March 2019	31 st March 2018	
	Current	Non- current	Current Non- current
Unsecured, considered good			
Security Deposits	24.91	15.46	35.51 4.98
Total	24.91	15.46	35.51 4.98

Note (a): No loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

Note (b): The Company's exposure to credit risk and loss allowance related to loans are disclosed in note 44.

7 Other Financial Assets		(₹ in lakhs)	
	31 st March 2019	31 st March 2018	
	Current	Non- current	Current Non- current
Unsecured, considered good unless otherwise stated			
Interest Receivable	46.49	-	25.82 -
Unbilled revenue	2,789.96	-	2,451.61 -
Fixed Deposits with Banks (remaining maturity of more than 12 months)*	-	388.83	- 433.00
Total	2,836.45	388.83	2,477.43 433.00

*Represents Fixed deposits with banks towards margin money for non fund based facilities availed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2019

8 Deferred Tax Assets/(liabilities) (net)		(₹ in lakhs)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Deferred tax asset on account of:		
Provision for doubtful debts	338.83	290.39
Employee benefit expenses	97.93	97.93
Taxes & Duties	11.74	11.74
Financial assets measured at amortized cost	-	-
Deferred tax liability on account of:		
Difference between book depreciation and tax depreciation	(35.31)	(35.31)
Net deferred tax assets	413.19	364.75

(a) Movements in deferred tax assets/(liabilities)						(₹ in lakhs)
Particulars	Property, plant & equipment	Provision for Employee benefits	Provision for doubtful debts	Taxes & Duties	Total	
At April 01, 2018	(35.31)	97.93	290.39	11.74	364.75	
(Charged) / Credited						
- to profit or loss	-	1.12	48.44	-	49.56	
- to other comprehensive income	-	(1.12)	-	-	(1.12)	
At March 31, 2019	(35.31)	97.93	338.83	11.74	413.19	

The Company has not recognised deferred tax assets amounting to ₹ 1018.69 lacs as on March 31, 2019 (March 31, 2018: ₹ 565.83 lacs) on account of unabsorbed depreciation, unabsorbed business losses, employee benefits due to uncertainty surrounding availability of future taxable income against which such losses can be offset.

9 Other Non-current Assets		(₹ in lakhs)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance with Government Authorities	2,405.35	2,299.11
Advance paid to Suppliers, contractors	-	-
Total	2,405.35	2,299.11

10 Inventories		(₹ in lakhs)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Contract Work-in-progress	4,842.43	4,362.73
Stores and spares	131.08	180.29
Total	4,973.51	4,543.02

11 Cash and Cash Equivalents		(₹ in lakhs)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balances with banks in current accounts	37.56	13.58
Cash on hand	0.25	1.03
Total	37.81	14.61

There are no restrictions with regards to bank balances as at the end of the reporting period.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31st MARCH, 2019**
12 Other Bank Balances (₹ in lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Earmarked balances with banks for:		
Unpaid Dividend	6.02	8.67
Deposit Repayment Reserve Account*	180.25	69.83
Total	186.27	78.50

*Account pertains to Deposit maintained with Scheduled Bank (SLR) for Repayment of Deposits maturing in the current financial year and next financial year as per the requirements of the Act.

13 Other Current Assets (₹ in lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Prepaid Expenses	75.15	62.84
Advance paid to Suppliers/contractors	60.94	65.93
Balance with Government Authorities	183.28	41.50
Total	319.37	170.27

14 Equity Share Capital
(a) Authorised & Issued Share capital: (₹ in lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Authorised Share Capital		
2,00,00,000 (31 st March, 2018: 2,00,00,000) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
500,000 (31 st March, 2018: 500,000) Preference Shares of ₹ 100/- each	500.00	500.00
Issued Share Capital		
1,25,92,700 (31 st March, 2018: 1,25,92,700) Equity Shares of ₹ 10/- each	1,259.27	1,259.27
	1,259.27	1,259.27

(b) Subscribed and paid capital (₹ in lakhs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
i) Equity shares of ₹ 10/- each fully paid up	11,973,900	1,197.39	11,973,900	1,197.39
ii) Fully paid up pursuant to contract(s) without payment being received in cash	598,500	59.85	598,500	59.85
iii) Forfeited shares	20,300	0.74	20,300	0.74
Total	12,592,700	1,257.98	12,592,700	1,257.98

(c) Reconciliation of number of equity shares (₹ in lakhs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	12,592,700	1,259.27	1,259.27	1,259.27
Increase/Decrease during the year	-	-	-	-
Balance as at the end of the year	12,592,700	1,259.27	1,259.27	1,259.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

(d) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Mukand Limited	4,539,781	36.11%	4,539,781	36.11%
Jamanlal Sons Private Limited	1,392,245	11.07%	1,392,245	11.07%
Total	5,932,026	47.18%	5,932,026	47.18%

(e) Rights, preferences and restrictions attached to shares

The company has issued only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15 Other Equity

(₹ in lakhs)

Particulars	Note	As at	As at
		31 st March, 2019	31 st March, 2018
Securities Premium Reserve	(i)	2,247.66	2,247.66
General Reserve	(ii)	73.57	73.57
Retained Earnings	(iii)	(2,337.76)	(127.43)
Equity Instruments at Fair value through Other Comprehensive Income	(iv)	457.70	484.27
Total		441.17	2,678.07

(i) Securities Premium

Securities Premium Reserve is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

Particulars	As at	As at
	31 st March, 2019	31 st March, 2018
Balance at the beginning of the year	2,247.66	2,247.66
Movement during the year	-	-
Balance at the end of the year	2,247.66	2,247.66

(ii) General Reserve

General Reserve represents appropriations of retained earnings and are available for distribution to shareholders.

Particulars	As at	As at
	31 st March, 2019	31 st March, 2018
Balance at the beginning of the year	73.57	73.57
Movement during the year	-	-
Balance at the end of the year	73.57	73.57

(iii) Retained Earnings

Retained Earnings are the profits of the company earned till date, net of appropriations.

Particulars	As at	As at
	31 st March, 2019	31 st March, 2018
Balance at the beginning of the year	(127.43)	954.21
Movement during the year	(2,210.33)	(1,081.64)
Balance at the end of the year	(2,337.76)	(127.43)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

(iv) Equity Instrument at fair value through Other Comprehensive Income:

This reserve represents the cumulative gains and/or losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of the year	484.27	843.26
Movement during the year	(26.57)	(358.99)
Balance at the end of the year	457.70	484.27

16 Non-current Borrowings (₹ in lakhs)

Particulars	Note	As at 31 st March, 2019	
Secured			
Long term maturity of finance lease obligations	(a)	-	3.97
-From Banks			
Unsecured			
Public Deposits	(b)	487.52	1,307.61
Total		487.52	1,311.58

(a) Finance lease obligations are secured against leased assets. Other details are mentioned below:

Interest rate & repayment schedule	Total amount outstanding (Refer Note 40)	Shown under current maturity - Other Financial Liabilities (Refer Note 20)	Shown under borrowing	As at
Repayable in FY 2018-19, FY 2019-20 at 9.18% p.a. & 12.40% p.a.	25.08	21.11	3.97	31-Mar-18
Repayable in FY 2018-19, FY 2019-20 at 9.18% p.a. & 12.40% p.a.	3.97	3.97	-	31-Mar-19

(b) Details of public deposits are as below -

Interest rate & repayment schedule	Total amount outstanding (Refer Note 40)	Shown under current maturity - Other Financial Liabilities (Refer Note 20)	Shown under borrowing	As at
Amount of ₹ 431.10 lakhs is repayable in 2018-19, ₹ 862.66 lakhs is repayable in 2019-20 and ₹ 441.66 is repayable in FY 2020-21 and carries interest of 11% & 11.5 % p.a.	1,735.42	427.81	1,307.61	31-Mar-18
Amount of ₹ 845.80 lakhs is repayable in 2019-20, ₹ 487.52 lakhs is repayable in 2020-21 and carries interest of 11% & 11.5 % p.a.	1,333.32	845.80	487.52	31-Mar-19

(c) The Company has not defaulted in the repayment of borrowings and interest thereon as at Balance Sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

17 Provisions		(₹ in lakhs)	
Particulars		As at 31 st March, 2019	As at 31 st March, 2018
(a) Provision for Gratuity (Refer Note 42):			
Current		-	-
Non current		162.71	144.58
(b) Provision for compensated absences (Refer Note 42):			
Current		50.65	49.21
Non current		153.35	138.95
(c) Provision for Warranty [Refer Note (a)]			
Current		-	-
Non current		10.00	10.00
Total Non-Current		326.06	293.53
Total Current		50.65	49.21

Note (a): Provision for warranties represents claims against the company that are expected

Note (a) :

Movement in provisions	Provision for Warranty	Provision for Warranty
Balance as at 1st April, 2018	10.00	10.00
Provision recognised during the year	-	-
Amount utilised / reclassified during the year	-	-
Amount reversed during the year	-	-
Balance as at 31st March, 2019	10.00	10.00

18 Current Borrowings		(₹ in lakhs)	
Particulars	Note	As at 31 st March, 2019	As at 31 st March, 2018
Secured			
Loans repayable on demand			
a) From banks - Central Bank of India (Refer Note No. 40)	(a)	2,997.80	2,971.90
Unsecured			
Inter corporate deposits (Refer Note No. 40)	(b)	4,056.00	1,620.00
Total current borrowings		7,053.80	4,591.90

Note (a): The carrying amounts of assets pledged as security for Cash Credit Facility

	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Current Assets		
Financial Assets		
Trade Receivables	5,136.65	6,039.43
Non Financial Assets		
Stock	4,973.51	4,543.02
Total current assets pledged as security	10,110.16	10,582.45
Non Current Assets		
Fixed Assets		
Plant & Equipment	380.21	451.33
Furniture & Fixtures	4.62	6.15
Office Equipment	80.56	90.79
Others	19.64	28.37

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Investments		
6,81,200 Shares of Mukand Ltd.	372.28	398.84
Total Non-Current assets pledged as security	857.31	975.48
Total Assets Pledged as Security	10,967.48	11,557.93

Note : (b) The cash credit facility is further secured by Corporate Guarantee given by an Associate Company

The above credit facility from bank carries interest rate at MCLR rate (1yr) + 4%.

Note (c): Interest rate - Inter corporate deposit carries fixed interest rate within range of 13% - 14.00 %.

Note (d): The Company has not defaulted in the repayment of borrowings and interest thereon as at Balance Sheet date.

19 Trade Payables (₹ in lakhs)				
Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Non-Current	Current	Non-Current	Current
Trade payables	309.47	4,930.87	242.80	5,025.96
Total	309.47	4,930.87	242.80	5,025.96

Note (a): The company's exposure to liquidity risks related to trade payable is disclosed in Note 44.

Note (b): For amount payable to related parties, refer Note 36.

Note (c): Trade Payables includes ₹ 27 lacs (PY Nil) balance due to Micro Small & Medium Enterprises registered under Micro Small & Medium Enterprises Development Act, 2006 (MSME Act). During the year, no amounts have been paid beyond the appointed day in terms of MSME Act and there are no amounts paid towards interest. Further, there is no interest accrued / payable under the MSME Act at the close of the year.

The disclosure above is based on the information available with the Company regarding the status of suppliers under the said MSME Act.

20 Other Financial Liabilities (₹ in lakhs)				
Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Current	Non-current	Current	Non-current
Current maturities of long-term debt (Refer Note 16)	849.77		448.92	
Interest accrued on Public Deposits	197.52		117.63	
Unpaid dividend*	1.97	4.05	2.63	6.04
Unclaimed Deposits	13.30		18.49	
Employee related liabilities	284.71		204.25	
Other liabilities	317.69		281.97	
Total	1,664.96	4.05	1,073.90	6.04

* There are no amounts due for payment to Investors Education and Protection Fund as at the year end under section 125 of the Company's Act.

21 Other Current Liabilities (₹ in lakhs)		
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Advance received against contracts	170.22	355.65
Statutory Dues Payable	70.00	130.08
Total	240.22	485.73

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31st MARCH, 2019**

22	Current Tax Liabilities	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Provision for tax (net of advance tax)	862.93	867.50
	Total	862.93	867.50
23	Revenue from Operations	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Revenue from Construction / Erection business		
	Supply of materials	2,051.52	4,138.86
	Sale of services	2,620.00	2,863.94
	Income from Infotech business	673.05	588.00
	Other operating Income	0.01	1.18
	Total	5,344.58	7,591.98
24	Other Income	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	From Financial Assets measured at amortized cost	0.40	80.19
	From income tax refund	-	28.23
	From Fixed Deposits	36.08	36.61
	Profit on sale of assets (net)	-	24.40
	Excess provision written back (net)	97.78	0.21
	Miscellaneous Income	-	172.75
	Profit/Loss on sale of Investment	24.50	-
	Total	158.76	342.59
25	Contract Execution Costs	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Sub-contracting expenses	2,162.83	1,673.98
	Cost of materials supplied	1,939.22	3,407.08
	Stores, spares and construction materials consumed	247.39	254.86
	Equipment Hire Charges	153.46	358.64
	Testing Charges	7.30	25.03
	Design & calibration Charges	2.94	3.34
	Transportation Charges	22.84	26.91
	Others	11.18	13.05
	Total	4,547.16	5,762.89
26	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Work in progress -		
	Opening stock	4,362.73	3,784.10
	Less: Closing stock	(4,842.43)	(4,362.73)
	Net (increase)/decrease in inventories	(479.70)	(578.63)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31st MARCH, 2019**

27	Employee benefits expense	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Salaries and wages	1,291.81	1,440.22
	Contributions to provident and other funds (Refer Note 43)	151.17	181.04
	Staff welfare expenses	12.13	12.43
	Total	1,455.11	1,633.69
28	Finance Cost	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Interest cost on financial liabilities measured at amortized cost	913.77	781.10
	Finance charges on finance leases	1.82	3.99
	Interest payment to Income Tax Dept.	10.04	2.08
	Other Borrowing Cost	75.04	106.75
	Total	1,000.67	893.92
29	Depreciation and amortisation expense	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Depreciation of property, plant and equipment	103.64	111.40
	Amortisation of intangible assets	1.35	6.08
	Total	104.99	117.48
30	Other expenses	(₹ in lakhs)	
	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
	Rent	41.01	52.63
	Insurance	29.64	19.47
	Repairs to Machinery	0.01	0.10
	Repairs - Others	58.49	58.31
	Travelling and Conveyance	98.01	109.25
	Auditor's Remuneration (Refer note 30 (a))	11.20	11.29
	Directors' Fees	6.30	5.50
	Legal and Professional Charges	143.70	231.29
	VAT/Service Tax/GST	47.82	19.25
	Rent Commercial/Electricity/Service charges	77.24	104.78
	Watch & Ward Expenses	86.33	105.90
	Bank Guarantee / LC Commission	188.29	232.25
	Bad Debts	-	7.21
	Provision for Doubtful Debts	186.30	161.69
	Sundry Balances / Interest Written-off / Appropriated (Net)	4.00	5.28
	Miscellaneous Expenses	78.65	90.06
	Total	1,056.99	1,214.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

Note 30 (a): Details of payments to auditors

(₹ in lakhs)

Particulars	For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
Audit fee	7.20	7.20
For Limited Review	1.80	1.80
For taxation matters	0.90	0.90
For other services	1.10	1.20
Reimbursement of expenses	0.20	0.19
Total	11.20	11.29

Note 30 (b): The provisions of Section 135 (Corporate Social Responsibility) of the Companies Act, 2013 read together with the rules framed there under relating to CSR initiatives which need to be undertaken by specified companies are at present not applicable to the Company.

Note 30 (c): During the year under review, on recommendation of the Audit Committee, the Board of Directors of the Company on July 16, 2018, has considered and approved the Scheme of Amalgamation amongst Adore Traders and Realtors Private Limited ("Adore"), Mukand Global Finance Limited ("MGFL"), the Company and Mukand Limited. and their respective Shareholders and Creditors as per the provisions of Section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Appointed Date for the amalgamation is April 1, 2019 The Stock exchange viz BSE Limited and National Stock Exchange of India Limited have not given adverse Observation about the scheme the Company had filed the Scheme Application with National Company Law Tribunal, Mumbai Bench ("NCLT") and the same is pending before NCLT. The expenditure amounting to ₹ 81.18 lacs incurred by the Company during the year on the said scheme has been classified as exceptional item.

31 Tax Expense

(₹ in lakhs)

Particulars	For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
(a) Income Tax Expense		
Current Tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Increase in deferred tax asset	(49.56)	(23.86)
Total deferred tax expense/(benefit)	(49.56)	(23.86)
Income Tax expense	(49.56)	(23.86)

(b) Reconciliation of effective tax rate:

(₹ in lakhs)

Particulars	For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
Profit/(Loss) before tax expense	(2,263.06)	(1,109.07)
Enacted income tax rate in India applicable to the Company 26.00% (2017-2018 – 30.90%)	(588.41)	(342.70)
Tax effect of:		
Permanent Disallowances	2.61	0.65
Items for which no deferred tax is created eg. Employee benefits obligation, depreciation etc.	13.03	13.03
Unabsorbed business loss for which no deferred tax asset is created	523.31	305.40
Others	(0.10)	(0.24)
Income tax expense	(49.56)	(23.86)
Effective average tax rate for the year	2.19%	2.15%

(c) Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

32 Earning per Share

Particulars	For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
Profit/(Loss) attributable to the equity holders of the company (A) (₹ in lakhs)	(2213.50)	(1,085.21)
Weighted average number of shares for Basic EPS (B)	12,572,400	12,572,400
Adjustments for calculation of Diluted EPS (C)	-	-
Weighted average number of shares for Diluted EPS (D= B+C)	12,572,400	12,572,400
(a) Basic EPS (in Rupees)	(17.61)	(8.63)
(b) Diluted EPS (in Rupees)	(17.61)	(8.63)

33 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019, March 31, 2018.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows.

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Borrowings		
Long term and Short term borrowings	7,541.32	5,903.48
Current maturities of Long term borrowings	849.77	448.92
Less: Cash and cash equivalents	(37.81)	(14.61)
Adjusted net debt	8,353.28	6,337.79
Total Equity	1,699.15	3,936.05
Adjusted net debt to adjusted equity ratio	4.92	1.61

34 Contingent Liabilities

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
i. Disputed income tax dues	457.65	452.61
ii. Disputed VAT/WCT/Service Tax	578.31	306.00
Total	1,035.96	758.61

iii. The company has given performance guarantee and/or guarantees against advances received from clients in the course of its business. Based on past experience, the Company is of the opinion that no liability would arise on this account and as such at present the liability, if any, cannot be estimated.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31st MARCH, 2019**
35 Disclosures in respect of Finance Lease Arrangement (₹ in lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
<u>i. Minimum Installments payable (MIP)</u>		
- Not later than one year	3.97	22.93
- later than one year but not later than five years	-	4.07
- later than 5 year	-	-
<u>ii. Present Value of Installments Payable (PVIP)</u>		
- Not later than one year	3.97	21.11
- later than one year but not later than five years	-	3.97
- later than 5 year	-	-

36 Related Party Disclosures
a) Details of Related Parties:

Description of Relationship	Name of the Related Party
i) KMP and their Relationship	Mr. Rajesh V Shah - Chairman # Mr. Niraj Bajaj - Director #
ii) Other Entities/Persons	Mr. Prakash V Mehta # Mr. N Ramanathan # Mr. R. Sankaran # Mrs. Anna Usha Abraham Mr. K. P. Jotwani – Manager* Mr. R. G. Golatkar - CFO* Mr. D. J. Vora - CS*
iii) Related Parties where significant influence exists. @	Mukand Limited Mukand Global Finance Limited Mukand Sumi Special Steels Limited Mukand Sumi Metal Processing Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

b) Details of Related Party Transactions for the year ended on 31st March, 2019: (₹ in lakhs)

Name of the Related Party	Nature of Transaction	For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
Mukand Limited	Sales		
	-Contracts Executed (including supply of materials)	1,861.67	2,522.00
	- Infotech Services (excluding GST)	672.00	588.00
	- Interest Income	25.14	-
Mukand Sumi Metal Processing Limited.	-Infotech Services (excluding GST)	1.05	-
Mukand Limited	Purchases	488.47	3.42
	Other Payments/Expenditure		
	Rent	27.30	27.30
	Interest on -ICD	132.08	28.68
	Commission Charged on Corp. Gurantee@1%	115.00	115.00
	Electricity	30.99	29.67
	Reimbursement of Expenses	1.05	5.60
	IT Communication facilities	6.00	6.00
	Finance Drawn (ICD)	1,928.00	290.00
Mukand Global Finance Limited	Legal and Professional Charges	2.40	2.40
Mukand Sumi Metal Processing Limited.	Books and Perodicals	0.09	0.12
Independent Directors	Sitting Fees	6.30	5.50

c) Details of balances outstanding for Related Party Transactions (₹ in lakhs)

Particulars	Nature of Transaction	As at March 31, 2019	As at March 31, 2018
Mukand Limited	Trade receivable	937.02	1,017.30
	Trade payable	2,163.42	57.91
	Inter Corporate Deposit	2,290.03	290.00
	Rent deposit given	6.50	6.50
	Investment in Equity Shares	372.27	797.69
	Investment in Preference shares	4.10	3.70
	Corporate Gurantee given to Central Bank of India for Credit Facilities	11,500.00	11,500.00
Mukand Global Finance Ltd.	Trade payable	0.43	0.43

- d) '@ Name of the related party and the related party relationship where control exists have been disclosed only when there have been transactions with those parties. Related parties as defined under para 9 of Ind AS 24 "Related Party Disclosures" have been identified by the Company based on the representations made by Key managerial personnel and information available with the Company and relied upon by the Auditors.
- e) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- f) # * Details of sitting fees paid and remuneration paid have been given in Note no 3 (a) to 3 (c) respectively in extract of Annual Return in form no MGT 9.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

37 There are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at the reporting date.

38 Disclosure regarding Contracts in progress

Particulars	(₹ in lakhs)	
	For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
Contract Costs incurred and recognized Profits (less recognized losses)	41,920.38	44,413.17
Advances received	139.94	366.53
The amount of retention (Included in Trade Receivables)	3,190.09	3,521.24

39 Unclaimed Deposits

As per section 73 of the Act, read with The Companies (Acceptance of Deposit) Rules, 2014, every Company having net worth less than ₹100 Crores or turnover less than ₹ 500 Crores, shall repay the deposits, on or before March 31, 2015, accepted before the commencement of the Act, along with interest due thereon.

Though the Company has not made any default in repayment of deposits which were due on maturity dates, the Company not being an "Eligible Company", was required to repay the deposits accepted before the commencement of the Act, on or before March 31, 2015. The Company had applied before the Company Law Board for granting permission to repay the deposits along with interest thereon on the respective maturity dates.

The Company Law Board by its order dated May 19, 2015, has granted the said permission to the Company subject to fulfilling of certain conditions therein. In view of the above, the Company has continued to repay its deposits along with its interest thereon, on the respective maturity dates.

During the year under review, the Company has repaid deposits to all the deposit holders who claimed their maturity Proceeds. The Company Communicates / sends letter & reminders to holders who have not claimed the maturity proceeds of their respective Fixed deposits. The balance of unclaimed deposits as on March 31, 2019 is ₹ 13.30 lakhs (March 31, 2018 : ₹ 18.49 lakhs) and same has been shown under other current financial liabilities which will be paid as & when claimed by the depositors. (Refer Note No. 20).

40 Reconciliation of liabilities arising from financing activities

Particulars	(₹ in lakhs)						
	Opening Balance	Cash Movement	Buisness Acquisition/ Disposals	Foreign exchange changes	Fair value changes	Others	Total
March 31, 2019							
Finance Lease Obligation	3.97	(3.97)	-	-	-	-	-
Public Deposits	1,735.42	(402.10)	-	-	-	-	1,333.32
Cash Credit Facility	2,971.90	25.90	-	-	-	-	2,997.80
Inter corporate Deposits	1,620.00	2,436.00	-	-	-	-	4,056.00
Total	6,331.29	2,055.83	-	-	-	-	8,387.12
March 31, 2018							
Finance Lease Obligation	25.08	(21.11)	-	-	-	-	3.97
Public Deposits	1,736.86	(1.44)	-	-	-	-	1,735.42
Cash Credit Facility	2,968.92	2.98	-	-	-	-	2,971.90
Inter corporate Deposits	1,270.00	350.00	-	-	-	-	1,620.00
Total	6,000.86	330.43	-	-	-	-	6,331.29

These cash movements are included within the following lines in the cash flow statement:

- Proceeds from borrowing.
- Repayment of borrowing.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

41 Segment Reporting

Identification of Segments:

Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Information reported to the Chief Operating Decisions Maker (CODM) for the purpose of resource allocation and assessment of segment performance focus on business segment comprises of -

- Construction - Construction and Engineering Activities
- Infotech - ERP Implementation and Infotech Services

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

The Company is operating only within India.

(a) Summary of Segmental Information (₹ in lakhs)

Particulars	For the Year Ended 31 st March, 2019				For the Year Ended 31 st March, 2018			
	Construction	Infotech	Unallocable	Total	Construction	Infotech	Unallocable	Total
Revenue								
External Sales	4,671.53	673.05	-	5,344.58	7,003.98	588.00	-	7,591.98
Inter Segment Sales	-	-	-	-	-	-	-	-
Total Revenue	4,671.53	673.05	-	5,344.58	7,003.98	588.00	-	7,591.98
Segment Result	(1,322.78)	283.17	(259.25)	(1,298.86)	(291.80)	166.93	(235.32)	(360.19)
Interest Income	-	-	36.48	36.48	-	-	145.04	145.04
Finance Cost	-	-	(1,000.67)	(1,000.67)	(27.02)	-	(866.90)	(893.92)
Tax Expense (Current+Deferred tax)	-	-	49.56	49.56	-	-	23.86	23.86
Profit/(Loss) for the year	(1,322.78)	283.17	(1,173.89)	(2,213.50)	(318.82)	166.93	(933.32)	(1,085.21)
Other Information								
Segment Assets	13,539.05	177.86	3,912.77	17,629.68	14,011.87	235.80	3,636.53	17,884.20
Segment Liabilities	5,930.33	246.19	9,754.01	15,930.53	6,171.04	225.04	7,552.08	13,948.15
Capital Expenditure	5.37	0.20	-	5.57	3.49	2.99	0.10	6.58
Depreciation & Amortisation	84.56	18.79	1.64	104.99	86.68	26.86	3.94	117.48
Significant Non-Cash Expenditure	-	-	-	-	-	-	-	-

(b) Information about major customers

Revenue of aggregating ₹ 1,392.60 lakhs (March 31, 2018 - ₹ 3,112.02 lakhs) is derived from two external customers. This revenue is attributable to construction segment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

42 Employee Benefits

(a) Long term employee benefit obligations

The leave obligations cover the Company's liability for casual and earned leave.

The compensated absences charge for the year ended March 31, 2019 based on actuarial valuation amounting to ₹ 51.68 lakhs (March 31, 2018 - ₹ 74.17 lakhs) has been charged in the Statement of Profit and Loss.

(b) Post employment obligations;

Defined contribution plans

The Company also contributes on a defined contribution basis to employees' provident fund and superannuation fund.

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the period towards defined contribution plan

	(₹ in lakhs)	
	For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
Employer's Contribution to Provident Fund	74.46	94.19
Employer's Contribution to ESIC	3.21	7.48
Employer's Contribution to EDLI	0.04	0.05
Employer's Contribution to Superannuation Fund	38.02	42.61
Provident Fund Administration charges	0.21	0.42
Employer's Contribution to Other Funds	2.30	7.12

Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

	(₹ in lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2018	228.74	(84.16)	144.58
Current service cost	16.29	-	16.29
Interest expense/(income)	17.60	(6.47)	11.13
Total amount recognised in profit and loss	33.89	(6.47)	27.42
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		2.31	2.31
(Gain)/loss from change in demographic assumptions	1.91	-	1.92
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	(8.52)	-	(8.52)
Total amount recognised in other comprehensive income	(6.61)	2.31	(4.29)
Employer contributions		(5.00)	(5.00)
Benefit payments	(13.79)	13.79	-
As at March 31, 2019	242.23	(79.53)	162.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

The net liability disclosed above relates to gratuity are as follows:

	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Fair value of plan assets	79.53	84.16
Present value of funded obligations	242.23	228.74
Surplus/(Deficit) of gratuity plan	(162.70)	(144.58)

Categories of plan assets are as follows:

	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Insurer managed funds	79.53	(84.16)
Total	79.53	(84.16)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at 31 st March, 2019	As at 31 st March, 2018
Discount rate	7.70%	7.70%
Salary growth rate	4.00%	4.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rate (per annum)	1.50%	1.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Discount rate	1.00%	1.00%	224.46	231.11	257.91	247.41
Salary growth rate	1.00%	1.00%	258.41	271.23	223.80	212.06
Attrition Rate	50.00%	50.00%	242.84	251.47	230.84	226.50
Mortality Rate	10.00%	10.00%	240.12	249.51	228.91	228.57

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in Financial Statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20 lakhs).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 204.86 lakhs.

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2018 – 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

	(₹ in lakhs)			
	Less than a year	Between 2-5 years	Over 5 years	Total
March 31, 2019				
Defined benefit obligation (gratuity)	62.34	104.47	324.95	491.76
March 31, 2018				
Defined benefit obligation (gratuity)	49.14	91.32	373.12	513.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

43 Fair Value Measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Assets and Liabilities as at 31 st March, 2019		Carrying value		Routed through Profit and Loss			Routed through Other Comprehensive Income			Carried at amortised cost			(₹ in lakhs)		
Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2		Level 3	Total
Financial Assets															
Investments															
Equity instruments	372.28	-	372.28	-	-	-	-	372.28	-	-	372.28	-	-	-	-
Preference shares*	4.10	-	4.10	-	-	-	-	-	-	-	-	-	4.10	4.10	
Loans	15.46	24.91	40.37	-	-	-	-	-	-	-	-	-	40.37	40.37	
Trade receivable	420.56	4,716.09	5,136.65	-	-	-	-	-	-	-	-	-	5,136.65	5,136.65	
Cash and Cash equivalents	-	37.81	37.81	-	-	-	-	-	-	-	-	-	37.81	37.81	
Other Bank Balance	-	186.27	186.27	-	-	-	-	-	-	-	-	-	186.27	186.27	
Other Financial Assets	388.83	2,836.45	3,225.28	-	-	-	-	-	-	-	-	-	3,225.28	3,225.28	
Total	1,201.23	7,801.53	9,002.76	-	-	-	-	372.28	-	-	372.28	-	8,630.48	8,630.48	
Financial Liabilities															
Borrowings	487.52	7,053.80	7,541.32	-	-	-	-	-	-	-	-	-	7,541.32	7,541.32	
Trade Payables	309.47	4,930.87	5,240.34	-	-	-	-	-	-	-	-	-	5,240.34	5,240.34	
Other Financial Liabilities	4.05	1,664.96	1,669.01	-	-	-	-	-	-	-	-	-	1,669.01	1,669.01	
Total	801.04	13,649.63	14,450.67	-	-	-	-	-	-	-	-	-	14,450.67	14,450.67	

Financial Assets and Liabilities as at 31st March, 2018		Carrying value		Routed through Profit and Loss			Routed through Other Comprehensive Income			Carried at amortised cost			(₹ in lakhs)	
Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2		Level 3
Financial Assets														
Investments														
Equity instruments	797.69	-	797.69	-	-	-	797.69	-	-	-	-	-	-	-
Preference shares*	3.70	-	3.70	-	-	-	-	-	-	-	-	-	3.70	3.70
Loans	4.98	35.51	40.49	-	-	-	-	-	-	-	-	-	40.49	40.49
Trade receivable	182.28	5,857.15	6,039.43	-	-	-	-	-	-	-	-	-	6,039.43	6,039.43
Cash and Cash equivalents	-	14.61	14.61	-	-	-	-	-	-	-	-	-	14.61	14.61
Other Bank Balance	-	78.50	78.50	-	-	-	-	-	-	-	-	-	78.50	78.50
Other Financial Assets	433.00	2,477.43	2,910.43	-	-	-	-	-	-	-	-	-	2,910.43	2,910.43
Total	1,421.65	8,463.19	9,884.84	-	-	-	797.69	-	-	-	797.69	-	9,087.16	9,087.16
Financial Liabilities														
Borrowings	1,311.58	4,591.90	5,903.48	-	-	-	-	-	-	-	-	-	5,903.48	5,903.48
Trade Payables	242.80	5,025.96	5,268.76	-	-	-	-	-	-	-	-	-	5,268.76	5,268.76
Other Financial Liabilities	6.04	1,073.90	1,083.22	-	-	-	-	-	-	-	-	-	1,083.22	1,083.22
Total	1,554.38	10,701.08	12,255.46	-	-	-	-	-	-	-	-	-	12,255.46	12,255.46

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values of the Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.
4. Investment in preference shares of Mukand Limited are listed. However considering the fact that the shares are thinly traded, cannot be taken for the valuation from the market, hence the investment is considered as Level 3 investment as no similar category of instrument is available in the market and valuation of the same has been done in accordance with Level 3 instrument based on the inputs and data available.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3, is the case for unlisted equity securities and/or shares which are thinly traded.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

44 Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's approach to addressing risks is comprehensive and includes periodic review of such risks and a framework for mitigating and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board & Audit Committee. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

(a) The ageing analysis of trade receivables (gross) has been considered from the date the invoice falls due -

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Not due	3,642.90	4,155.74
0 to 180 days due past due date	529.16	1,613.31
More than 180 days past due date	1,787.95	957.45
	5,960.01	6,726.50

(b) The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Opening Provision	939.79	782.59
Provision during the year	186.30	161.69
Reversal of provision		(4.49)
Closing provision	1,126.08	939.79

ii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of ₹ 224.08 Lakhs at March 31, 2019 (March 31, 2018: ₹ 93.11 Lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

iii. Others

Other than trade financial assets reported above, the Company has no other financial assets which carries any significant credit risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	(₹ in lakhs)			
Contractual maturities of financial liabilities 31 March 2019	1 year or less	1-2 years	More than 2 years	Total
Long term borrowings	439.66	47.86		487.52
Short term borrowings	7,053.80	-	-	7,053.80
Trade payables (Current and Non-Current)	4,930.87	-	-	4,930.87
Other financial liabilities-Current	1,664.96	-	-	1,664.96
Other financial liabilities-Non-Current	4.05	-	-	4.05
Total	14,093.27	47.86	-	14,141.19

	(₹ in lakhs)			
Contractual maturities of financial liabilities 31 March 2018	1 year or less	1-2 years	More than 2 years	Total
Long term borrowings	232.42	501.73	577.43	1,311.58
Short term borrowings	4,591.90	-	-	4,591.90
Trade payables (Current and Non-Current)	5,268.76	-	-	5,268.76
Other financial liabilities-Current	1,073.89	-	-	1,073.89
Other financial liabilities-Non-Current	6.04	-	-	6.04
Total	11,173.01	501.73	577.43	12,246.13

(C) Market Risk

Market risk is the risk that arises from changes in market prices, such as interest rates (interest rate risk). They will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	(₹ in lakhs)	
Particulars	March 31 st , 2019	March 31 st , 2018
Variable rate borrowings	2,997.80	2,971.90
Fixed rate borrowings	5,393.29	3,380.50
Total borrowings	8,391.09	6,352.40

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2019

(b) Sensitivity:

A change of 100 basis points in interest rates (in case of variable rate loan) would have following impact on profit after tax/loss and equity -

	(₹ in lakhs)	
	March 31 st , 2019	March 31 st , 2018
Interest rates – increase by 100 basis points *	(22.18)	(20.54)
Interest rates – decrease by 100 basis points *	22.18	20.54

* Holding all other variables constant

Signatures to Notes 1 to 44

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K.K. MANKESHWAR & CO

Chartered Accountants

Firm Registration No: 106009W

RAJESH V. SHAH

Chairman

DIN : 00021752

R. SANKARAN

Director

DIN : 00381139

D.J. VORA

Company Secretary

K. P. JOTWANI

Manager

R. G. GOLATKAR

Chief Financial Officer

Mumbai, May 20, 2019

NOTES

NOTES



ATTENDANCE SLIP

MUKAND ENGINEERS LIMITED

CIN: L45200MH1987PLC042378

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip at the venue of the meeting.

DP ID*	
Client ID*	

Folio No.	
No. of shares	

I/ We hereby record my/ our presence at the **33rd Annual General Meeting** of the Company held on **Thursday, 8th August, 2019** at **11:30 a.m.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021.

.*Applicable for investors holding shares in electronic form.

**Member's / Proxy's
Signature**

----- ✂ ----- ✂ ----- ✂ -----

EVOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD*
190531010	Folio No./ Client ID	PAN Number/ Bank Account No./ Date of Birth

Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting.

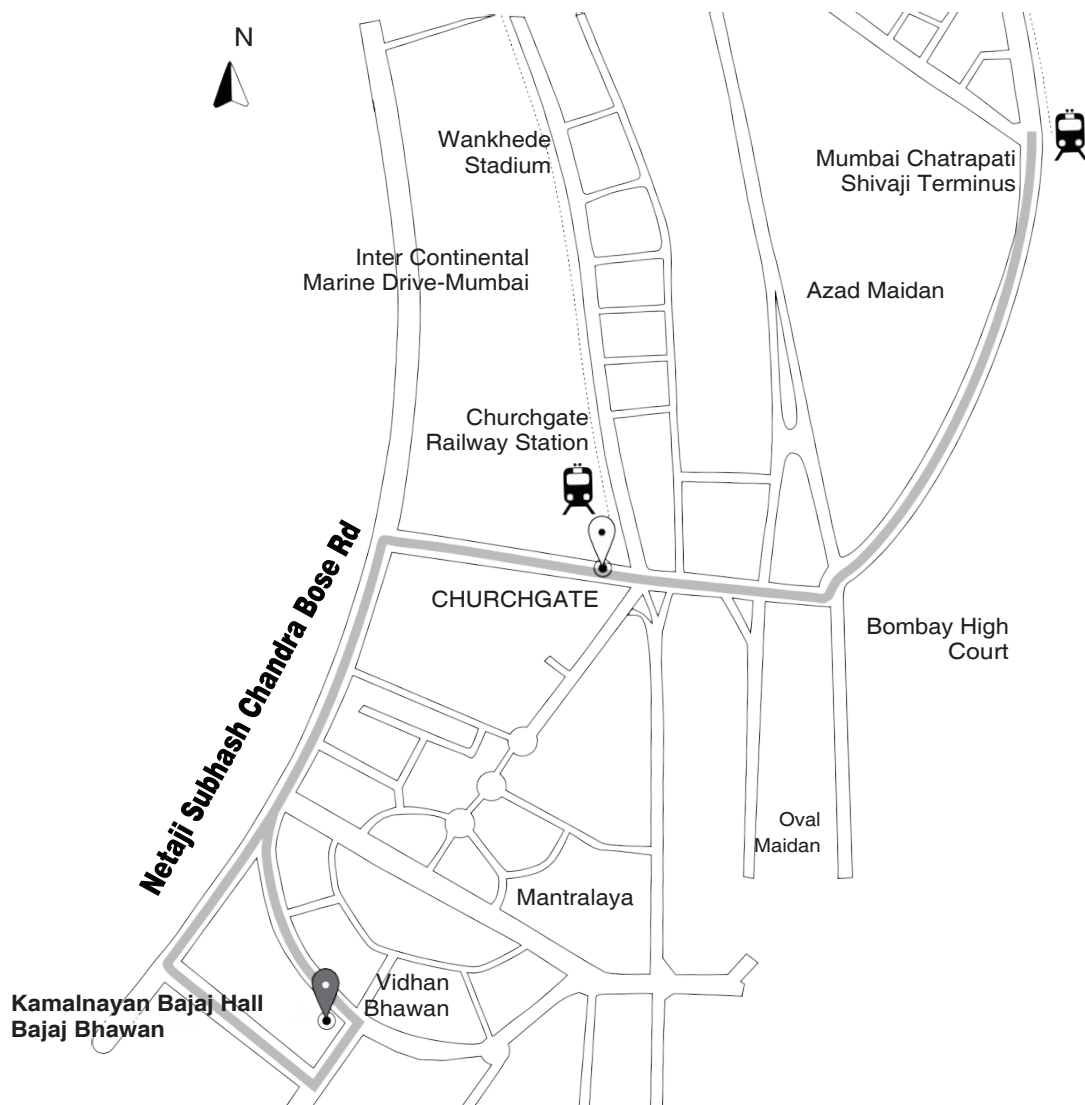
The E-Voting facility will be available during the following voting period.

Commencement of E-Voting	End of E-Voting
Sunday, 4th August, 2019 from 9.00 a.m. (IST)	Wednesday, 7th August, 2019 up to 5:00 p.m. (IST)

Note: Please read the instructions printed under the note no. 26 of the Notice dated May 20, 2019 for the 33rd Annual General Meeting.

VENUE OF AGM - ROUTE MAP

MUKAND ENGINEERS LIMITED
33rd Annual General Meeting
Thursday, 8th August, 2019 at 11:30 am



Venue of AGM:

Kamalnayana Bajaj Hall,
Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point,
Mumbai - 400021
Ph.: 022 2202 3626



PROXY FORM

MUKAND ENGINEERS LIMITED

CIN: L45200MH1987PLC042378

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

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

(1) Name : _____ Address : _____

Email Id : _____ Signature : _____ or failing him

(2) Name : _____ Address : _____

Email Id : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **33rd Annual General Meeting** of the Company, to be held on **Thursday, August 8, 2019 at 11:30 a.m.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai- 400 021 and at my adjournment thereof in respect of such resolutions as indicated below:

Sr. No.	Resolutions	Optional	
	Ordinary Business	For	Against
1	Adoption of Audited Financial Statements for the year ended 31 st March, 2019, and Report of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Rajesh V. Shah (DIN: 00021752) as Director, who retires by rotation.		
	Special Business		
3	Approval of Related Party Transactions u/s 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
4	Continuation of Shri Prakash V. Mehta (DIN: 00001366) as an Independent Director of the Company.		
5	Continuation of Shri N. Ramanathan (DIN: 01566914) as an Independent Director of the Company.		
6	Re-appointment of Shri Prakash V. Mehta (DIN: 00001366) as an Independent Director.		
7	Re-appointment of Shri N. Ramanathan (DIN: 01566914) as an Independent Director.		
8	Re-appointment of Shri R. Sankaran (DIN: 00381139) as an Independent Director.		

Signed this _____ day of _____ 2019.

Affix a
₹ 1/-
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. As provided under regulation 44 of the SEBI Listing Regulations, 2015, a shareholder may vote either for or against each resolution.

If undelivered, please return to :



MUKAND ENGINEERS LIMITED

Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.
www.mukandengineers.com