

**Mukand Engineers Limited**

Kalwe Works : Thane-Belapur Road,  
Post Office Kalwe, Thane, Maharashtra  
India 400 605.

Tel : 91 22 2172 7500 / 7700 F : 91 22 2541 0291  
E : mel@mukand.com

Regd Office: Bajaj Bhavan, Jamnalal Bajaj Marg,  
226 Nariman Point, Mumbai, India 400 021.

www.mukandengineers.com

CIN L45200MH1987PLC042378

Date: 05/09/2020

1. BSE Ltd. Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400021	2. National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex. Bandra East, Mumbai- 400051
Kind Attn: Mr. Sanjeev Kapur, General Manager, Department of Corporate Relations	Kind Attn: Mr. Hari K., Vice President
ISIN Code: INE022B01014 BSE Scrip Code: 532097	ISIN Code: INE022B01014 NSE Scrip name: MUKANDENGG

Dear Sir/Madam,

Sub.: Annual Report for the Financial Year 2019 – 20 along with Notice convening 34<sup>th</sup> Annual General Meeting

Ref.: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

As required under Regulation 34 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2019-20 along with the Notice convening the 34<sup>th</sup> Annual General Meeting scheduled to be held on **Tuesday, September 29, 2020 at 11.30 A.M. (IST)** through Video Conferencing/Other Audio Visual Means in accordance with the General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI and applicable provisions of the Companies Act, 2013.

The Annual Report for the financial year 2019-20 along with the Notice convening the 34<sup>th</sup> Annual General Meeting is uploaded on the website of the Company at **www.mukandengineers.com**.

Please take the above information on record.

For Mukand Engineers Limited



Dhawal Vora

Company Secretary

(dhawal@mukand.com)





**MUKAND  
ENGINEERS**

2019-20

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**34<sup>th</sup> ANNUAL REPORT**

## BOARD OF DIRECTORS

*Rajesh V. Shah - Chairman / Non-Executive Director*

*Niraj Bajaj - Non-Executive Director*

*Prakash V. Mehta - Independent Director*

*N. Ramanathan - Independent Director*

*R. Sankaran - Independent Director*

*Anna Usha Abraham - Non-Executive Director*

## KEY MANAGERIAL PERSONNEL

K.P. Jotwani - Chief Executive Officer

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

email: [mel@mukand.com](mailto:mel@mukand.com)

Website: [www.mukandengineers.com](http://www.mukandengineers.com)

CIN: L45200MH1987PLC042378

## BANKERS

Central Bank of India

## REGISTRAR AND SHARE TRANSFER AGENTS

**Bigshare Services Pvt. Ltd.**

1<sup>st</sup> Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road, Marol,

Andheri (E), Mumbai-400059

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

email : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)

### 34<sup>th</sup> ANNUAL GENERAL MEETING

On Tuesday, 29<sup>th</sup> September, 2020 at 11:30 a. m.

The Company is conducting AGM through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013 and MCA General Circular No. 14/2020, dated 08<sup>th</sup> April, 2020, MCA General Circular No. 17/2020, dated 13<sup>th</sup> April, 2020 and MCA General Circular No. 20/2020, dated 5<sup>th</sup> May, 2020 and as such there is no requirement to have a venue for the AGM.

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## NOTICE

To,  
The Members,

**NOTICE is hereby given that the Thirty Fourth (34<sup>th</sup>) Annual General Meeting ("AGM") of the Members of the Mukand Engineers Limited will be held on Tuesday, 29<sup>th</sup> September, 2020 at 11:30 a.m. (I.S.T) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility, to transact the following business:**

### **ORDINARY BUSINESS:**

1. To consider and adopt the Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Anna Usha Abraham (DIN: 07072268), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Bhushan Khot & Co., Chartered Accountants (Firm Registration No. 116888W), be appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W), to hold office from the conclusion of this 34<sup>th</sup> AGM until the conclusion of the 39<sup>th</sup> AGM, subject to approval by Members at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any Committee of the Board) be and is hereby authorized to do all necessary acts, deeds, things and matters, and execute all such documents, as may be necessary in this regard from time to time to give effect to this resolution."

### **SPECIAL BUSINESS:**

#### **4. Approval / Ratification of Material Related Party Transactions for F.Y. 2020-21 / F.Y. 2019-20.**

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 2018-19 & 2019-20. The details of which are given in the tabular chart hereunder and explained further in 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, 2019 to March 31, 2020	515.58
Mukand Limited 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, 2020 to March 31, 2021	6,419.10
Mukand Limited	Corporate Guarantee given by Mukand Limited for credit facilities	April 1, 2020 to March 31, 2021	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."

## **NOTES FOR MEMBERS' ATTENTION:**

1. The AGM will be held on Tuesday, 29<sup>th</sup> September, 2020 at 11:30 a.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility in compliance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular no. 14/2020, dated 08<sup>th</sup> April, 2020, MCA General Circular no. 17/2020, dated 13<sup>th</sup> April, 2020 and MCA General circular No. 20/2020 dated 05<sup>th</sup> May, 2020 and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")
2. Pursuant to the General Circular No. 14/2020 dated 08<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote on behalf of the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. Body Corporate whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email Id **dhawal@mukand.com** a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through E-voting.
4. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to SEBI Listing Regulation and the General Circular No. 14/2020 dated 08<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs followed by General Circular No. 20/2020 dated 05<sup>th</sup> May, 2020, physical presence of the Members is not required. Hence, Members have to attend and participate in the ensuing AGM though VC/OAVM only.
5. Those Shareholders whose Email IDs are not registered can get their Email ID registered as follows:
  - Members holding shares in Demat form can get their email ID registered by contacting their respective Depository Participant.
  - Members holding shares in the physical form can get their Email ID registered by contacting our Registrar and Share Transfer Agent "Bigshare Services Private Limited" on their email id **investor@bigshareonline.com**.
6. Pursuant to the MCA circulars, since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 34<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for Members for attending the AGM through VC/OAVM are given in this Notice.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. As the Annual General Meeting of the Company is held through Video Conferencing/OAVM, we therefore request the members to submit questions in advance relating to the business specified in this Notice of AGM on the email ID **dhawal@mukand.com**.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 19, 2020 to Tuesday, September 29, 2020 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
11. Brief profile of Director Smt. Anna Usha Abhraham 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**.
12. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") Secretarial Standard-2 on General Meeting 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 4 of the Notice is annexed hereto. The Board of Directors has decided that the special businesses set out under item no. 4 being considered 'unavoidable', be transacted at the 34<sup>th</sup> AGM of the Company.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
14. Members desiring any information as regards to Accounts are requested to send an email to **dhawal@mukand.com**, 10 days in advance before the date of the Meeting to enable the Management to keep full information ready on the date of AGM.
15. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to **dhawal@mukand.com**.



16. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 25.
17. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
18. The Annual Report along with the Notice of AGM will be placed on the Company's website on **www.mukandengineers.com**.
19. As per the MCA General Circular 20/2020 dated 05th May, 2020, the Annual Report will be sent through electronic mode to only those Members whose email IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository participant.
20. Shareholder's of the Company holding shares either in Physical form or in Dematerialised forms as on Benpos date i.e. August 28, 2020 will receive Annual Report for the financial year 2019-20 through electronic mode only.
21. SEBI vide its notification dated 8<sup>th</sup> June 2018 as amended on 30<sup>th</sup> November 2018, has stipulated that w.e.f. 1<sup>st</sup> April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to demat their physical holdings.
22. Members are requested to notify any changes in their address to the Company's **Registrar & Share Transfer Agents, viz. M/s. Bigshare Services Pvt. Ltd., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai - 400059.**
23. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
24. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

**25. INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:**

- a. Pursuant to the provisions 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 Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be

transacted at the AGM. The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility. The facility of casting votes by a member using remote e-voting system as well as e-voting system on the date of AGM will be provided by CDSL.

- b. The Board of Directors of the Company has appointed M/s. Ragini Chokshi and Company, Practicing Company Secretary, (CP No. 1436) to act as a Scrutinizer, to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- c. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 18, 2020.
- d. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date, i.e. September 18, 2020 only shall be entitled to cast their vote either through remote e-voting or through e-voting at the AGM.
- e. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at **www.mukandengineers.com** and on the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to the BSE Limited and National Stock Exchange Limited, where the shares of the Company listed.
- f. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 29, 2020.
- g. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

**The instructions for Members for Remote E-Voting are as under:-**

- (i) The voting period begins on Friday, 25<sup>th</sup> September, 2020 at 9.00 a.m. (I.S.T) and ends on Monday, 28<sup>th</sup> September, 2020 at 5.00 p.m. (I.S.T). The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website at **www.evotingindia.com**.
- (iii) Click on Shareholders/Member.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit PAN No. issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is sent by Company / RTA indicated in the PAN field
Dividend Bank Details OR Date of Birth (DOB)	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 • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.
- (x) For Members holding shares in Physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent

to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xix) Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. Other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**Instructions for Members for E-Voting on the day of the AGM are as under:-**

- (i) The procedure for E-Voting is same as the instructions mentioned above for Remote E-Voting.
- (ii) Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the AGM.
- (iii) Members who have voted through Remote E-Voting will be eligible to attend the AGM and participate there at. However, they will not be eligible to vote at the AGM. In case any Member, who had voted through Remote E-Voting, casts his vote again at the E-Voting provided during the AGM, then the Votes cast during the AGM through E-voting shall be considered as Invalid.
- (iv) Members are requested to follow the instructions, if any, provided during the currency of the AGM for E-Voting.
- (v) The details of the person who may be contacted for any grievances connected with the facility for e-voting during the AGM shall be the same person mentioned for Remote e-voting.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- (i) For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, Scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to our RTA Bigshare Services Private Limited on their email ID [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
- (ii) For Demat shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, Client master or Copy of

Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to our RTA Bigshare Services Private Limited on their email ID [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

- (iii) The RTA shall co-ordinate with CDSL and provides the login credentials to the above mentioned shareholders.

**26. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Members whose email IDs are already registered with the Depository Participant/ Registrar and Share Transfer Agent of the Company and who are desirous to attend the AGM through VC/OAVM can apply at [dhawal@mukand.com](mailto:dhawal@mukand.com) requesting for participation in the AGM, by giving their name as registered in the records of the Company, DPID/Client ID or Folio Number and the Registered email ID.
- b) Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the RTA of the Company/DP, may get their email IDs registered as per the instructions provided in point No. 5 of this Notice.
- c) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.
- d) Shareholders may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members login where the EVSN of Company will be displayed. Click on live streaming appearing beside the EVSN.
- e) The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.
- f) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- g) System requirements for best VC experience  
Internet connection - broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more  
Microphone and speakers - built-in or USB plug-in or wireless Bluetooth  
Browser: Google Chrome: Version 72 or latest  
Mozilla Firefox: Version 72 or latest  
Microsoft Edge Chromium: Version 72 or latest  
Safari: Version 11 or latest  
Internet Explorer: Not Supported
- h) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



- i) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/Folio number, PAN, mobile number to **dhawal@mukand.com** from 20<sup>th</sup> September, 2020 (9:00 a.m. IST) to 26<sup>th</sup> September, 2020 (5:00 p.m. IST).
  - j) Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  - k) Members who need assistance before or during the AGM, can contact CDSL by sending an email to **helpdesk.evoting@cdslindia.com** or call 1800225533.
  - l) Institutional Shareholders are encouraged to participate at the AGM through VC/OAVM and vote thereat.
27. Any person, who acquires shares of the Company and become Member of the Company after sending the Notice of AGM through electronic mode and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at **helpdesk.evoting@cdslindia.com**.
  28. In line with the Ministry of Corporate Affairs General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling AGM has been uploaded on the website of the Company at **www.mukandengineers.com**. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and NSE Limited at **www.bseindia.com** and **www.nse.com** respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-voting facility) i.e. **www.evotingindia.com**.
  29. Investor Grievance Redressal: - The Company has designated an e-mail id **mel@mukandengineers.com** to enable investors to register their complaints, if any.
  30. (a) Members who have neither received nor uncashed their dividend warrant(s) for financial year 2012-13 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 2012-13 can be claimed by shareholders by 10<sup>th</sup> September, 2020.
  - (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 8<sup>th</sup> August, 2019 (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 31<sup>st</sup> March, 2013, remaining unclaimed for a period of seven years shall become due for transfer in September, 2020 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 2012-13 onwards are requested to approach the Company/RTA for claiming the same as early as possible on receipt of this Notice.
31. Since the AGM will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.

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

**Dhawal J. Vora  
Company Secretary  
ACS-18646  
Mumbai, August 13, 2020.**

## **ANNEXURE TO THE NOTICE**

### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

**[The following Explanatory Statement sets out all material facts relating to business mentioned under item nos. 3 to 4 of the accompanying Notice]**

#### **Item No. 3 of the Notice**

M/s. K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) were appointed as Statutory Auditors of the Company. In terms of their appointment made at the 29<sup>th</sup> AGM held on 12.08.2015, they are holding office of the auditors up to the conclusion of the 34<sup>th</sup> AGM and hence, would retire at the conclusion of the forthcoming 34<sup>th</sup> AGM. Further the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, M/s. Bhushan Khot & Co., Chartered Accountants (Firm Registration No. 116888W) is proposed to be appointed as Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 34<sup>th</sup> AGM till the conclusion of the 39<sup>th</sup> AGM.

M/s. Bhushan Khot & Co., Chartered Accountants (Firm Registration No. 116888W), have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The details, terms and conditions of appointment (including remuneration) of the Auditor proposed to be appointed, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are as follows:

<b>Name of Auditor</b>	M/s. Bhushan Khot & Co., Chartered Accountants (Firm Registration No. 116888W)
<b>Brief Profile and Credentials of the Firm</b>	M/s. Bhushan Khot & Co. is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI). The firm was established in the year 1997 and it has Head office at Andheri - Mumbai and have branch offices Matunga-Mumbai, Vashi- Navi Mumbai and Uttam Nagar- New Delhi. The audit firm has valid Peer Review certificate Issued by the Peer Review Board of the ICAI. The Firm has 30+ members, including Partners, Directors, Associate Directors, Managers, Associates, Article Trainees, etc.
<b>Basis of recommendation for appointment</b>	The Board and Audit Committee, have considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found said firm be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.
<b>Terms of appointment</b>	The tenure of said firm as Auditors will be from the conclusion of the 34 <sup>th</sup> AGM of the Company, for a period of five years i.e. till the conclusion of 39 <sup>th</sup> AGM of the Company on such terms as may be mutually determined by the Board of Directors of the Company in consultation with the Auditors.
<b>Proposed fees payable</b>	Not exceeding ₹ 10,00,000/- (Rupees Ten lacs only) payable to the Auditors for the financial year 2020-21 plus applicable taxes and out of pocket expenses, as may be incurred, in connection with the Statutory Audit and other services of the Company. The fees payable for Statutory Auditor for financial year 2020-21 and onwards till the remainder of their tenure, will be mutually determined by the Board of Directors/Committee thereof, in consultation with the Auditors.
<b>Material change in the fee payable to the auditor from that paid to the outgoing auditor Rationale for such change in remuneration</b>	There is no material change in the proposed fees payable to the new Statutory Auditors as compared to fees paid to outgoing Statutory Auditors

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the Notice.

#### **Item No. 4 of the Notice**

Pursuant to Section 188 of the Companies Act, 2013 (“the Act”), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the Members by way of an Ordinary Resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect 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 Company 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 31<sup>st</sup> March, 2019 & 31<sup>st</sup> March, 2020;

<b>Related Parties Transactions where control / significant influence exists:- Financial Year 2019-2020</b>				
<b>Sr. No.</b>	<b>Name of Related Party</b>	<b>Nature of Work</b>	<b>Total ₹ In Lacs</b>	<b>Basis for Pricing</b>
1	Mukand Limited	ICD along with interest thereon	515.58	Interest as per prevailing market rate
<b>Related Parties Transactions where control / significant influence exists:- Financial Year 2020-2021</b>				
<b>A</b>	<b>Operations - Income</b>			
1	Mukand Limited	Contract Execution - Design, Erection, Commissioning, Transportation, ERP Services, trading activities etc	2,456.00	As per contract.
		<b>Total</b>	<b>2,456.00</b>	
<b>B.</b>	<b>Operations - Expenses</b>			
1	Mukand Limited.	Purchase of Cranes & Maintenance, Rent& Electricity for office space, CG commission etc	471.60	As per Contract
2	Mukand Global Finance Limited (a 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.)	SAP Upgradation Services	2.50	As per Contract
		<b>Total</b>	<b>478.10</b>	
<b>C.</b>	<b>Loan - Mukand Limited</b>	ICD along with interest thereon	<b>3,485.00</b>	Interest as per prevailing market rate
<b>D.</b>	<b>Others- Corporate Guarantee</b>			
	Corporate Guarantee given by Mukand Limited on behalf of the Company for Credit facilities		<b>11,500.00</b>	Corporate Guarantee given by Mukand Limited to Central Bank of India.

The other particulars of above transactions are as under:-

<b>Sr. No.</b>	<b>Details</b>	<b>Particulars</b>
a.	Name of the Related Party:	Mukand Limited, Mukand Global Finance Limited (wholly owned subsidiary of Mukand Limited), 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 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 33<sup>rd</sup> Annual General Meeting held on August 8, 2019 through an Ordinary Resolution that all the 'Material Related Party Transactions (RPT) 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 for the Financial Year 2019-20 to the extent of ₹ 3,312.50 lacs for ICD along with interest thereon, however, due to delay in release of dues from major clients, the Company had to avail additional loan along with interest from Mukand Limited ("ML") a group Company to the extent of ₹ 515.58 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 irrespective of whether the entity is a party to the particular transaction or not.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said Resolution except for their holdings in the shares of the Company, if any, and to the extent of their Memberships and/or Directorships in the subsidiaries and associate companies, if any.

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

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

**Dhawal J. Vora  
Company Secretary  
ACS-18646  
Mumbai, August 13, 2020.**

**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

<b>Name of the Director</b>	Ms. Anna Usha Abraham
<b>DIN No</b>	07072268
<b>Date of Birth &amp; Age</b>	November 30, 1965 - 54 years
<b>Qualification</b>	Holds a Post Graduate Diploma in Journalism from the Indian Institute of Mass Communication, New Delhi, 1987. Also completed Executive Program in Human Resources Management from Indian Institute of Management, Kolkata, 2011; an Executive Certificate Course in Brand Management from Indian School of Business, Hyderabad, 2007.
<b>Date of appointment</b>	February 11, 2015
<b>Experience &amp; Expertise in Specific Functional areas</b>	Communication professional with more than 28 years of experience in a variety of industries including manufacturing, logistics, banking and publishing. Experience in execution & handling of Corporate Social Responsibility activities
<b>*^^List of Directorship/ Membership / Chairmanship of Committees of other Boards</b>	Director of Mukand Sumi Metal Processing Limited.
<b>#Chairman / Member of the Committee of the Board of other Companies in which she is a Director</b>	Nil
<b>Shareholding of Director as on March 31, 2020.</b>	Nil
<b>Number of Meetings of the Board attended during the financial year 2019-2020.</b>	4 out of 4
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.</b>	Nil
<b>Terms and Conditions of re-appointment</b>	N.A
<b>Details of remuneration sought to be paid</b>	N.A

\*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 34<sup>th</sup> Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2020.

### 2. Financial Results

(₹ in Crores)

Description	Current Year	Previous Year
Revenue from operations and other Income	44.84	55.03
Profit / (Loss) for the year Before Tax	(30.19)	(22.63)
Add / (Less) : Provision for Tax (including Deferred Tax)	(0.01)	(0.50)
Profit / (Loss) After Tax	(30.18)	(22.13)
Other Comprehensive Income	(1.41)	(0.24)
Total Comprehensive Income / (Loss)	(31.59)	(22.37)
Earnings Per Share in ₹	(24.01)	(17.61)

### 3. Dividend

The Directors do not recommend any dividend on equity shares on account of loss incurred during the financial year ended March 31, 2020.

### 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 ₹ 44.84 Cr as compared to ₹ 55.03 Cr in the previous year.

#### 5.2 Engineering -

The Revenue from engineering operation during the year was ₹ 35 Cr as against ₹ 47 Cr in previous year. During the year, execution of many projects particularly NMDC and NTPC were prolonged due to reasons attributable to Clients. Further due to delay in completion, cost has increased. The Company has lodged claims for cost and time overruns which are under active consideration.

The Company has lodged claims for establishment cost and time overruns which are under active consideration. As per the policy of the Company these will be considered only on acceptance by client.

#### 5.3 Infotech -

Revenue from Infotech Segment during the year was ₹ 6.72 Cr

### 6. Note on COVID 19 Pandemic

In March 2020, the World Health Organisation (WHO) declared COVID-19 a global pandemic. Consequent to this, Government of India declared nation-wide lockdown on March 24, 2020, which has impacted normal business operations of the Company and the focus immediately shifted to ensuring the health and well-being of all employees. This forced the Company to switch to work from home wherever possible for office staff employees of the Company. The project site work came to a standstill as most of the workers migrated to their hometown.

The Company has issued force majeure intimations to customers in accordance with the terms of the Contracts. At present, the Company does not foresee any significant impact due to the non-fulfilment of its contractual obligations to the customers or any other counter party arising out of Covid 19 pandemic.

The Company has evaluated the impact of Covid 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers; (ii) revision of estimations of costs to complete the contracts because of additional efforts; (iii) termination or deferment of contracts by customers.

The work at project sites are affected due to non-availability of sufficient Skilled Workers, Engineers and Foreign Experts for commissioning work. With the graded opening of project sites and offices, the Company is making every effort possible to make up for the lost time due to the pandemic during F.Y. 2020-21. The impact, to the Business & future economic conditions, of the lockdown disruption will have to be assessed from time to time and a lot depends on the success of the various pandemic containment efforts being undertaken by the Respective State Governments, Health authorities and Central Government. At this stage, it is premature to forecast the future impact with credibility.

### 7. Human Resource Development

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth. A robust Talent Acquisition system enables the Company to balance unpredictable business demands with a predictable resource supply through organic and inorganic growth.

### 8. Fixed Deposits

The Company is authorized to accept Fixed Deposits up to 35 % of 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. The Company has not accepted any fresh Deposits during the year, Fixed deposits repaid during the year amounted to ₹ 8.45 Crs and matured & unclaimed deposits as at the end of the year were ₹ 0.14 Crs. The Company held ₹ 5.02 Crs as Fixed Deposits as of March 31, 2020. There has been no default in repayment of deposits or payment of interest thereon during the year. There are no Fixed deposit which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

## 9. Statutory Auditors

As M/s K.K. Mankeshwar & Co, Chartered Accountants, Mumbai, (Firm Registration No. 106009W) retire after being Company's Statutory Auditors for a period of 10 consecutive years.

The Board of Directors places on record its appreciation to the services rendered by M/s. K.K. Mankeshwar & Co., Chartered Accountants as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Bhushan Khot & Co., Chartered Accountants (Firm Registration No. 116888W) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

## 10. Corporate Governance Report

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

A Certificate of the "Chief Executive Officer 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.

## 11. Extract of Annual Return

An extract of the Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in the prescribed Form MGT-9 is annexed to this report as **Annexure-II** and forms integral part of the Report and is also available on the Company's website at [www.mukandengineers.com](http://www.mukandengineers.com)

## 12. Meetings of the Board and its Committees

During the year under review, 4 (Four) 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.

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

During the year under review, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

## 14. 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 at [www.mukandengineers.com](http://www.mukandengineers.com). The brief about the policies are given in **Annexure-VI**.

## 15. 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.

## 16. 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](http://www.mukandengineers.com).

## 17. 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 has been uploaded on the Company's website at [www.mukandengineers.com](http://www.mukandengineers.com).

## 18. Performance Evaluation of 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.

## 19. Details of Significant and Material Orders passed by the Regulators or Courts or Tribunal impacting the going concern status and Company Operations in Future - Composite Scheme of Amalgamations.

On 16<sup>th</sup> July 2018, on the recommendation of the Audit Committee, the Board of Directors of the Company, had considered & approved the Scheme of Amalgamation amongst Adore Traders and Realtors Private Limited ("Adore"), Mukand Global Finance Limited ("MGFL"), the Company 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 the Company with Mukand. The Appointed Date for the amalgamation is 1<sup>st</sup> April, 2019.

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. On receipt of Observation letter, the Company along with Mukand, MGFL and Adore had filed the Company Scheme Application with National Company Law Tribunal, Mumbai Bench ("NCLT"). Pursuant to the order, the NCLT directed for convening meetings of the equity shareholders and unsecured creditors of the Company on November 28, 2019. The shareholders and unsecured creditors of the Company, at their respective meetings, had approved the Scheme of Amalgamation with requisite majority without any modification therein. Thereafter, the Company had filed Company Scheme Petition seeking sanction of the NCLT, Mumbai bench and the same was admitted by NCLT Special Bench, Mumbai on 23<sup>rd</sup> April, 2020. Final hearing on the petition and approval of the Scheme by NCLT is awaited. The Scheme is also subject to requisite approval of other Statutory or Regulatory authorities as may be applicable. On implementation of the Scheme, the Company will cease to exist and all the assets and liabilities of the Company will be transferred to Mukand Limited w.e.f. the Appointed Date on a going concern basis without any further act, instrument, deed, matter or thing by virtue of and in the manner provided in the Scheme.

In view of above, these financial statements have been prepared on a going concern basis.

## 20. Other Information

- 20.1 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.
- 20.2 During the year, under review there were no foreign exchange earnings or expenditure.
- 20.3 There are no employees covered under Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- 20.4 None of the Directors is paid any Remuneration other than sitting fees for attending Board/other Committee Meetings of the Company.
- 20.5 Details relating to remuneration of Key Managerial Personnel is available in MGT-9 as **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.
- 20.6 The paid up equity share capital as on March 31, 2020 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.
- 20.7 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.
- 20.8 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 up to the date of this report.
- 20.9 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.
- 20.10 Cash Flow Statement for the financial year 2019-20 is attached to the Balance Sheet.

## 21. 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.

However, as per the Listing Regulation constitution of Risk Management Committee for enforcing Risk Management Policy is not applicable to the Company.

## 22. Directors' Responsibility Statement

As required by Section 134 (3) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ending March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to their material departures;
- b) 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 loss of the Company for that period;

- c) 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;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) 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
- f) 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.

## 23. 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, Ms. Anna Usha Abraham (DIN: 07072268), Director of the Company, will retire in the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Ms. Anna Usha Abraham has been given in the Notice convening the Annual General Meeting.

### b) Independent Directors

The Independent Directors have submitted their Declaration of Independence, for the current year as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-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 at [www.mukandengineers.com](http://www.mukandengineers.com). None of the KMP's of the Company has resigned during the year under review.

## 24. Related Party Transactions

In accordance with the provisions of the Companies Act, 2013 and Rules framed thereunder as well as Regulation 23 of the LODR Regulations, 2015 your Company has in place Related Party Transaction Policy. All contracts/

arrangements / transactions entered by the Company during the financial year with related parties were as per the Related Party Transaction Policy and were in the ordinary course of business and on arms' lengths basis.

During the financial year 2019-20, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of the LODR Regulations, 2015, all RPT's 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 at [www.mukandengineers.com](http://www.mukandengineers.com).

## 25. 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.

## 26. 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 LODR Regulations, 2015. The particulars of familiarization programme for Independent Director can be accessed through the website of the Company at [www.mukandengineers.com](http://www.mukandengineers.com).

## 27. 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.

## 28. Secretarial Auditors and Secretarial Audit Report

The Board has appointed M/s. Ragini Chokshi & Co, (C.P.No1436) 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 2019-20. The report of the Secretarial Auditors is annexed to this Report as **Annexure-V**. The observation referred to in the Secretarial Audit Report is self-explanatory and therefore in the opinion of the Directors, do not call for any comments under Section 134 of the Companies Act, 2013.

## 29. Corporate Social Responsibility (CSR)

Pursuant to the provisions of Sec 135 of the Companies Act, 2013 and applicable Rules and recent amendment, for the year ended March 31, 2020, the Company was not required to constitute CSR Committee or make any expenditure towards CSR.

### **30. Cautionary Statement**

Statements in the Directors Report and the Management Discussion and Analysis describing the Company's objectives, expectations, or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in global and domestic demand and supply conditions due to COVID-19 affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

### **31. 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, August 13, 2020.



## **Management Discussion and Analysis**

### **1 Engineering Construction Division**

#### **1.1 Industry Structure and Developments**

Because of the differences with China, the Capital Goods industry will perform better in future. 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. The government also wants to invest heavily in infrastructure & we expect business in that area also.

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 and 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 ₹ 57 crores executable mostly in F.Y. 2020-2021 & F.Y. 2021-2022. The emphasis for the coming year is therefore to book fresh orders during the year and to have a healthy order book at the end of the year.

##### **Threats**

Delays in completion of project work because of non-availability of timely fronts from customers, this may further aggravate considering the prevailing pandemic situation.

#### **1.3 Future Outlook**

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 Steel industry, which are in various stages of finalization. Many companies in the infrastructures space have closed down in the last three 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 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 ₹ 4,484 lacs as compared to ₹ 5,503 lacs in the previous year, a drop of 18.52%.

Net Profit / (loss) margin ratio is at (67.31%) as against (40.22%) for previous year. Interest coverage ratio is (1.32) as compared to (1.11) in the previous year.

Revenue is down by 18.52% due to non-availability of workable fronts from client viz. NTPC/BHEL/NMDC. Delays in completion of projects has correspondingly affected the profit margins and interest coverage ratio.

Current ratio for the year under report is 0.91 as against 1.23 for the previous year. Debt equity ratio stood at (6.66) as compared to 4.44 in the previous year. The Inventory Turnover Ratio is 0.95 as compared to 0.93 in the previous year. This is high due to reduction in Operational Revenue. The Return on Net Worth in current year is (207%), previous year (130%) this is due to higher loss in current year as major of the jobs under execution got 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.

**On behalf of the Board of Directors**

**Rajesh V. Shah**  
**Chairman**

**DIN: 00021752**  
Mumbai, August 13, 2020

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on Financial Year ended on 31<sup>st</sup> March, 2020**

***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 ;**

<b>1</b>	CIN	L45200MH1987PLC042378
<b>2</b>	Registration Date	30 <sup>th</sup> January, 1987
<b>3</b>	Name of the Company	MUKAND ENGINEERS LIMITED
<b>4</b>	Category/Sub-category of the Company	Public Company / Limited by shares
<b>5</b>	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
<b>6</b>	Whether listed company	Yes (Listed on NSE & BSE)
<b>7</b>	Name, Address & contact details of the Registrar & Share Transfer Agent, if any.	Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri(E), Mumbai-400059 Tel: (022) 62638200. Fax : (022) 62638299 E-Mail : investor@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)**

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the product/service</b>	<b>% to total turnover of the Company</b>
1	Engineering & Construction	429	84
2	Infotech Services	620	16

**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 <sup>st</sup> April, 2019				No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5,21,872	0	5,21,872	4.15	5,21,872	0	5,21,872	4.15	0
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.	61,08,926	0	61,08,926	48.59	61,08,926	0	61,08,926	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
<b>Total shareholding of Promoter (A)</b>	<b>66,30,798</b>	<b>0</b>	<b>66,30,798</b>	<b>52.74</b>	<b>66,30,798</b>	<b>0</b>	<b>66,30,798</b>	<b>52.74</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	400	400	0	0	400	400	0	0
b) Banks / FI	265	393	658	0.01	273	393	666	0.01	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
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
<b>Sub-total (B)(1):-</b>	<b>265</b>	<b>793</b>	<b>1,058</b>	<b>0.01</b>	<b>273</b>	<b>793</b>	<b>1,066</b>	<b>0.01</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	5,65,139	39,166	6,04,305	4.81	5,20,661	39,166	5,59,827	4.45	-0.36
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	35,59,228	2,36,530	37,95,758	30.19	35,83,820	2,12,482	37,96,302	30.20	0.01
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12,15,091	0	12,15,091	9.66	12,57,604	0	12,57,604	10.00	0.34
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	1,32,353	284	1,32,637	1.05	1,14,574	134	1,14,708	0.91	-0.14
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	17,692	0	17,692	0.14	20,110	0	20,110	0.16	0.02
Central Government -IEPF	80,363	0	80,363	0.64	1,02,287	0	1,02,287	0.81	0.17
Trusts	93,948	750	94,698	0.75	88,948	750	89,698	0.71	-0.04
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>56,63,814</b>	<b>276,730</b>	<b>59,40,544</b>	<b>47.25</b>	<b>56,88,004</b>	<b>2,52,532</b>	<b>59,40,536</b>	<b>47.25</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>56,64,079</b>	<b>2,77,523</b>	<b>59,41,602</b>	<b>47.26</b>	<b>56,88,277</b>	<b>2,53,325</b>	<b>59,41,602</b>	<b>47.26</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1,22,94,877</b>	<b>2,77,523</b>	<b>1,25,72,400</b>	<b>100.00</b>	<b>1,23,19,075</b>	<b>2,53,325</b>	<b>1,25,72,400</b>	<b>100.00</b>	<b>0</b>

**ii) Shareholding of Promoter**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 1 <sup>st</sup> April, 2019			Shareholding at the end of the year as on 31 <sup>st</sup> March, 2020			% 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 Limited	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	Jamnallal 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	0	0	0	0	0	0	0.00
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	Priyaradhika 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	34,066	0.27	0	34,066	0.27	0	0.00
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	0.01	0	1,200	0.01	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	32,454	0.26	0	32,454	0.26	0	0.00
<b>TOTAL</b>		<b>66,30,798</b>	<b>52.74</b>	<b>0</b>	<b>66,30,798</b>	<b>52.74</b>	<b>0</b>	<b>0.00</b>

**iii) There is no change in Promoters' Shareholding during the year**
**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	<b>SURENDRA BHAICHAND JHAVERI</b>				
	At the beginning and at the end of the year. No change for the year ended 31 <sup>st</sup> March, 2020	1,87,695	1.49		
2	<b>RAKESH SAJJAN GUPTA</b>				
	At the beginning and at the end of the year. No change for the year ended 31 <sup>st</sup> March, 2020	1,41,485	1.13		

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
<b>3</b>	<b>SASI STAR FINANCE PVT. LTD.</b>				
	At the beginning of the year 1 <sup>st</sup> April, 2019	1,17,676	0.94		
	Date-wise Increase / (Decrease)				
	08/08/2019 - Purchase	5,000	0.04	1,22,676	0.98
	20/09/2019 - Purchase	10,000	0.08	1,32,676	1.06
	27/09/2019 - Purchase	5,000	0.04	1,37,676	1.10
	At the end of the year 31 <sup>st</sup> March, 2020	1,37,676	1.10		
<b>4</b>	<b>RUPAN MEHTA</b>				
	At the beginning of the year 1 <sup>st</sup> April, 2019	62,800	0.50		
	08/08/2019 - Purchase	481	0.00	63,281	0.50
	09/08/2019 - Purchase	4,519	0.04	67,800	0.54
	30/08/2019 - Purchase	5,000	0.04	72,800	0.58
	27/09/2019 - Purchase	5,000	0.04	77,800	0.62
	29/11/2019 - sale	10,000	0.08	67,800	0.54
	03/01/2020 - Purchase	5,000	0.04	72,800	0.58
	10/01/2020 - Purchase	5,001	0.04	77,801	0.62
	20/03/2020 - Purchase	5,000	0.04	82,801	0.66
	At the end of the year 31 <sup>st</sup> March, 2020	82,801	0.66		
<b>5</b>	<b>TUSHAR K MEHTA</b>				
	At the beginning of the year 1 <sup>st</sup> April, 2019	48,999	0.39		
	09/08/2019 - Purchase	5,000	0.04	53,999	0.43
	30/08/2019 - Purchase	5,000	0.04	58,999	0.47
	20/09/2019 - Purchase	7,086	0.06	66,085	0.53
	27/09/2019 - Purchase	5,000	0.04	71,085	0.57
	29/11/2019 - sale	10,000	0.08	61,085	0.49
	03/01/2020 - Purchase	5,000	0.04	66,085	0.53
	10/01/2020 - Purchase	5,000	0.04	71,085	0.57
	20/03/2020 - Purchase	5,000	0.04	76,085	0.61
	At the end of the year 31 <sup>st</sup> March, 2020	76,085	0.61		
<b>6</b>	<b>VAID ELASTOMER PROCESSORS PVT. LTD.</b>				
	At the beginning of the year 1 <sup>st</sup> April, 2019	0	0		
	29/11/2019 - Purchase	75,000	0.60	75,000	0.60
	At the end of the year 31 <sup>st</sup> March, 2020	75,000	0.60		
<b>7</b>	<b>JYOTI RAKESH GUPTA</b>				
	At the beginning and at the end of the year. No change for the year ended 31 <sup>st</sup> March, 2020	73,409	0.58		
<b>8</b>	<b>G S FAMILY TRUST</b>				
	At the beginning and at the end of the year. No change for the year ended 31 <sup>st</sup> March, 2020	60,098	0.48		
<b>9</b>	<b>PANKAJ KUMAR RAMAWAT</b>				
	At the beginning and at the end of the year. No change for the year ended 31 <sup>st</sup> March, 2020	55,051	0.44		
<b>10</b>	<b>KASHMIRA MANISH MEHTA</b>				
	At the beginning and at the end of the year. No change for the year ended 31 <sup>st</sup> March, 2020	50,929	0.41		



**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 <sup>st</sup> April, 2019)		Shareholding at the end of the year (31 <sup>st</sup> March, 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Rajesh V. Shah - Chairman/Director	34,066	0.271	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 the other Directors - NIL.

(2) Shri K. P. Jotwani - (Chief Executive Officer), 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
<b>Indebtedness at the beginning of the Financial Year</b>				
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
<b>Total (i+ii+iii)</b>	<b>3,001.77</b>	<b>4,132.25</b>	<b>1,459.53</b>	<b>8,593.55</b>
<b>Change in Indebtedness during the Financial Year</b>				
* Addition	0	3,893.00	0	3,893.00
* Reduction	649.17	628.00	844.63	2,121.80
<b>Net Change</b>	<b>(649.17)</b>	<b>3,265.00</b>	<b>(844.63)</b>	<b>1,771.20</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	2,352.60	7,321.00	501.99	10,175.59
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	138.43	39.49	177.92
<b>Total (i+ii+iii)</b>	<b>2,352.60</b>	<b>7,459.43</b>	<b>541.48</b>	<b>10,353.51</b>

**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
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(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 (PF/Conveyance/Tel etc)	Nil
	<b>Total</b>	<b>Nil</b>
	<b>Ceiling as per the Act</b>	<b>Nil</b>

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	<b>Independent Directors</b>				
	Fee for attending Board Meetings	0.40	0.80	0.80	2.00
	Fee for attending Audit Committee Meetings	0.40	0.80	0.80	2.00
	Fee for attending Other Committee Meetings	0.00	0.40	0.40	0.80
	Commission	Nil	Nil	Nil	Nil
	Others - Independent Directors Meeting	0.00	0.10	0.10	0.20
	<b>Total (1)</b>	<b>0.80</b>	<b>2.10</b>	<b>2.10</b>	<b>5.00</b>
2	<b>Other Non-Executive Directors</b>				
	Fee for attending Board Committee Meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (1+2)</b>	<b>0.80</b>	<b>2.10</b>	<b>2.10</b>	<b>5.00</b>
	<b>Total Managerial Remuneration</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Overall Ceiling as per the Companies Act, 2013</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

\*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*	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55.58	23.05	15.53	94.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.25	0.22	0.79
	(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/Conv/Tel etc)	4.88	4.43	2.98	12.29
	<b>Total</b>	<b>60.78</b>	<b>27.73</b>	<b>18.73</b>	<b>107.24</b>

\* Manager till 31/08/2019, CEO w.e.f 01/09/2019

**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, August 13, 2020

## 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 arm's 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 (subsidiary 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:	Arm's 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, August 13, 2020**

## CORPORATE GOVERNANCE REPORT

## Directors' Report - Annexure - IV

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations / 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, Nomination and Remuneration Committee and the Stakeholders Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

#### (a) Composition and size 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 Company does not have any Institutional nominee 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. On the recommendation of Nomination and Remuneration Committee of the Company, Shri Praksh V. Mehta, Shri R. Sankaran and Shri N. Ramanathan were appointed as Independent Directors in the meeting held on 8<sup>th</sup> August, 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, 4 (four) Board Meetings were held on May 20, 2019, August 8, 2019, November 13, 2019 and February 14, 2020. The gap between the two meetings has been less than one hundred and twenty days. 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 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 **	Attendance Particulars		Number of positions held in listed and unlisted Public Limited Companies (including The Company)			No of shares held as on 31.03.2020
		Board Meetings	Last AGM held on 08/08/19	Directorships	Committee Memberships (Including as Chairman)	Committee Chairmanships	
Shri Rajesh V. Shah DIN -00021752	C/NED	4/4	Yes	6	4	-	34,066
Shri Niraj Bajaj DIN -00028261	NED	4/4	Yes	7	1	1	4,13,750
Shri Prakash V. Mehta DIN -00001366	NED/ID	4/2	Yes	7	9	4	Nil
Shri N. Ramanathan DIN -01566914	NED/ID	4/4	Yes	2	3	-	200
Shri R. Sankaran DIN -00381139	NED/ID	4/4	Yes	7	4	2	438
Smt. Anna Usha Abraham DIN-07072268	NED	4/4	Yes	2	-	-	Nil

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

#### Notes

- Directorships exclude Private Limited Companies, Foreign Companies and Section 8 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 Companies.
- 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
- Brief profiles of each of the above Directors are available on the Company's website [www.mukandengineers.com](http://www.mukandengineers.com).
- None of the other Directors is related to each other.

**Directorship in other Listed Companies as on March 31, 2020, is tabulated hereunder:**

Sr. No.	Name of the Director	List of Directorship held in other Indian Listed Companies and Category of Directorship
1	Niraj Bajaj	Bajaj Auto Limited - Non Executive Director Mukand Limited - Executive Director Bajaj Holding & Investment Limited - Chairman, Non-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	Mukand Limited - Independent Director
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;
- Experience of serving on the Board of different Companies in order to develop Insights about Corporate Governance, Management Responsibility, Protecting stakeholder interest.

**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](http://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. The Board periodically reviews the compliance status of the Company.

**Post Meeting Mechanism**

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

**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](http://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 Non-Executive 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 in the manner as provided in Companies Act, 2013 has been issued and disclosed on website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

**(h) Re-appointment of Directors**

Smt. Anna Usha Abraham is liable to retire by rotation and being eligible, offer herself for re-appointment. Information as required under Regulation 36 of LODR Regulations, 2015 has been given in the notice convening the Annual General Meeting.

**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](http://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 14, 2020. 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 (UPSI) 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](http://www.mukandengineers.com). Pursuant to regulation 9A (5) of the amended SEBI (Prohibition of Insider Trading) Regulation, 2015 effective from April 1, 2019, Company has formulated Board approved written policies and procedure for inquiry in case of leak of UPSI or suspected leak of UPSI in its Meeting held on May 20, 2019.

**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. The terms of reference of the Audit Committee have been reviewed and revised by the Board at its meeting held on February 12, 2019 and are as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015 as amended. There was no change in the composition of the Committee during the year.

Brief description of the terms of reference of the Audit Committee, inter-alia are as follows:

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 4 (four) times on May 20, 2019, August 8, 2019, November 13, 2019 and February 14, 2020. 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, Chief Executive Officer 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 at [www.mukandengineers.com](http://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 2019-20 is detailed below;

Name of the Member	Category**	Number of Meetings held during F.Y. 2019-20	Number of Meetings Attended
Shri Prakash V. Mehta	C/ID/ NED	4	2
Shri Rajesh V. Shah	NED	4	4
Shri N. Ramanathan	ID/ NED	4	4
Shri R. Sankaran	ID / NED	4	4

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

### 3(B) Nominations 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 3 (Three) times on May 20, 2019,

August 8, 2019 and November 13, 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 2019-20 is detailed below:

Name of the Member	Category**	Number of Meetings held during F.Y. 2019-20	Number of Meetings Attended
Shri R. Sankaran	C/ID/ NED	3	3
Shri Rajesh V. Shah	NED	3	3
Shri N. Ramanathan	ID / NED	3	3

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

The decision regarding remuneration of the "CEO" 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) covers the areas mentioned in Section 178 of the Act 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:

1. 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 for 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, 2020 is as under:

Sr. No.	Name of the Director	Amount (₹ in Lacs)
1.	Shri Prakash V. Mehta	0.80
2.	Shri N. Ramanathan	2.10
3.	Shri R. Sankaran	2.10
<b>TOTAL</b>		<b>5.00</b>

Remuneration paid to following Key Managerial Personnel's (KMPs) for the year ended March 31, 2020.  
(₹ in Lacs)

Name	Shri K. P. Jotwani	Shri Rajan Golatkar	Shri Dhawal J. Vora
Designation	Chief Executive Officer	Chief Financial Officer	Company Secretary
Salary and allowances	59.44	25.86	17.10
Contribution to Provident Fund and Other Funds	1.02	1.62	1.41
Perquisites (including approx. money value)	0.32	0.25	0.22
<b>TOTAL</b>	<b>60.78</b>	<b>27.73</b>	<b>18.73</b>

The employee wise break up of liability on account of Retirement Schemes based on Actuarial Valuation is not ascertainable. The amounts relatable to the 'Manager' / 'CEO' 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 at [www.mukandengineers.com](http://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 20, 2019 which was attended by all the Members.

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

#### Terms of Reference:

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	2019-2020		2018-2019	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Demat & Remat, Change of address and others	100	100	264	264

There were no complaints / queries pending reply as on March 31, 2020

The Secretarial Department of the Company and the Registrar and Share Transfer Agent viz. 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.

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 14, 2020 and all the Independent Directors were present except Shri Prakash Mehta 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](http://www.mukandengineers.com).

#### 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
2018-2019	August 8, 2019	11.30 a.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.
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, 4th Floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.

##### (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
2018-2019	August 8, 2019	1) Continuation of Shri Prakash Mehta as an Independent Director. 2) Continuation of Shri N. Ramanathan as an Independent Director. 3) Re-appointment of Shri Prakash Mehta as an Independent Director of the Company for a second term of five consecutive year's w.e.f. 9 <sup>th</sup> August, 2019. 4) Re-appointment of Shri R. Sankaran as an Independent Director of the Company for a second term of five consecutive years w.e.f 9 <sup>th</sup> August, 2019. 5) Re-appointment of Shri N. Ramanathan as an Independent Director of the Company for a second term of five consecutive years w.e.f 9 <sup>th</sup> August, 2019.
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 <sup>st</sup> June, 2017.



**(c) Details of Postal Ballot conducted during the year:**

As per directions of National Company Law Tribunal in the matter of Scheme of Amalgamation by Absorption amongst Adore Traders & Realtors Private Limited; Mukand Global Finance Limited; Mukand Engineers Limited and Mukand Limited and their respective shareholders and creditors ("Scheme"), meetings of Equity Shareholders and Unsecured Creditors were convened and held on 28<sup>th</sup> November, 2019, wherein to obtain shareholders approval, addition to e-voting, postal ballot and voting at venue Postal ballot were also conducted, details of the same are given below:

- (a) Details of the Scrutiniser: Ragini Chokshi & Co.
- (b) Date of Scrutinizer report: 29<sup>th</sup> November, 2019
- (c) Date of passing resolution: 28<sup>th</sup> November, 2019

**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. The Policy on Materiality of Related Party Transactions in terms of provisions of Listing Regulations is uploaded on the website of the Company at [www.mukandengineers.com](http://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 at [www.mukandengineers.com](http://www.mukandengineers.com).

**10. Other Disclosures:**

- (a) The Company has complied with the requirements 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.

The Company has given Inter Corporate Deposit of ₹ 59.00 lacs with interest rate of 13.25 % p.a to India Thermal Power limited in the financial year 2019-20 in which Shri R.Sankaran is a Non-Executive Director and Member. 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 "CEO" 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 2019-20 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 in terms of provisions of Listing Regulations, 2015 is uploaded on the website of the Company at [www.mukandengineers.com](http://www.mukandengineers.com). There is no subsidiary, associate or joint venture Company.
- (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 on the website of the Company at [www.mukandengineers.com](http://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 at [www.mukandengineers.com](http://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
<b>Auditors' Remuneration</b>	<b>F.Y. 2019-20</b>
- As Auditors	9.00
- For Taxation matters	0.90
- For other services	1.10
<b>Total</b>	<b>11.00</b>

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

During the financial year 2019-20, no sexual harassment complaints were filed or pending for disposal with Company.

**14. CEO and CFO Certification:**

The CEO and CFO of the Company have given the certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The requisite certificate from CEO and CFO of the Company is annexed hereto forms part of the report.

**15. Certificate from Practising Company Secretary in practice:**

Mrs Ragini Chokshi of M/s. Ragini Chokshi & Associates, Practising Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed hereto forms part of the report.

**16. 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.

**17. Green Initiative**

Pursuant to section 101 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended, the Company can send Notice of Annual General Meeting, financial statements and other Communication in electronics forms. This Company is sending the Annual Report including the Notice of Annual General Meeting, Audited Standalone Financial Statements, Directors Report, Auditors Report along with their annexure etc. for the financial year 2019- 20 in the electronic mode to the shareholders who have registered their e-mail ids with the Company and/or their respective Depository Participates (DPs).

The Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar and Share Transfer Agent "Bigshare Services Private Limited"

**18. General Information for Shareholders:**

<b>a.</b>	Registered Office	Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021.
<b>b.</b>	Date, Time and Venue	<b>The AGM will be held on 29<sup>th</sup> September, 2020 at 11.30 a.m.</b> The Company is conducting AGM through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013 and MCA General Circular No. 14/2020, dated 08 <sup>th</sup> April, 2020, MCA General Circular No. 17/2020, dated 13 <sup>th</sup> April, 2020 and MCA General Circular No. 20/2020, dated 5 <sup>th</sup> May, 2020 and as such there is no requirement to have a venue for the AGM.
<b>c.</b>	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
	<b>Reporting in the Financial Calendar 2020-2021:</b>	
	i Approval of audited annual results for the year ending 31 <sup>st</sup> March, 2020	27 <sup>th</sup> June, 2020
	ii Annual General Meeting	29 <sup>th</sup> September, 2020
	iii Unaudited first quarter financial results	August, 2020
	iv Unaudited second quarter financial results	November, 2020
	v Unaudited third quarter financial results	February, 2021
	vi Approval of audited annual results for the year ending 31 <sup>st</sup> March, 2021	May, 2021
<b>d.</b>	Dates of Book Closure	19 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2020. (Both days inclusive)
<b>e.</b>	Listing Details	For the year 2019-20, the listing fees payable to BSE & NSE have been paid in full.
<b>f.</b>	Subsidiary Company	There is no subsidiary, associate or joint venture Company
<b>g.</b>	Suspension of trading in securities	There was no suspension of trading in securities of the Company during the year under review.
<b>h.</b>	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 <sup>th</sup> Floor, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	MUKANDENG
	3. ISIN	INE 022B01014
	4. Corporate Identity Number (CIN)	L45200MH1987PLC042378

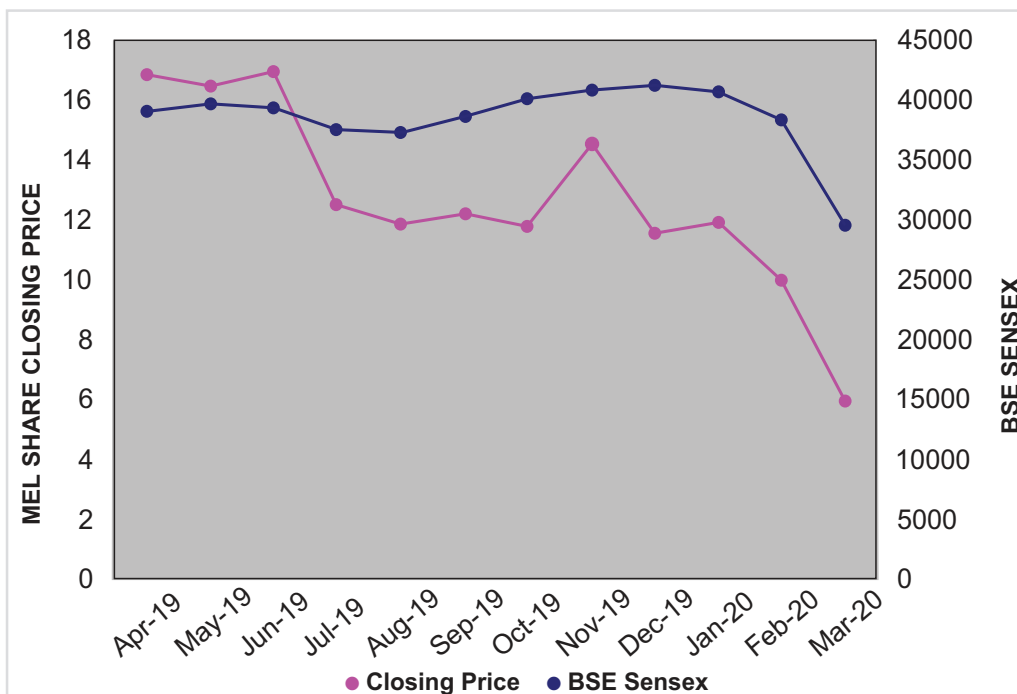
**i. Stock Market Data**

(in ₹)

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High Price	Low Price	High Price	Low Price
Apr-2019	19.25	16.60	18.50	16.05
May-2019	18.20	14.75	18.50	14.40
June2019	18.40	14.00	19.65	13.80
July-2019	21.70	12.00	21.90	12.10
Aug-2019	15.00	10.25	16.00	9.45
Sep-2019	15.00	10.75	14.80	10.30
Oct-2019	12.96	11.00	13.90	10.30
Nov-2019	18.30	11.00	17.90	10.90
Dec-2019	14.85	11.41	14.70	11.50
Jan-2020	13.85	11.70	14.05	12.00
Feb-2020	13.69	9.41	13.45	9.60
Mar-2020	10.39	5.88	10.60	6.50

**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 **1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020** are given in the following graph:



<b>j. Registrar and Share Transfer Agents</b> (For share transfers and other communication relating to share certificates, dividend and change of address, etc.)	<b>Bigshare Services Pvt. Ltd.</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri(E), Mumbai-400059 Tel : (022) 62638200. Fax : (022) 62638299 E-Mail : investor@bigshareonline.com Website : www.bigshareonline.com
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Our Registrar & Transfer Agents M/s Bigshare Services Private Limited has launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss ([www.bigshareonline.com](http://www.bigshareonline.com)) and help them to serve you better

**k. 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](http://www.mukandengineers.com)

**l. 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 the shareholders to regularly claim the dividend declared by the Company.

**m. Details of Unclaimed Dividend as on March 31, 2020 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.	2012-13	August 13, 2013	1,90,862.00	September 18, 2020
2.	2013-14	August 13, 2014	2,14,053.00	September 18, 2021
3.	2014-15	No Dividend Declared	N.A.	N.A.
4.	2015-16	No Dividend Declared	N.A.	N.A.
5.	2016-17	No Dividend Declared	N.A.	N.A.
6.	2017-18	No Dividend Declared	N.A.	N.A.
7.	2018-19	No Dividend Declared	N.A.	N.A.

**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.

**n. 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.

**o. Share Transfer System**

97.98 % of the equity shares of the Company are in electronic form. In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, securities can be transferred only in Dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participant ("DP") with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers. Shareholders should communicate with Bigshare Services Private Limited, the Company's Registrars and Transfer Agents ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

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 2019-2020 was 909 shares versus 553 shares during 2018-19. There were no transfers which remained unattended as of March 31, 2020. The Board in their respective Board Meetings duly takes note of the transfers.

**p. 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.

**q. Information on Deviation from Accounting Standards, if any**

There has been no deviation from the Accounting Standards in preparation of annual accounts for the financial year 2019-20.

**r. Distribution of Shareholding as on:**

No. of Equity shares held	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	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	17,581	91.79	12,54,007	9.97	18,452	92.15	13,10,705	10.43
501-1000	769	4.01	6,42,566	5.11	774	3.87	6,46,776	5.14
1001-2000	369	1.92	5,75,931	4.58	369	1.84	5,81,959	4.63
2001-3000	151	0.79	3,84,110	3.06	137	0.68	3,48,486	2.77
3001-4000	73	0.38	2,59,951	2.07	68	0.34	2,44,510	1.94
4001-5000	49	0.26	2,33,424	1.86	55	0.28	2,61,794	2.08
5001-10000	92	0.48	6,53,416	5.19	97	0.48	6,85,214	5.45
10001-above	70	0.37	85,68,995	68.16	72	0.36	84,92,956	67.56
<b>Total</b>	<b>19,154</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>	<b>20,024</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>

**s. Categories of Shareholding as on:**

Categories of Shareholder	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	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	18,834	98.33	50,53,906	40.20	19,651	98.14	50,28,541	40.00
Corporate	152	0.79	5,79,937	4.61	202	1.01	6,04,305	4.81
(IEPF) Central Government	1	0.01	1,02,287	0.82	1	0.01	80,363	0.64
Financial Institutions	3	0.01	78	0.00	2	0.01	70	0.00
FIs	0	0	0	0	0	0	0	0
NRIs/OCBs	119	0.62	1,14,708	0.91	122	0.61	1,32,637	1.06
Banks	6	0.03	588	0.00	6	0.03	588	0.00
Mutual Funds	1	0.01	400	0.00	1	0.01	400	0.00
Trusts	11	0.06	89,698	0.72	12	0.06	94,698	0.75
Promoters	27	0.14	66,30,798	52.74	27	0.13	66,30,798	52.74
<b>Total</b>	<b>19,154</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>	<b>20,024</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>

<b>t. Dematerialisation of Shares and Liquidity</b>	97.98 % of outstanding equity shares have been dematerialised up to March 31, 2020. 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.
<b>u. Outstanding GDRs/ADRs/Warrants/ Convertible instruments and their impact on equity</b>	Your Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2020.
<b>v. Commodity price risk and hedging activities.</b>	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.
<b>w. Plant Locations</b>	The Company has no plants but carries out jobs at various sites of customers.
<b>x. Investor Correspondence</b>	For any queries, investors are requested to get in touch with the Company's Registrar and Share Transfer Agent: <b>Bigshare Services Private Limited</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059. or <b>Registered Office of the Company:</b> Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai-400021.
<b>y. Credit Rating issued by M/s Brickwork Rating India Private Limited</b>	Fixed Deposit from Shareholders - <b>BWR FC</b> ( <b>Outlook</b> - Credit watch with developing implication) Cash Credit from Central Bank of India - <b>BWR C</b> ( <b>Outlook</b> - Credit watch with developing implication) B.G /L.C facilities from Central Bank of India - <b>A4</b>
<b>z. Auditors Certificate of Corporate Governance</b>	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 with Stock Exchanges. This is annexed to the Directors' Report.

**On behalf of the Board of Directors**

**Rajesh V. Shah**  
**Chairman**  
**DIN: 00021752**

Mumbai, June 27, 2020



## DECLARATION

### Code of Conduct Certificate

This is to confirm that for the Financial Year 2019-20, 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, June 27, 2020

### Certificate by Chief Executive Officer 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, 2020 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**  
Chief Executive Officer  
Mumbai, June 27, 2020

**R. G. Golatkar**  
Chief Financial Officer

## EVOTING PARTICULARS

<b>EVS (Electronic Voting Sequence Number)</b>
<b>200825032</b>

Note: Please read the detailed instructions printed under the notes of the Notice dated August 13, 2020 for the 34<sup>th</sup> Annual General Meeting with regards to e-voting provided by the Company.

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
[AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED]**

To,  
**The Members**  
**Mukand Engineers Limited**

1. The Corporate Governance Report prepared by Mukand Engineers Limited (hereinafter 'the Company'), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock Exchange.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation as specified in the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include verification of minutes of the meetings of Board of Directors, various Committees of Board of Directors, Annual General Meeting, which were held between 1<sup>st</sup> April, 2019 and 31<sup>st</sup> March, 2020. We also considered the compliance of MCA circular No. 11/2020 dated 24<sup>th</sup> March, 2020 and with SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26<sup>th</sup> March 2020. We performed necessary inquiries with the Management and also obtained necessary specific representations and declarations from Directors including Independent Directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. 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 are of the opinion 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, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

**Other Matters and Restriction on Use**

10. 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.
11. 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  
UDIN: 20102016AAAABD5489  
Mumbai, dated 27<sup>th</sup> June, 2020

## SECRETARIAL AUDIT REPORT

Directors, Report- Annexure-V

Form No. MR - 3

### Secretarial Audit Report

(FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020)  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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 financial year ended 31st March, 2020. 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 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 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 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 audit period **1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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)**

- (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)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(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. The Legal metrology Act, 2009;
5. Any other Laws, Acts, Rules and Regulations as applicable to the Company. (other than specifically mentioned)

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015 "SEBI (LODR)".

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards.

### 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.
- The agenda items are deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.

**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. The Company has appointed Mr. Kumar Pesumal Jotwani as CEO of the Company with effect from 01/09/2019.
2. In the matter of Amalgamation of the Company with Mukand Limited, The National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated 7<sup>th</sup> November, 2019 directed for Tribunal convened meeting of Equity Shareholders and Unsecured Creditors

to be called, held and conducted on 28<sup>th</sup> November, 2019. In accordance with the directions, prescribed in the order by NCLT, the Company conducted the meetings where the Equity Shareholders and Unsecured Creditors of the Company, approved the Scheme of Amalgamation with requisite majority without any modification therein.

3. The Company had filed Company Scheme Petition with National Company Law Tribunal, Mumbai Bench ("NCLT") and the same was admitted by NCLT Special Bench, Mumbai on 23<sup>rd</sup> April, 2020. Final hearing on the petition and approval of the Scheme by NCLT is awaited.

**For M/s. Ragini Chokshi & Co.  
(Company Secretaries)**

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

**UDIN: F002390B000375477  
Mumbai, 24<sup>th</sup> June, 2020**

***This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.***

### ***'Annexure -1'***

To,

**The Members  
MUKAND ENGINEERS LIMITED**

Bajaj Bhawan, 3<sup>rd</sup> Floor,  
226 Nariman Point,  
Mumbai-400 021.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. Ragini Chokshi & Co.  
(Company Secretaries)**

**Ragini Chokshi  
(Partner)  
C.P.NO. 1436  
FCS NO. 2390  
Mumbai, 24<sup>th</sup> June, 2020**

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

***(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)***

To,  
The Members of  
**MUKAND ENGINEERS LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MUKAND ENGINEERS LIMITED (CIN: L45200MH1987PLC042378)** having registered office at **Bajaj Bhawan 3<sup>rd</sup> Floor 226 Nariman Point Mumbai 400021** (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>
1.	PRAKASH VASANTLAL MEHTA	00001366	19/08/1992
2.	RAJESH VIREN SHAH	00021752	23/10/1989
3.	NIRAJKUMAR RAMKRISHNAJI BAJAJ	00028261	27/07/1992
4.	SANKARAN RADHAKRISHNAN	00381139	07/02/2012
5.	NARAYANA RAMANATHAN	01566914	14/05/2007
6.	ANNA USHA ABRAHAM	07072268	11/02/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. Ragini Chokshi & Co.  
(Company Secretaries)**

**Ragini Chokshi  
(Partner)  
FCS No: 2390  
C.P. No: 1436  
UDIN: F002390B000375554  
Mumbai, 24<sup>th</sup> June, 2020**

## Company's Policies

Brief description of Company's policies on I) Directors Appointment and Remuneration, determining criteria for qualification and 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](http://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](http://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, August 13, 2020**

## INDEPENDENT AUDITORS' REPORT

**To the Members of Mukand Engineers Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS Financial Statements of **M/s Mukand Engineers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as financial statements).

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, as amended (the 'Act') in the manner so required and give a 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 of the Company as at 31 March 2020, and its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### **Basis of Opinion**

We conducted our audit of the financial statements in accordance with Standards on Auditing (SAs) 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 other 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 on the financial statements.

### **Material Uncertainty Related to Going Concern**

We draw your attention to Note No. 44 of the Statement, which states that the Company has incurred a net loss of ₹ 3,018.12 lakhs (loss after tax) during the year ending 31<sup>st</sup> March, 2020 and as of that date, the Company's current liabilities exceeded its total assets by ₹ 838.24 lakhs and has accumulated losses amounting to ₹ 5,039.11 lakhs (loss after tax), up to 31<sup>st</sup> March, 2020 resulting in to erosion of the Net Worth of the Company. During the period under review, Fund flow of the Company has been impacted on account of general slow-down in the business, which may also seriously impair Company's financial position. This indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. However, keeping in mind the ongoing restructuring exercise by the Company, it is believed that the business will be able to generate sufficient profits in future to meet its financial obligations, these annual financial statements have been prepared using going concern basis of accounting.

Our opinion is not modified in respect of above matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ending 31<sup>st</sup> March, 2020. 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 our 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. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matter
<b>1.Revenue from Contracts with Customers</b> <p>The Company has adopted Ind AS 115 "Revenue from Contracts with Customers (hereinafter referred as 'revenue accounting standard').</p> <p>The application to this 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, the 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>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 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"> <li>Assessed the appropriateness of the Company's revenue recognition accounting policies by comparing with the applicable accounting standards.</li> <li>Evaluated the design, processes and internal controls relating to the revenue accounting standards.</li> <li>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 revenue accounting standard were carried out.</li> <li>Evaluated the appropriateness of the disclosures provided under the revenue standard and assessed the completeness of the relevant disclosures.</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<b>2. Revenue recognition-Fixed price contracts</b> <p>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)</p> <p>We identified revenue recognition of fixed price contracts as a KAM considering:</p> <ul style="list-style-type: none"> <li>There is an inherent risk around the estimation of the revenues, given the customized, complex nature and interdependence on performance of these contracts.</li> <li>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.</li> <li>These contracts may involve onerous obligations on the Company that requires critical estimates to be made by the management and</li> <li>At year end, a significant amount of work in progress related to these contracts is recognized in the balance sheet.</li> </ul>	<p>Our audit procedures on revenue recognized from fixed price contracts included:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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"> <li>Evaluating the identification of performance obligation</li> <li>Testing management's calculations of the estimation of the contract costs and onerous obligations, if any we: <ul style="list-style-type: none"> <li>Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management</li> <li>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.</li> <li>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</li> <li>Performed test of details including analytical review to determine the reasonableness of the contract costs</li> <li>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</li> </ul> </li> </ul> </li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<b>3. Evaluation of uncertain tax positions</b> <p>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. 33 to the financial statements</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the management to understand management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.</li> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions.</li> <li>• Legal precedence and other rulings in evaluating management's position on these uncertain tax positions were also considered.</li> <li>• We also considered the effect of new information in respect of uncertain tax positions as at April, 2019 to evaluate whether any change was required to management's position on these uncertainties.</li> <li>• Read and analysed select key correspondences, external legal opinions/consultations by managements for key uncertain tax positions.</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<b>4. Impact of Covid-19 on the Company's Operations and Financial Statement</b> <p>Coronavirus ('COVID-19'), was declared a global pandemic by World Health Organisation. In line with the directions on lockdown issued by the Central Governments &amp; the respective State Governments, all Establishments/ project sites of the Company had shut down its project operations, from March 25th, 2020 till 31 March 2020; and subsequently upto further dates as instructed by the respective State Governments.</p> <p>Covid-19 has impacted the Operations of the Company, as all Establishment/ project sites of the Company had shut down during the lockdown period and are working with restricted labour force post resumption of partial service of operations in most of its projects/ units and hence considered key audit matter  Refer Note. 45 to the financial statements</p>	<p>We have performed the following procedures to assess the impact on operations and financial statements because of business decisions, Government actions or economic environment developments:</p> <ul style="list-style-type: none"> <li>• We assessed the disclosures on COVID-19 made in the financial statements.</li> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions in assessing the impact of Covid-19.</li> <li>• Our ability to perform regular audit procedures has been impacted which has required us in certain cases to perform alternative audit procedures and exercise significant judgment in respect of Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls, video calls and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### 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 Annual Report (comprising Management Discussion and Analysis, Corporate Governance and Directors' Report), 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 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 loss, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 were 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 are 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, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements 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 the 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 financial year ended 31<sup>st</sup> March, 2020 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 (hereinafter referred to as "the Order") issued by the Central Government of India in terms of sub-Section (11) of the Section 143 of the Act, 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 purposes 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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" to this report;
  - g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Manager during the year is in accordance with the provisions of section 197 read with Schedule V to 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, 2020 on its financial position in its financial statements;
    - ii. The Company has made provision 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, 2020.

**GIRISH M. PATHAK**

*Partner*

Membership No. 102016

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN - 106009W

UDIN: 20102016AAAAAW4362

Mumbai, 27<sup>th</sup> June, 2020



## "ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT

(The Annexure referred to in our report to the members of **Mukand Engineers Limited** for the year ended March 31, 2020.)

- (i) In respect of its Fixed Assets:
- The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - As per the explanation given to us, all property, plant and equipment were physically verified 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. 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 assets.
  - According to the information and explanations given to us by the Management 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) According to information and explanations given to us and the records produced to us for our verification, the Company has granted unsecured loan to a company covered in the register maintained under Section 189 of the Act during the year.
- In respect of the aforesaid loan, the terms and conditions of the grant of such loan are prima facie not prejudicial to the Company's interest;
  - In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest is stipulated and as at 31<sup>st</sup> March, 2020, no repayment of the principal and interest amounts, as stipulated is due;
  - In respect of the aforesaid loan, no amount is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has granted loan to other Companies by the way of Special Resolution as per the provisions of Section 186 of the Act. The Company has not provided any guarantees and securities in respect of which provisions of 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) To the best of our knowledge and as explained, 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:
- 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 and Wealth Tax during the year.
  - According to information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance Corporation (ESIC), Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as on 31<sup>st</sup> March, 2020 for a period of more than six months from the date they become payable.
  - 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 31<sup>st</sup> March, 2020 have not been deposited by the Company on account of dispute:

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	1,94,63,724	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, 2011-12, 2012-13, 2014-15	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)
CST	28,24,518	2014-2015	Dy Commissioner - 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. The Company has not issued any debentures.
- (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) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of 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 and hence not commented upon.
- (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 financial statements as required by the applicable accounting standard.
- (xiv) According to the information and explanations give 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. Accordingly, clause (xiv) of paragraph 3 of the Order is not applicable and hence not commented upon.
- (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 as referred to in section 192 of the Act. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- (xvi) According to the information and explanations given by the Management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 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

UDIN: 20102016AAAAW4362

Mumbai, 27<sup>th</sup> June, 2020

## **"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, 2020 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 generally operating effectively as at 31<sup>st</sup> March 2020, 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 ICAI.

**GIRISH M. PATHAK**

*Partner*

Membership No. 102016

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

UDIN: 20102016AAAAAW4362

Mumbai, 27<sup>th</sup> June, 2020

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2020**

Particulars	Notes	(₹ in lakhs)	
		As at 31st March, 2020	As at 31st March, 2019
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	414.10	515.48
(b) Financial Assets			
i) Investments	3	-	376.38
ii) Trade receivables	4	592.72	420.56
iii) Others	5	430.99	404.29
(c) Deferred tax assets(net)	6	415.92	413.19
(d) Other non-current assets	7	2,612.96	2,452.35
<b>Total Non - Current Assets</b>		<b>4,466.69</b>	<b>4,582.25</b>
<b>2 Current Assets</b>			
(a) Inventories	8	3,980.24	4,973.51
(b) Financial Assets			
i) Trade receivables	4	3,219.17	4,716.09
ii) Cash and cash equivalents	9	72.37	37.81
iii) Bank balances other than (ii) above	10	97.38	186.27
iv) Loans	11	459.00	-
v) Others	5	2,553.47	2,861.36
(c) Other current assets	12	210.31	272.36
<b>Total Current Assets</b>		<b>10,591.94</b>	<b>13,047.40</b>
<b>Total Assets</b>		<b>15,058.63</b>	<b>17,629.65</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	13	1,257.98	1,257.98
(b) Other equity	14	(2,717.88)	441.17
<b>Total Equity</b>		<b>(1,459.90)</b>	<b>1,699.15</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial liabilities			
i) Borrowings	15	47.86	487.52
ii) Trade payables	18	247.47	309.47
iii) Other financial Liabilities	19	2.14	4.05
(b) Provisions	16	324.19	326.06
<b>Total Non - Current Liabilities</b>		<b>621.66</b>	<b>1,127.10</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	17	9,673.60	7,053.80
ii) Trade payables	18	3,659.82	4,930.87
iii) Other financial liabilities	19	1,248.89	1,664.96
(b) Other current liabilities	20	154.69	240.19
(c) Provisions	16	89.46	50.65
(d) Current tax liabilities(Net)	21	1,070.41	862.93
<b>Total Current Liabilities</b>		<b>15,896.87</b>	<b>14,803.40</b>
<b>Total Equity and Liabilities</b>		<b>15,058.63</b>	<b>17,629.65</b>

Notes 1 to 45 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

**K. P. JOTWANI**  
Chief Executive Officer

**R. G. GOLATKAR**  
Chief Financial Officer

**D.J. VORA**  
Company Secretary

Mumbai, June 27, 2020

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020**

		(₹ in lakhs)	
Particulars	Notes	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
I. Revenue from Operations	22	4,204.80	5,344.58
II. Other Income	23	279.18	158.76
III. <b>Total Income (I + II)</b>		<b>4,483.98</b>	<b>5,503.34</b>
IV. <b>Expenses:</b>			
Contract Execution Costs	24	2,881.12	4,547.16
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	974.64	(479.70)
Employee benefits expense	26	1,394.24	1,455.11
Finance costs	27	1,264.23	990.63
Depreciation and amortization expense	28	84.81	104.99
Other Expenses	29	904.02	1,067.03
<b>Total Expenses (IV)</b>		<b>7,503.06</b>	<b>7,685.22</b>
V. <b>Loss for the year before Exceptional Items and tax (III - IV)</b>		<b>(3,019.08)</b>	<b>(2,181.88)</b>
VI. <b>Exceptional Items (refer note no 29 (c))</b>		-	81.18
VII. <b>Loss before tax (V - VI)</b>		<b>(3,019.08)</b>	<b>(2,263.06)</b>
VIII. <b>Tax Expense:</b>	30		
Current tax		-	-
Deferred tax charge/(credit)		(0.96)	(49.56)
IX. <b>Loss for the period (VII-VIII)</b>		<b>(3,018.12)</b>	<b>(2,213.50)</b>
X. <b>Other Comprehensive Income</b>			
(i) <b>Items that will not be reclassified to Profit or Loss</b>			
(a) I. Remeasurement of Defined Benefit scheme	41	(6.80)	4.29
II. Income tax effect		1.77	(1.12)
(b) I. Equity instruments designated at fair value through other comprehensive income		(135.90)	(26.57)
(ii) <b>Items that will be reclassified to Profit or Loss</b>		-	-
<b>Other Comprehensive Income for the year (net of tax) (x)</b>		<b>(140.93)</b>	<b>(23.40)</b>
XI. <b>Total Comprehensive Income for the year (IX+X)</b>		<b>(3,159.05)</b>	<b>(2,236.90)</b>
XII. <b>Earning per Equity Share of ₹10/- each:</b>	31		
Basic		(24.01)	(17.61)
Diluted		(24.01)	(17.61)

Notes 1 to 45 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

**K. P. JOTWANI**

Chief Executive Officer

**R. SANKARAN**

Director

DIN : 00381139

**R. G. GOLATKAR**

Chief Financial Officer

**D.J. VORA**

Company Secretary

Mumbai, June 27, 2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020**

Particulars	(₹ in lakhs)	
	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(loss) before tax</b>	<b>(3,019.08)</b>	<b>(2,263.06)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	84.81	104.99
Finance Cost	1,264.23	990.63
Profit/(Loss) on sale of investment/Assets	46.00	(24.50)
Loss on sale/discard of assets	16.71	5.63
Interest Income	(77.07)	(36.08)
Net gain on fair value changes of Preference shares	(0.19)	(0.40)
Sundry Balance Written back	(161.70)	(59.53)
<b>Operating profit before working capital changes</b>	<b>(1,846.29)</b>	<b>(1,282.32)</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in trade receivables	1,324.76	902.79
(Increase)/Decrease in inventories	993.27	(430.49)
(Increase)/Decrease in loans/bank	88.89	(107.77)
(Increase)/Decrease in other financial asset	296.00	(334.55)
(Increase)/Decrease in other current asset	(98.56)	(255.32)
Increase/(Decrease) in trade payables	(1,171.36)	31.11
Increase/(Decrease) in other financial liabilities	(286.82)	91.19
Increase/(Decrease) in provisions	36.94	33.97
Increase/(Decrease) in other current liabilities & others	115.17	(245.81)
<b>Cash generated from operations</b>	<b>(548.00)</b>	<b>(1,597.20)</b>
Income Tax paid	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(548.00)</b>	<b>(1,597.20)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020 (Contd.)**

Particulars	(₹ in lakhs)	
	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflows</b>		
Sale proceeds of Investment	194.70	423.41
Sale proceeds of property, plant and equipment	1.20	1.55
Loans / deposits realised	-	40.49
Interest received	62.26	15.42
	<b>258.16</b>	<b>480.87</b>
<b>Outflows</b>		
Loans / deposits given	(459.00)	-
Purchase of property, plant and equipment	(0.37)	(0.70)
Additions to Facilities at Customers Sites	(0.98)	(4.86)
	<b>(460.35)</b>	<b>(5.56)</b>
<b>Net cash Inflow/ (Outflow) from investing activities</b>	<b>(202.19)</b>	<b>475.31</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Inflows</b>		
Proceeds from short-term borrowings(net)	2,213.66	2,879.89
	<b>2,213.66</b>	<b>2,879.89</b>
<b>Outflows</b>		
Repayment of long-term borrowings	(439.66)	(824.06)
Interest paid	(989.25)	(910.74)
	<b>(1,428.91)</b>	<b>(1,734.80)</b>
<b>Net cash inflow from financing activities</b>	<b>784.75</b>	<b>1,145.09</b>
<b>Net increase in cash and cash equivalents</b>	<b>34.56</b>	<b>23.20</b>
Cash and cash equivalents at the beginning of the financial year	37.81	14.61
<b>Cash and cash equivalents at end of the year</b>	<b>72.37</b>	<b>37.81</b>

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 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**

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Director

DIN : 00381139

**R. G. GOLATKAR**

Chief Financial Officer

**D.J. VORA**

Company Secretary

Mumbai, June 27, 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**
**A. Equity share capital**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the reporting year	1,257.98	1,257.98
Changes in Equity Share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>1,257.98</b>	<b>1,257.98</b>

**B. Other Equity**

(₹ in lakhs)

Particulars	Reserves and Surplus			Equity instruments through other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April, 2019</b>	<b>2,247.66</b>	<b>73.57</b>	<b>(2,337.76)</b>	<b>457.70</b>	<b>441.17</b>
Loss for the year FY19-20	-	-	(3,018.12)	-	(3,018.12)
Other comprehensive income	-	-	(5.03)	(135.90)	(140.93)
Reclassification of Other Comprehensive Income to Retained Earning (Refer note 3)	-	-	321.80	(321.80)	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>2,247.66</b>	<b>73.57</b>	<b>(5,039.11)</b>	<b>-</b>	<b>(2,717.88)</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 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, 2020 were approved by the Board of Directors and authorised for issue on June 27, 2020.

### 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, on accrual basis.

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. 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 which are measured at fair value or amortised cost:

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

The financial statements are presented in Indian Rupees ('INR') which is also the Company's functional and presentation currency and all values are rounded to nearest lakhs, except when otherwise indicated.

##### (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 (PPE)

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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

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

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.

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

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-to-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease

payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

#### 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.

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

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. The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

#### 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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

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.

### 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.

### Reclassification of financial assets

The Company normally does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company changes its business model. Changes to the business model are expected to be infrequent. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

### 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

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

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)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 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.

### 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

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 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### (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.

### (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.

#### Superannuation

Defined Contribution to superannuation fund is being made as per the scheme of the Company and recognised as expense as and when due.

#### Provident Fund Contributions

Provident fund contributions are made to Government Provident Fund Authority. The contributions are accounted as employee benefit expense when they are due.

#### Employees Pension Scheme 1995

Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognised as expense as and when due.

### (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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 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 for 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 sell these assets will 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 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 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

- 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.

**(w) Changes in accounting policies and disclosures:**

**New and amended standards**

**Ind AS 116 Leases**

The Company applied Ind AS 116 - Leases ('Ind AS 116') for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

As on 31<sup>st</sup> March, 2020, there are no lease arrangements entered by the Company. Hence, the standard did not have any significant impact on the financial statements of the Company.

**Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

**Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company does not have any borrowings made to develop a qualifying asset, the amendment had no impact on the financial statements of the Company.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020**
**Note 2: Property, plant and equipment**
**(₹ in lakhs)**

Particulars	Plant and Equipment (owned)	Furniture & Fixtures (owned)	Office Equipments (owned)	Air Conditioner (owned)	Vehicles (owned)	Computers (owned)	Facilities at Customer Site	Total
<b>Year ended 31 March 2020</b>								
<b>Gross carrying amount</b>								
Deemed cost as at 1 April 2019	606.17	9.06	100.61	10.20	4.32	72.85	144.89	948.10
Additions	0.37	-	-	-	-	-	0.98	1.35
Disposals	(25.91)	(2.19)	(0.60)	(0.59)	(0.20)	(0.28)	-	(29.77)
<b>At 31 March 2020</b>	<b>580.63</b>	<b>6.87</b>	<b>100.01</b>	<b>9.61</b>	<b>4.12</b>	<b>72.57</b>	<b>145.87</b>	<b>919.68</b>
<b>Accumulated depreciation</b>								
<b>As at 1 April 2019</b>	<b>204.92</b>	<b>4.46</b>	<b>25.29</b>	<b>4.96</b>	<b>2.46</b>	<b>53.44</b>	<b>137.09</b>	<b>432.62</b>
Depreciation charge during the year	60.54	0.97	7.60	1.74	0.64	5.44	7.88	84.81
Disposals	(10.00)	(1.08)	(0.22)	(0.46)	(0.09)	-	-	(11.85)
<b>At 31 March 2020</b>	<b>255.46</b>	<b>4.35</b>	<b>32.67</b>	<b>6.24</b>	<b>3.01</b>	<b>58.88</b>	<b>144.97</b>	<b>505.58</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>325.17</b>	<b>2.52</b>	<b>67.34</b>	<b>3.37</b>	<b>1.11</b>	<b>13.69</b>	<b>0.90</b>	<b>414.10</b>
<b>Net carrying amount as at 31 March 2019</b>	<b>401.25</b>	<b>4.60</b>	<b>75.32</b>	<b>5.24</b>	<b>1.86</b>	<b>19.41</b>	<b>7.80</b>	<b>515.48</b>

**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. As on 31<sup>st</sup> March 2020 there are no outstanding financial lease obligation as all the financial lease obligation have been repaid in full

**Note (b):** Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 15 & 17 on 'borrowings'.

**Note (c):** In respect of this 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 Act, based on independent technical valuation.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

3 Non-Current Investments		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	
<b>A) Investments in Equity Instruments</b>			
<b>i) Quoted other investment carried at Fair value through other comprehensive income</b>			
<b>Mukand Limited</b>	-	372.28	
Nil (March 31, 2019: * 6,81,200) equity shares of ₹ 10/- each fully paid up			
<b>ii) Unquoted other investment carried at Fair value through other comprehensive income</b>			
<b>India Thermal Power Limited</b>			
7,153 (March 31, 2019: 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>B) Investments in Preference Shares</b>			
<b>i) Quoted other investment carried at amortized cost (Note 1)</b>			
<b>Mukand Limited</b>	-	4.10	
Nil (March 31, 2019: 52,400) 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up			
<b>Total</b>	-	376.38	
Aggregate amount of quoted investments and market value thereof	-	376.38	
Aggregate amount of unquoted investments	-	-	
Aggregate amount of impairment in the value of investments	0.72	0.72	

\*As on 31<sup>st</sup> March 2019 681,200 fully paid equity shares of Mukand Limited was pledged as collateral security against cash credit facilities availed from Central Bank of India (Refer Note 17 Short term borrowings).

Note 1. Investment in preference shares of Mukand Ltd. are listed. However, considering the fact that the preference shares are thinly traded, the valuation from the market can not be taken. Considered that no similar category of instrument is available in the market, valuation of the said preference shares has been done in accordance with Level 3 instrument based on the inputs and data available with the company.

Note 2. Refer Note 42 for information about the Fair Value measurement.

Note 3. The company has sold all its investments in Equity and Preference shares of Mukand Ltd during the year.

4	Trade Receivables	(₹ in lakhs)			
		As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
		Current	Non- current	Current	Non- current
	Unsecured, considered good	3,910.81	1,009.60	5,210.86	1,051.87
	Less: Allowances as per expected credit loss model	(691.64)	(416.88)	(494.77)	(631.31)
		3,219.17	592.72	4,716.09	420.56
	Unsecured, Considered Doubtful	685.24	-	302.72	-
	Less: Allowances as per expected credit loss model	(685.24)	-	(302.72)	-
		-	-	-	-
	<b>Total</b>	<b>3,219.17</b>	<b>592.72</b>	<b>4,716.09</b>	<b>420.56</b>

\* 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 other than as stated in **Note 35**.

**Note (b):** The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in **Note 43**.

**Note (c):** For receivables secured against borrowings, see **Note 17**.

**Note (d):** For receivables due from related parties, refer **Note 35**.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 5 Other Financial Assets (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Current	Non- current	Current	Non- current
<b>Unsecured, considered good unless otherwise stated [Refer Note (a) &amp; (b)]</b>				
Interest Receivable	56.83	-	46.49	-
Unbilled revenue	2,491.36	-	2,789.96	-
Security Deposits with Govt.Authorities & Others]	5.28	34.96	24.91	15.46
Fixed Deposits with Banks (remaining maturity of more than 12 months) *	-	396.03	-	388.83
<b>Total</b>	<b>2,553.47</b>	<b>430.99</b>	<b>2,861.36</b>	<b>404.29</b>

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

**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 its financial assets are disclosed in note 43.

### 6 Deferred Tax Assets/(liabilities) (net) (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred tax asset on account of:</b>		
Provision for doubtful debts	341.56	338.83
Employee benefit expenses	97.93	97.93
Taxes & Duties	11.74	11.74
<b>Deferred tax liability on account of:</b>		
Difference between book depreciation and tax depreciation	(35.31)	(35.31)
<b>Net deferred tax assets</b>	<b>415.92</b>	<b>413.19</b>

#### (a) Movements in deferred tax assets/(liabilities) (₹ in lakhs)

Particulars	Property, plant & equipment	Provision for Employee Benefit	Provision for Doubtful Debts	Taxes & Duties	Total
<b>At April 01, 2019</b>	<b>(35.31)</b>	<b>97.93</b>	<b>338.83</b>	<b>11.74</b>	<b>413.19</b>
(Charged) / Credited					
- to profit or loss	-	(1.77)	2.73	-	0.96
- to other comprehensive income	-	1.77	-	-	1.77
<b>At March 31, 2020</b>	<b>(35.31)</b>	<b>97.93</b>	<b>341.56</b>	<b>11.74</b>	<b>415.92</b>

The Company has not recognised deferred tax assets amounting to ₹ 1,769.19 lakhs as on March 31, 2020 (March 31, 2019: ₹ 1,018.69 lakhs) 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.

### 7 Other Non-current Assets (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance with Revenue Authorities	2,612.96	2,452.35
<b>Total</b>	<b>2,612.96</b>	<b>2,452.35</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2020**

8 Inventories		(₹ in lakhs)
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Contract Work-in-progress	3,867.79	4,842.43
Stores and spares	112.45	131.08
<b>Total</b>	<b>3,980.24</b>	<b>4,973.51</b>

**Note (a) :** For Inventories secured against borrowing, refer **Note 17**.

9 Cash and Cash Equivalents		(₹ in lakhs)
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balances with banks in current accounts	72.10	37.56
Cash on hand	0.27	0.25
<b>Total</b>	<b>72.37</b>	<b>37.81</b>

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

10 Other Bank Balances		(₹ in lakhs)
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Earmarked balances with banks for:		
Unpaid Dividend	4.05	6.02
Deposit Repayment Reserve Account*	93.33	180.25
<b>Total</b>	<b>97.38</b>	<b>186.27</b>

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

11 LOANS - CURRENT		(₹ in lakhs)
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Unsecured, considered good		
Loans to Others	459.00	-
<b>Total</b>	<b>459.00</b>	<b>-</b>

The Company has, as at 31<sup>st</sup> March, 2020 loans aggregating ₹459 lakhs (Previous Year - Nil) and interest recoverable thereon aggregating ₹19.39 lakhs (Previous Year - Nil) due from companies.

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 except as disclosed in **note no 35**.

The management, based on its assessment of the estimated realisable values of the financial assets of these companies, believes that the Company will be able to recover the loans and interest as mentioned above within 12 months and has accordingly treated the said loan amount and interest due thereon as current asset.

12 Other Current Assets		(₹ in lakhs)
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Prepaid Expenses	91.73	75.15
Advance paid to Suppliers/contractors	35.08	60.94
Balance with Revenue Authorities	83.50	136.27
<b>Total</b>	<b>210.31</b>	<b>272.36</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2020**
**13 Equity Share Capital**
**(a) Authorised & Issued Share capital:**
**(₹ in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Authorised Share Capital</b>		
2,00,00,000 (31 <sup>st</sup> March, 2019: 2,00,00,000) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
500,000 (31 <sup>st</sup> March, 2019: 500,000) Preference Shares of ₹ 100/- each	500.00	500.00
<b>Issued Share Capital</b>		
1,25,92,700 (31 <sup>st</sup> March, 2019: 1,25,92,700) Equity Shares of ₹ 10/- each	1,259.27	1,259.27
<b>Total</b>	1,259.27	1,259.27

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

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	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
<b>Total</b>	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 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	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	-	-	-	-
<b>Balance as at the end of the year</b>	12,592,700	1,259.27	1,259.27	1,259.27

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

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	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%
<b>Total</b>	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.

**14 Other Equity**
**(₹ in lakhs)**

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Securities Premium Reserve	(i)	2,247.66	2,247.66
General Reserve	(ii)	73.57	73.57
Retained Earnings	(iii)	(5,039.11)	(2,337.76)
Equity Instruments at Fair value through Other Comprehensive Income (Refer note 3)	(iv)	-	457.70
<b>Total</b>		(2,717.88)	441.17

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### (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 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	2,247.66	2,247.66
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>2,247.66</b>	<b>2,247.66</b>

### (ii) General Reserve

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

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	73.57	73.57
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>73.57</b>	<b>73.57</b>

### (iii) Retained Earnings

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

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	(2,337.76)	(127.43)
Reclassification of Other Comprehensive Income to Retained Earnings (Refer note 3 & 14(iv))	321.80	-
Movement during the year	(3,023.15)	(2,210.33)
<b>Balance at the end of the year</b>	<b>(5,039.11)</b>	<b>(2,337.76)</b>

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

This reserve represents the cumulative gains and 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 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	457.70	484.27
Movement during the year	(135.90)	(26.57)
Reclassification of Other Comprehensive Income to Retained Earnings (Refer note 3)	(321.80)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>457.70</b>

### 15 Non-current Borrowings

(₹ in lakhs)

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Secured</b>			
Long term maturity of finance lease obligations	(a)	-	-
-From Banks #			
<b>Unsecured</b>			
Public Deposits	(b)	47.86	487.52
<b>Total</b>		<b>47.86</b>	<b>487.52</b>

# Secured against Plant & Machinery under finance lease.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2020**

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

(₹ in lakhs)				
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. #	3.97	3.97	-	31-Mar-19
Repayable in FY 2019-20 at 9.18% p.a. & 12.40% p.a.	-	-	-	<b>31-Mar-20</b>
# Secured against Plant & Machinery under finance lease.				

(b) Details of public deposits are as below -

(₹ in lakhs)				
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 ₹ 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
Amount of ₹ 439.66 lakhs is repayable in 2020-21, ₹ 47.86 lakhs is repayable in 2021-22 and carries interest of 11% & 11.5 % p.a.	<b>487.52</b>	<b>439.66</b>	<b>47.86</b>	<b>31-Mar-20</b>

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

**16 Provisions**

(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(a) Provision for Gratuity (Refer Note 41):</b>		
Current	19.20	-
Non current	178.85	162.71
<b>(b) Provision for compensated absences (Refer Note 41):</b>		
Current	70.26	50.65
Non current	135.34	153.35
<b>(c) Provision for Warranty [Refer Note (a)]</b>		
Current	-	-
Non current	10.00	10.00
<b>Total Non-Current</b>	<b>324.19</b>	326.06
<b>Total Current</b>	<b>89.46</b>	50.65

Note (a): Provision for warranties represents claims against the Company that are expected to materialise

(₹ in lakhs)		
Movement in provision for warranty	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Balance as at beginning of the year</b>	<b>10.00</b>	10.00
Provision recognised during the year	-	-
Amount utilised / reclassified during the year	-	-
Amount reversed during the year	-	-
<b>Balance as at end of the year</b>	<b>10.00</b>	10.00

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

17 Current Borrowings		(₹ in lakhs)	
Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Secured</b>			
<b>Loans repayable on demand</b>			
a) From banks - Central Bank of India (Refer Note No. 39)	(a)	2,352.60	2,997.80
<b>Unsecured</b>			
Inter corporate deposits (Refer Note No. 39)	(b)	7,321.00	4,056.00
<b>Total</b>		<b>9,673.60</b>	<b>7,053.80</b>

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

(₹ in lakhs)		
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade Receivables (Refer note 4)	3,811.89	5,136.65
<b>Non Financial Assets</b>		
Inventories (Refer note 8)	3,980.24	4,973.51
<b>Total current assets pledged as security</b>	<b>7,792.13</b>	<b>10,110.16</b>
<b>Non Current Assets (Refer note 2)</b>		
<b>Fixed Assets</b>		
Plant & Equipment	325.17	401.25
Furniture & Fixtures	2.52	4.60
Office Equipment	70.71	80.56
Others	13.69	19.41
<b>Investments (Refer note 3)</b>		
6,81,200 Shares of Mukand Ltd.	-	372.28
<b>Total Non-Current assets pledged as security</b>	<b>412.09</b>	<b>878.10</b>
<b>Total Assets Pledged as Security</b>	<b>8,204.22</b>	<b>10,988.26</b>

**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% - 14.50 %.

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

18 Trade Payables		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019
	Non-Current	Current	Non-Current Current
Trade payables	247.47	3,659.82	309.47 4,930.87
<b>Total</b>	<b>247.47</b>	<b>3,659.82</b>	<b>309.47 4,930.87</b>

**Note (a):** The company's exposure to liquidity risks related to trade payable is disclosed in Note 43.

**Note (b):** For amount payable to related parties, refer Note 35.

**Note (c):** Trade Payables includes ₹ 29 lakhs (2018-19 : ₹ 27 lakhs) 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2020**
**19 Other Financial Liabilities (₹ in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Current	Non-current	Current	Non-current
Current maturities of long-term debt (Refer Note 15)	439.66	-	849.77	-
Interest accrued on Public Deposits/ICD	472.50	-	197.52	-
Unpaid dividend*	1.91	2.14	1.97	4.05
Unclaimed Deposits (Refer Note 38)	14.47	-	13.30	-
Employee related liabilities	133.20	-	284.71	-
Other liabilities	187.15	-	317.69	-
<b>Total</b>	<b>1,248.89</b>	<b>2.14</b>	<b>1,664.96</b>	<b>4.05</b>

\* No due amounts are outstanding to be credited to Investor Education & Protection Fund as at the year end under section 125 of the Company's Act, 2013.

**20 Other Current Liabilities (₹ in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance received against contracts	48.55	138.89
Statutory Dues Payable	74.81	69.97
Other Liabilities	31.33	31.33
<b>Total</b>	<b>154.69</b>	<b>240.19</b>

**21 Current Tax Liabilities (₹ in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for tax (net of advance tax)	1,070.41	862.93
<b>Total</b>	<b>1,070.41</b>	<b>862.93</b>

**22 Revenue from Operations (₹ in lakhs)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
<b>Revenue from Construction / Erection business</b>		
Supply of materials	1,055.79	2,051.52
Sale of services	2,477.01	2,620.00
	<b>3,532.80</b>	<b>4,671.52</b>
Income from Infotech business	672.00	673.05
Other operating Income	-	0.01
<b>Total</b>	<b>4,204.80</b>	<b>5,344.58</b>

**23 Other Income (₹ in lakhs)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
Interest From Financial Assets measured at amortized cost (Refer Note 1 (g))	0.19	0.40
From income tax refund	25.11	-
Other Interest	19.39	-
From Fixed Deposits	32.57	36.08
Excess provision written back	40.22	38.25
Sundry Balances written back	161.70	59.53
Profit on sale of Investments	-	24.50
<b>Total</b>	<b>279.18</b>	<b>158.76</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2020**

<b>24</b>	<b>Contract Execution Costs</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2020</b>	<b>For the Year Ended 31<sup>st</sup> March, 2019</b>
	Sub-contracting expenses	1,481.97	2,162.83
	Cost of materials supplied	1,043.42	1,939.22
	Stores, spares and construction materials consumed	213.80	247.39
	Equipment Hire Charges	83.05	153.46
	Testing Charges	20.26	7.30
	Transportation Charges	16.00	22.84
	Others	22.62	14.12
	<b>Total</b>	<b>2,881.12</b>	<b>4,547.16</b>
<b>25</b>	<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2020</b>	<b>For the Year Ended 31<sup>st</sup> March, 2019</b>
	Work in progress -		
	Opening stock	4,842.43	4,362.73
	Less: Closing stock	(3,867.79)	(4,842.43)
	<b>Net (increase)/decrease in inventories</b>	<b>974.64</b>	<b>(479.70)</b>
<b>26</b>	<b>Employee Benefit Expense</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2020</b>	<b>For the Year Ended 31<sup>st</sup> March, 2019</b>
	Salaries and wages	1,232.12	1,291.81
	Contributions to provident and other funds	146.42	151.17
	Staff welfare expenses	15.70	12.13
	<b>Total</b>	<b>1,394.24</b>	<b>1,455.11</b>
<b>27</b>	<b>Finance Costs</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2020</b>	<b>For the Year Ended 31<sup>st</sup> March, 2019</b>
	Interest cost on financial liabilities measured at amortized cost	1,234.81	913.77
	Other Finance Cost	29.42	76.86
	<b>Total</b>	<b>1,264.23</b>	<b>990.63</b>
<b>28</b>	<b>Depreciation and amortisation expense</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2020</b>	<b>For the Year Ended 31<sup>st</sup> March, 2019</b>
	Depreciation of property, plant and equipment	84.81	103.64
	Amortisation of intangible assets	-	1.35
	<b>Total</b>	<b>84.81</b>	<b>104.99</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2020**

<b>29 Other expenses</b>		(₹ in lakhs)
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2020</b>	<b>For the Year Ended 31<sup>st</sup> March, 2019</b>
Rent	38.76	41.01
Insurance	55.18	29.64
Repairs to Machinery	0.18	0.01
Repairs - Others	64.13	58.49
Travelling and Conveyance	86.49	98.01
Auditor's Remuneration (Refer note 29 (a))	11.16	11.20
Directors' Fees	5.00	6.30
Legal and Professional Charges	129.87	143.70
VAT/Service Tax/GST	48.06	47.82
Rent Commercial/Electricity/Service charges	96.87	77.24
Watch & Ward Expenses	76.15	86.33
Bank Gaurantee / LC Commission	155.42	188.29
Loss on Sale of Investments	46.00	-
Provision for Doubtful Debts	10.52	186.30
Guest House Expenses at site	28.40	33.90
Listing/Custodial fees & Advetising Expenses	8.88	8.32
Loss on Assets Discarded	16.71	5.63
Miscellaneous Expenses	26.24	44.84
<b>Total</b>	<b>904.02</b>	<b>1,067.03</b>

**Note 29 (a): Details of payments to Auditors**

		(₹ in lakhs)
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2020</b>	<b>For the Year Ended 31<sup>st</sup> March, 2019</b>
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	0.16	0.19
<b>Total</b>	<b>11.16</b>	<b>11.29</b>

**Note 29 (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 29 (c):** During the previous year, 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 previous year 2018-19 on the said scheme has been classified as exceptional item.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

30 Tax Expense		(₹ in lakhs)
Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
<b>(a) Income Tax Expense</b>		
<b>Current Tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	-	-
<b>Deferred tax</b>		
Increase in deferred tax asset	(0.96)	(49.56)
<b>Total deferred tax expense/(benefit)</b>	(0.96)	(49.56)
<b>Income Tax expense</b>	(0.96)	(49.56)

(b) Reconciliation of effective tax rate:		(₹ in lakhs)
Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
Profit/(Loss) before income tax expense	(3,019.08)	(2,263.06)
<b>Enacted income tax rate in India applicable to the Company 26.00% (2018-2019 - 26.00%)</b>	<b>(784.97)</b>	<b>(588.41)</b>
<b>Tax effect of:</b>		
Permanent Disallowances	0.09	2.61
Items for which no deferred tax is created eg. Employee benefit obligation, depreciation etc.	21.73	13.03
Unabsorbed business loss for which no deferred tax asset is created	762.29	523.31
Others	(0.10)	(0.10)
<b>Income tax expense/(benefits)</b>	<b>(0.96)</b>	<b>(49.56)</b>
<b>Effective average tax rate for the year</b>	<b>0.03%</b>	<b>2.19%</b>

- (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.

31 Earning per Share		
Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
Profit/(Loss) attributable to the equity holders of the company (A) (₹ in lakhs)	(3,018.12)	(2,213.50)
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
<b>(a) Basic EPS (₹)</b>	<b>(24.01)</b>	<b>(17.61)</b>
<b>(b) Diluted EPS (₹)</b>	<b>(24.01)</b>	<b>(17.61)</b>

## 32 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, 2020 and March 31, 2019.

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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

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

(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Borrowings</b>		
Long term and Short term borrowings (Refer Note 15&17)	9,721.46	7,541.32
Current maturities of Long term borrowings (Refer Note19)	439.66	849.77
Less: Cash and cash equivalents	72.37	37.81
<b>Adjusted net debt</b>	<b>10,088.75</b>	<b>8,353.28</b>
<b>Total Equity (Refer Note 13 &amp; 14)</b>	<b>(1,459.90)</b>	<b>1,699.15</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(6.91)</b>	<b>4.92</b>

<b>33 Contingent Liabilities</b>	(₹ in lakhs)	
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
i. Disputed income tax dues	464.37	457.65
ii. Disputed VAT/WCT/Service Tax	334.24	578.31
<b>Total</b>	<b>798.61</b>	<b>1,035.96</b>

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.

<b>34 Disclosures in respect of Finance Lease Arrangement</b>	(₹ in lakhs)	
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
i. Minimum Installments payable (MIP)		
- Not later than one year	-	3.97
- later than one year but not later than five years	-	-
- later than 5 year	-	-
ii. Present Value of Installments Payable (PVIP)		
- Not later than one year	-	3.97
- later than one year but not later than five years	-	-
- later than 5 year	-	-

### 35 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 # Ms. Anna Usha Abraham Mr. K. P. Jotwani - CEO* Mr. R. G. Golatkar - CFO* Mr. D. J. Vora - CS* India Termal Power Limited
iii) Related Parties where significant influence exists. @	Mukand Limited Mukand Global Finance Limited Mukand Sumi Special Steels Ltd Mukand Sumi Metal Processing Limited.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### b) Details of Related Party Transactions for the year ended on 31<sup>st</sup> March, 2020: (₹ in lakhs)

Name of the related party	Nature of Transaction	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
<b>Mukand Limited</b>	<b>Sales</b>		
	-Contracts Executed (including supply of materials)	1,241.64	1,861.67
	- Infotech Services (Excluding GST)	672.00	672.00
	- Interest Income	17.33	25.14
<b>Mukand Sumi Metal Processing Limited.</b>	-Infotech Services (excluding GST)	-	1.05
<b>Mukand Limited</b>	Purchases	-	488.47
	Other Payments/Expenditure		
	Rent	27.30	27.30
	Interest on -ICD	490.08	132.08
	Commission Charged on Corp. Gurantee@1%	115.00	115.00
	Electricity	32.02	30.99
	Reimbursement of Expenses	1.20	1.05
	IT Communication facilities	6.00	6.00
	Finance Drawn (ICD)	3,338.00	1,928.00
<b>India Thermal Power Limited</b>	Inter Corporate Deposits Given	59.00	-
	Interest Income on ICD Given	1.03	-
<b>Mukand Global Finance Limited</b>	Legal and Professional Charges	2.40	2.40
<b>Mukand Sumi Metal Processing Limited.</b>	Books and Periodicals	-	0.09
<b>Independent Directors</b>	Sitting Fees	5.00	6.30

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

Particulars	Nature of Transaction	As at March 31, 2020	As at March 31, 2019
<b>Mukand Limited</b>	Trade receivable	126.94	937.02
	Trade payable	1,967.42	2,163.42
	ICD with Interest	5,853.54	2,290.03
	Rent deposit given	6.50	6.50
	Investment in Equity Shares	-	372.27
	Investment in Preference shares	-	4.10
	Corporate Guarantee given to Central Bank of India for Credit Facilities	11,500	11,500.00
<b>India Thermal Power Ltd.</b>	ICD with Interest	60.03	-
<b>Mukand Global Finance Ltd.</b>	Trade payable	0.65	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 (b) & 3 (c) respectively in extract of Annual Return in form no MGT 9.
- 36 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 37 Disclosure regarding Contracts in progress

(₹ in lakhs)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
Cumulative Contract Costs incurred and recognized Profits (less recognized losses)	44,013.74	41,920.38
Advances received for running projects	56.90	139.94
The amount of retention (Included in Trade Receivables)	2,786.59	3,190.09

### 38 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 preferred an appeal 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, 2020 is ₹ 14.47 lakhs ( March 31, 2019 : ₹ 13.30 lakhs) and same has been shown under other current financial liabilities which will be paid as & when claimed by the depositors (Refer Note 19).

### 39 Reconciliation of liabilities arising from financing activities

(₹ in lakhs)

Particulars	Opening Balance	Cash Movement	Buisness Acquisition/ Disposals	Foreign exchange changes	Fair value changes	Others	Total
<b>March 31, 2020</b>							
Public Deposits	1,333.32	(845.80)	-	-	-	-	487.52
Cash Credit Facility	2,997.80	(645.20)	-	-	-	-	2,352.60
Inter corporate Deposits	4,056.00	3,265.00	-	-	-	-	7,321.00
<b>Total</b>	<b>8,387.12</b>	<b>1,774.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,161.12</b>
<b>March 31, 2019</b>							
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
<b>Total</b>	<b>6,331.29</b>	<b>2,055.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,387.12</b>

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 31<sup>st</sup> MARCH, 2020

### 40 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 <sup>st</sup> March, 2020				For the Year Ended 31 <sup>st</sup> March, 2019			
	Construction	Infotech	Unallocable	Total	Construction	Infotech	Unallocable	Total
<b>Revenue</b>								
External Sales	3,532.80	672.00	-	4,204.80	4,671.53	673.05	-	5,344.58
Inter Segment Sales	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>3,532.80</b>	<b>672.00</b>	<b>-</b>	<b>4,204.80</b>	<b>4,671.53</b>	<b>673.05</b>	<b>-</b>	<b>5,344.58</b>
<b>Segment Result</b>	<b>(1,865.75)</b>	<b>281.10</b>	<b>(222.35)</b>	<b>(1,807.00)</b>	<b>(1,322.78)</b>	<b>283.17</b>	<b>(259.26)</b>	<b>(1,298.87)</b>
Interest Income	-	-	52.15	52.15	-	-	36.48	36.48
Finance Costs	-	-	(1,264.23)	(1,264.23)	-	-	(1,000.67)	(1,000.67)
Tax Expense (Charge)/Credit (Current+Deferred tax)	-	-	0.96	0.96	-	-	49.56	49.56
<b>Profit/(Loss) for the year</b>	<b>(1,865.75)</b>	<b>281.10</b>	<b>(1,433.47)</b>	<b>(3,018.12)</b>	<b>(1,322.78)</b>	<b>283.17</b>	<b>(1,173.89)</b>	<b>(2,213.50)</b>
<b>Other Information</b>								
Segment Assets	8,185.45	234.43	6,638.75	15,058.63	13,539.05	177.86	3,912.77	17,629.68
Segment Liabilities	5,119.60	333.90	11,065.02	16,518.53	5,930.33	246.19	9,754.01	15,930.53
Capital Expenditure	0.37	-	-	0.37	5.37	0.20	-	5.57
Depreciation & Amortisation	76.25	1.73	6.83	84.81	84.56	18.79	1.64	104.99
Significant Non-Cash Expenditure	-	-	-	-	-	-	-	-

#### (b) Information about major customers

Revenue of aggregating ₹ 1277.25 lakhs (March 31, 2019 - ₹ 1392.60 lakhs) are derived from two external customers` These revenues are attributable to construction segment.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 41 Employee Benefits

#### (a) Long term employee benefit obligations

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

The compensated absences charge for the year ended March 31, 2020 based on actuarial valuation amounting to ₹ 22.85 lakhs (March 31, 2019 : ₹ 13.99 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 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
Employer's Contribution to Provident Fund	72.94	74.46
Employer's Contribution to Superannuation Fund	35.67	38.02

##### 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.

	FY 2019-20			FY 2018-19		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>Balance as at the beginning of the year</b>	<b>242.24</b>	<b>(79.53)</b>	<b>162.71</b>	<b>228.74</b>	<b>(84.16)</b>	<b>144.58</b>
Current service cost	15.80	-	15.80	16.29	-	16.29
Interest expense/(income)	18.69	(6.13)	12.56	17.60	(6.47)	11.13
<b>Total amount recognised in profit and loss</b>	<b>34.49</b>	<b>(6.13)</b>	<b>28.36</b>	<b>33.89</b>	<b>(6.47)</b>	<b>27.42</b>
<b>Remeasurements</b>						
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-	-	2.31	2.31
(Gain)/loss from change in demographic assumptions	0.08	-	0.08	1.92	-	1.92
(Gain)/loss from change in financial assumptions	15.61	-	15.61	-	-	-
Experience (gains)/losses	(8.72)	-	(8.72)	(8.52)	-	(8.52)
<b>Total amount recognised in other comprehensive income</b>	<b>6.97</b>	<b>-</b>	<b>6.97</b>	<b>(6.60)</b>	<b>2.31</b>	<b>(4.29)</b>
Employer contributions	-	-	-	-	(5.00)	(5.00)
Benefit paid	(19.90)	19.90	-	(13.79)	13.79	-
<b>Balance as at end of the year</b>	<b>263.80</b>	<b>(65.76)</b>	<b>198.04</b>	<b>242.24</b>	<b>(79.53)</b>	<b>162.71</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

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

	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fair value of plan assets	65.76	79.53
Present value of funded obligations	263.80	242.23
<b>Surplus/(Deficit) of gratuity plan</b>	<b>(198.04)</b>	<b>(162.70)</b>

Categories of plan assets are as follows:

	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Insurer managed funds	65.76	79.53
<b>Total</b>	<b>65.76</b>	<b>79.53</b>

### Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Discount rate	6.75%	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%	1.50%

### 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 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Discount rate	1.00%	1.00%	247.43	224.46	282.79	257.91
Salary growth rate	1.00%	1.00%	283.13	258.41	246.88	223.80
Attrition Rate	50.00%	50.00%	265.67	242.84	261.77	230.84
Mortality Rate	10.00%	10.00%	263.90	240.12	263.70	228.91

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:** 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.

**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 31<sup>st</sup> MARCH, 2020

**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 Company adopted scheme (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, 2021 are ₹ 240.22 lakhs.

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2019 - 7 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
<b>March 31, 2020</b>				
Defined benefit obligation (gratuity)	84.96	103.83	294.62	<b>483.41</b>
<b>March 31, 2019</b>				
Defined benefit obligation (gratuity)	62.34	104.47	324.95	<b>491.76</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 42 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 <sup>st</sup> March, 2020	Carrying value		Routed through Profit and Loss			Routed through Other Comprehensive Income			Carried at amortised cost		
	Non Current	Current	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>											
Investments											
Equity instruments	-	-	-	-	-	-	-	-	-	-	-
Preference shares*	-	-	-	-	-	-	-	-	-	-	-
Loans	459.00									459.00	
Trade receivable	592.72	3,219.16								3,811.88	
Cash and Cash equivalents	-	72.37								72.37	
Other Bank Balance	-	97.38								97.38	
Other Financial Assets	430.99	2,553.48								2,984.47	
<b>Total</b>	<b>1,482.71</b>	<b>5,942.38</b>								<b>7,425.09</b>	
<b>Financial Liabilities</b>											
Borrowings	47.86	9,673.60								9,721.46	
Trade Payables	247.47	3,659.82								3,907.29	
Other Financial Liabilities	214,000.40	1,248.92								215,248.92	
<b>Total</b>	<b>214,295.33</b>	<b>14,582.34</b>								<b>228,877.67</b>	
<b>(₹ in lakhs)</b>											
Financial Assets and Liabilities as at 31 <sup>st</sup> March, 2019	Carrying value		Routed through Profit and Loss			Routed through Other Comprehensive Income			Carried at amortised cost		
	Non Current	Current	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>											
Investments											
Equity instruments	372.28	-									
Preference shares*	4.10	-									
Loans	15.46	24.91									
Trade receivable	420.56	4,716.09									
Cash and Cash equivalents	-	37.81									
Other Bank Balance	-	186.27									
Other Financial Assets	388.83	2,836.45									
<b>Total</b>	<b>1,201.23</b>	<b>7,801.53</b>									
<b>Financial Liabilities</b>											
Borrowings	487.52	7,053.80									
Trade Payables	309.47	4,930.87									
Other Financial Liabilities	4.05	1,664.96									
<b>Total</b>	<b>801.04</b>	<b>13,649.63</b>									
<b>(₹ in lakhs)</b>											

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020****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 2020 was assessed to be insignificant.
4. Investment in preference shares of Mukand Ltd. are listed. However considering the fact that the shares are thinly traded, we cannot take the valuation from the market, cannot be taken hence 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. 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 31<sup>st</sup> MARCH, 2020

### 43 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 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Not due	2,863.34	3,642.90
0 to 180 days past due date	471.17	529.16
More than 180 days past due date	1,695.52	1,787.95
	<b>5,030.03</b>	<b>5,960.01</b>

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

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Opening Provision	1,126.09	939.79
Provision during the year	10.52	186.30
Reversal of provision	-	-
Closing provision	<b>1,136.61</b>	<b>1,126.09</b>

##### ii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of ₹ 72.37 Lakhs at March 31, 2020 (March 31, 2019: ₹ 37.81 Lakhs). The same are generally held with Nationalised scheduled bank. Also, Company invests its short term surplus funds in Nationalised schedule 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 31<sup>st</sup> MARCH, 2020

### (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 manages liquidity risk by monitoring rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Net Working Capital of the Company and available cash and cash equivalents

(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Net Working Capital Fund Which include	(5,304.94)	(1,756.00)
i) Cash & Cash Equivalents	72.37	37.81

### (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 2020	1 year or less	1-2 years	More than 2 years	Total
Long term borrowings (Refer Note 15)	-	47.86	-	47.86
Short term borrowings (Refer Note 17)	9,673.60	-	-	9,673.60
Trade payables (Refer Note 18)	3,659.82	247.47	-	3,907.29
Other financial liabilities (Refer Note 19)	1,248.90	2.14	-	1,251.04
<b>Total</b>	<b>15,021.98</b>	<b>297.47</b>	<b>-</b>	<b>14,879.78</b>

(₹ 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 (Refer Note 15)	-	487.52	-	487.52
Short term borrowings (Refer Note 17)	7,053.80	-	-	7,053.80
Trade payables (Refer Note 18)	4,930.87	309.47	-	5,240.34
Other financial liabilities (Refer Note 19)	1,664.96	4.05	-	1,669.01
<b>Total</b>	<b>13,649.63</b>	<b>801.04</b>	<b>-</b>	<b>14,450.67</b>

### (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 cashflows 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2020

### 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	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Variable rate borrowings	2,352.60	2,997.80
Fixed rate borrowings	7,808.52	5,393.29
<b>Total borrowings</b>	<b>10,161.12</b>	<b>8,391.09</b>

### (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 and equity -

(₹ in lakhs)		
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Interest rates - increase by 100 basis points *	(17.41)	(22.18)
Interest rates - decrease by 100 basis points *	17.41	22.18

\* Holding all other variables constant

### 44 Note on Uncertainty Related to Going Concern

(₹ in lakhs)		
Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Loss as per P & L(PAT)	3,018.12	2,213.50
Add:Remeasurement of Defined Benefit scheme	6.80	(4.29)
Less : Income tax effect	1.77	(1.12)
Total (refer note 14)	3,023.15	-
Add Loss at the beginning of the year	2,337.76	127.43
Less : Amount transferred to Retained Earning	321.80	-
<b>Total Accumulated Loss as at year end</b>	<b>5,039.11</b>	<b>2,337.76</b>

The Company's has accumulated loss for the year end ₹ 5,039.11 lakhs (2018-19: ₹ 2,337.76 lakhs) resulting in erosion of net worth. Keeping in mind the ongoing restructuring exercise, it is believed that the business will be able to generate sufficient profits in future to meet its financial obligations, this statement has been prepared using going concern basis of accounting.

### 45 Impact of Covid-19

The Company has assessed the impact of pandemic Covid-19 on preparation of the financial statements for the year FY19-20 based on the internal and external information available up to the date of approval of these financial statements, including impact on recoverable values of its financial and non-financial assets, its Revenues and on Costs, and expects to recover the carrying value of its assets. The Company has been able to manage the project site operations in a phased manner with appropriate precautions. The actual impact in future will be depending on the prevailing circumstances at operational sites.

Signatures to Notes 1 to 45

**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

**K. P. JOTWANI**

Chief Executive Officer

**R. SANKARAN**

Director

DIN : 00381139

**R. G. GOLATKAR**

Chief Financial Officer

**D.J. VORA**

Company Secretary

Mumbai, June 27, 2020



(₹ in lacs)

## FINANCIALS AT A GLANCE

	2019-20	2018-19	2017-18	2016-17	2015-16
<b>I CAPITAL ACCOUNTS</b>					
A. Share Capital	1,258	1,258	1,258	1,258	1,258
B. Reserves	(2,718)	441	2,678	4,119	3,962
C. Net Worth (A+B)	(1,460)	1,699	3,936	5,377	5,220
D. Borrowings	9,721	7,541	5,903	5,584	4,552
E. Net Block	414	516	622	744	752
F. Debt-Equity Ratio (D/C)	(6.66:1)	4.44:1	1.50:1	1.04:1	0.87:1
<b>II REVENUE ACCOUNTS</b>					
A. Gross Revenue	4,484	5,503	7,935	13,619	11,203
B. Profit / (Loss) before Taxes (PBT)	(3,019)	(2,263)	(1,109)	(307)	(693)
C. Profit / (Loss) after Taxes (PAT)	(3,018)	(2,213)	(1,085)	(260)	(668)
D. Return on Shareholders' Fund %	(206.74)	(130.00)	(27.57)	(4.83)	(12.80)
<b>III EQUITY SHAREHOLDERS' EARNINGS</b>					
A. Earnings per Equity Share (in ₹)	(24.01)	(17.61)	(8.63)	(2.07)	(5.31)
B. Net Worth per Equity Share (in ₹)	(11.61)	13.51	31.31	42.77	41.53

*If undelivered, please return to :*



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