

26th Annual Report 2011 -12



MUKAND ENGINEERS LIMITED

BOARD OF DIRECTORS

Rajesh V. Shah, *Chairman*

Niraj Bajaj

Prakash V. Mehta

T. S. Anand *upto 10th November, 2011*

N. Ramanathan

R. Sankaran *w. e. f. 7th February, 2012*

MANAGER

K. P. Jotwani

COMPANY SECRETARY

P. R. Dhruva

AUDITORS

M/s. K. K. Mankeshwar & Co.,

Chartered Accountants, Mumbai

REGISTERED OFFICE

Bajaj Bhawan, Jamnalal Bajaj Marg,

226, Nariman Point,

Mumbai - 400 021.

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Saki Vihar Road,

Sakinaka, Andheri (East), Mumbai - 400 072.

A Request :

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of the Report to the meeting.

Cover Picture - Piping & Equipment Erection work at DCU BOP PROJECT at MRPL, Mangalore

ANNUAL GENERAL MEETING

Monday, 13th August, 2012, 11.30 a.m.

at Walchand Hirachand Hall,

4th Floor, Indian Merchants' Chamber

(IMC), Churchgate, Mumbai - 400 020.

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IMPORTANT COMMUNICATION TO MEMBERS

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

NOTICE

TO THE MEMBERS,

NOTICE is hereby given that the 26th ANNUAL GENERAL MEETING of the Members of the Company will be held on **Monday, the 13th day of August, 2012 at 11:30 a.m.** at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), Churchgate, Mumbai - 400 020, to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Rajesh V. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri N. Ramanathan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. K. K. Mankeshwar & Co., Chartered Accountants (Registration No.106009W), retiring Auditors of the Company who are eligible for re-appointment for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 260 and other applicable provisions, if any, of the Companies Act, 1956, Shri R. Sankaran who was appointed as an Additional Director by the Board of Directors under Article 117 of the Articles of Association of the Company and who holds office under the said Article and Section 260 of the Companies Act, 1956, upto the date of ensuing Annual General Meeting of the Company and in respect of whom, the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby elected and appointed as a Director of the Company, liable to retire by rotation."

NOTES FOR MEMBERS' ATTENTION:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.6 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 04/08/2012 to 13/08/2012, (both days inclusive).

4. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends for the years 1994-1995 to 2000-2001 have been transferred to the Investors' Education and Protection Fund (the Fund) set up by the Central Government. The said Section further provides that amounts remaining unclaimed for a period of seven years from the date of payment shall be transferred to the said Fund. Members are requested to note that no claims shall thereafter lie against the said Fund or the Company in respect of the said amounts so transferred.

However, Members who have neither received nor encashed their dividend warrant(s) for any of the financial years 2009-2010 and 2010-2011, are requested to write to the Registrar and Share Transfer Agents of the Company mentioning their relevant Folio Number(s) / DP ID, for issuance of duplicate dividend warrant(s).

In compliance with the provisions of Section 205C of the Companies Act, 1956 and the Notification dated 10th May, 2012, issued by the Ministry of Corporate Affairs, the Company has identified the unclaimed amount of dividend for the financial year ended 31st March, 2011 and requisite detailed information will be uploaded on the Ministry's website through e-form 5 INV and also on the Company's website within the prescribed time limit.

5. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the Members.
6. The Company's Equity Shares are listed on Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai.
7. Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2012, when declared at the meeting, will be paid:
 - i) To those Members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company and its Registrar on or before 03/08/2012.
 - ii) In respect of shares held in electronic form, to those "Deemed Members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 03/08/2012.
 - iii) SEBI has made it mandatory for all the Companies to use bank details furnished by the investors for distributing dividends to them through National Electronic Clearing Services (NECS), wherever NECS and bank details are available. In the absence of NECS facility, the Companies are required to print the bank details, if available, on payment instrument, for distribution of dividends to the investors. Therefore, members holding shares in physical mode are requested

to provide their bank details to the Company / Registrar. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participants.

- iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers / copies of PAN card 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 / Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited at E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Vihar, Andheri (East) Mumbai - 400 072.

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

**P. R. Dhruva
Company Secretary**

**Place : Mumbai
Date : 23rd May, 2012**

ANNEXURE TO THE NOTICE

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

The Board of Directors has appointed Shri R. Sankaran as an Additional Director of the Company with effect from 7th February, 2012 pursuant to the provisions contained in Article 117 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. He is an Independent Director on the Board in terms of Clause 49 of the Listing Agreement. Shri R. Sankaran is also Director of (1) Bombay Forgings Limited and (2) India Thermal Power Limited and is not related to any other Directors of the Company. As required under Section 257 of the

Companies Act, 1956, a Notice has been received from a member signifying his intention to propose him as a candidate for the office of Director.

Shri R. Sankaran aged 63 years, B.E. (Mech) from Madras University & MBA (Finance & Marketing) from IIM, Kolkata had joined Mukand Limited as a Trainee Engineer in 1972. Initially he worked in designing, planning, manufacturing and sales in Industrial Machinery Division. Later on he was assigned the responsibility of MIS, materials & stores and liasoning for the Company as a whole. Thereafter, he moved to Engineering Projects Division where he successfully handled Medium Merchant Section Mill for Vizag Plant of SAIL and BOF for 1.5 Million Tons Rourkela Plant of SAIL. He also headed the Road Construction Division of Mukand Limited and was responsible for the execution and implementation of NHA projects in the capacity of General Manager of Mukand Limited. In view of Shri R. Sankaran's qualifications and his valuable experience, it is in the Company's interest that it should continue to avail of his services as a Member of the Board.

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

Shri R. Sankaran holds 438 Equity Shares in the Company.

Your Directors recommend the Resolution mentioned in Item 6 of the Notice for the approval of the Members.

Shri R. Sankaran is interested in the Resolution at Item 6 of the Notice.

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

**P. R. Dhruva
Company Secretary**

**Place : Mumbai
Date : 23rd May, 2012**

DIRECTORS' REPORT

TO THE MEMBERS,

1. Your Directors present the Twenty Sixth Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2012

2. Financial Results

(₹ lacs)

	Current Year	Previous Year
Income from operations and other Income	6865.78	7855.88
Profit for the year before tax	534.23	949.93
Add/(Less) : Provision for tax (including deferred tax)	(205.28)	(297.80)
Profit after tax	328.95	652.13
Add/(Less):Balance brought forward from previous year.	1799.88	1399.53
Balance available for appropriation	2128.83	2051.66

3. Dividend

Due to lower profit after tax as compared to previous year, the Directors recommend dividend of 10% on equity shares. The dividend & tax thereon shall absorb ₹ 146.12 lacs from surplus generated from the operations during the year.

4. Operations

4.1 General

The income from operations, and other income during the year was lower at ₹ 68.66 Cr compared to ₹ 78.56 Cr in the previous year. In the Current Year due to delay by the clients to offer adequate work fronts as per the original schedule of the contract, the Erection activities were slow. During the Previous Year, contract completion was higher as our supply component was as per schedule.

4.2 Engineering

4.21 The income from Engineering operations during the year was ₹ 60.55 Cr as against ₹ 71.46 Cr in previous year. Engineering operations earned profit before interest of ₹ 10.69 Cr during the year under review as compared to profit of ₹ 14.77 Cr in the previous year.

4.22 During the year major part of income accrued from power projects, hydro carbon project and aluminium projects, a part of the income was from supplies to power projects.

4.23 New orders amounting to ₹ 90.49 Cr were received during the year and the outstanding orders as at the end of the year were ₹163.86 Cr as against ₹ 150.10 Cr at the beginning of the year.

4.24 We have received a further Order for ₹ 215.00 Cr in April 2012 from NMDC Ltd to be executed by March 2015.

4.3 Infotech

Income from Infotech Segment remained same as in the previous year.

5. Fixed Deposits

The Company held ₹ 18.19 Cr as Public deposits as of 31st March, 2012, out of which, deposits aggregating ₹ 0.26 Cr have matured but remain unclaimed as on that date. The Company sends reminder letters to the Fixed Deposit Holders before the date of Maturity of their Fixed Deposits.

6. Corporate Governance

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

7. Other Information

7.1 As the Company does not own an undertaking where manufacturing operations are carried out, the information to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable.

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

7.3 There are no employees covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

8. Directors' Responsibility Statement

As required by Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) appropriate accounting policies have been selected and applied consistently, and has made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended 31st March, 2012;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

9. Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Rajesh V Shah and Shri N Ramanathan, Directors of the Company retire by rotation and are eligible for re-appointment.

Shri T S Anand, Director of the Board expired on 10th November, 2011. The Board places on record its deep sense of appreciation for the immense contribution made by him in the growth of the Company during his tenure as a Director.

The Board appointed Shri R. Sankaran as an Additional Director of the Company with effect from 07/02/2012. As an Additional Director Shri R Sankaran holds office till the ensuing Annual General meeting of the Company. Accordingly, his appointment as a Director of the Company has been included at item no.6 and in the Explanatory Statement to the Notice.

10. Auditors

M/s. K K Mankeshwar & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

11. Auditors' Report

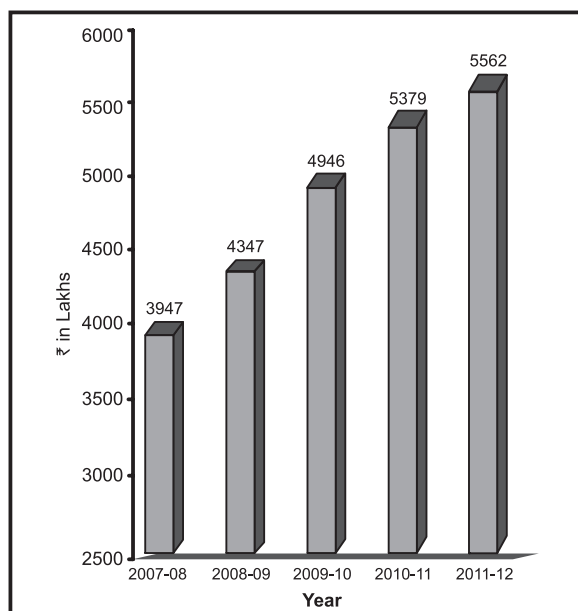
The notes referred to in the Auditors' Report are self-explanatory and hence, do not call for any comments under Section 217 of the Companies Act, 1956.

For and on behalf of the Board of Directors

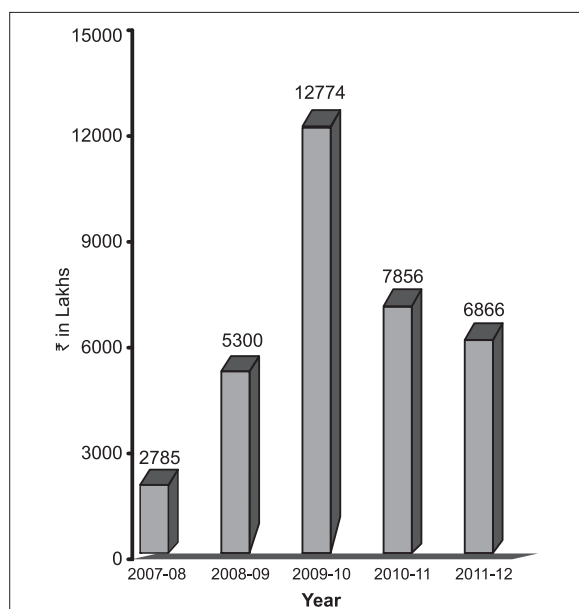
Place : Mumbai,
Date : 23rd May, 2012.

Rajesh V. Shah
Chairman

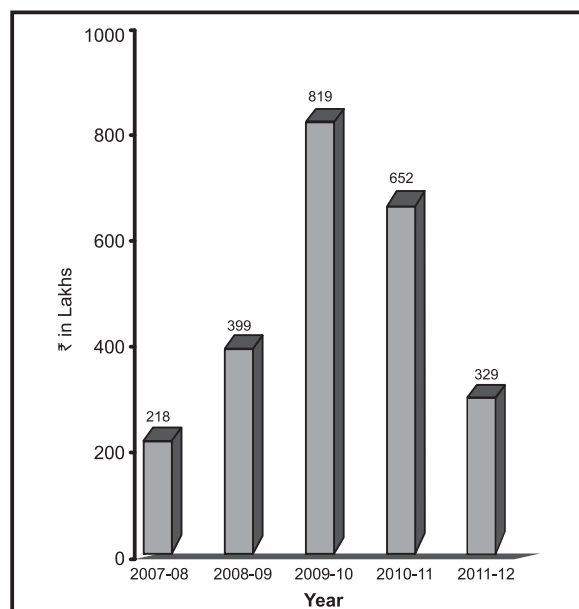
Net Worth



Income from Operations Including Other Income



Profit after Tax



REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy:

The Company's Corporate Governance practices are based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Corporate Governance practices stem from the quality and mindset of the Organization. Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing shareholder's value while safeguarding the interest of long term stakeholders. It is this conviction that has led the Company to make strong Corporate Governance values intrinsic in all its operations.

It has been the endeavour of your Company to give fair and equitable treatment to all its stakeholders, including employees, customers and shareholders.

2. Board of Directors :

(a) Composition and size of the Board :

The Board of Directors of the Company consists of five Directors including the Non-Executive Chairman. All these five Directors are Non-Executive Directors out of which three Directors are Independent Directors. The Company did not have any pecuniary relation or transaction with Non-Executive Directors during the year under review. Further, Shri R. Sankaran, being Independent Director has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 on February 07, 2012 and holds office upto the ensuing Annual General Meeting.

(b) Board Meetings :

During the year four Board Meetings were held on May 26, 2011, July 28, 2011, November 10, 2011 and February 07, 2012. The Board was presented with the relevant and necessary information. None of the Directors is a member of more than ten Committees or acting as Chairman of more than five Committees across all Companies in which he is a Director. The attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships is given herein below:

Name of the Director	Category	Attendance Particulars Board Meetings	Last AGM	No. of outside Directorships in Public Limited Companies	No. of Membership (M) Chairman (C) in other Board Committees(s)	No. of Shares held in Company as at 31.03.2012
Shri Rajesh V. Shah	C. NED	4	Yes	5	1 (M) / 1 (C)	64220
Shri Niraj Bajaj	NED	4	Yes	10	—	411500
Shri Prakash V. Mehta	NED	4	Yes	8	11 (M) / 1 (C)	Nil
Shri T. S. Anand *	NED	2	Yes	2	—	Nil
Shri N. Ramanathan	NED	4	Yes	—	—	200
Shri R. Sankaran #	NED	1	No	2	—	438

C: Chairman, NED: Non-Executive Director.

* Expired on November 10, 2011, the details of Directorships are as per the record of the Company.

1st Meeting as Invitee

(c) Re-appointment of Directors :

Shri Rajesh V. Shah and Shri N. Ramanathan are liable to retire by rotation and being eligible offer themselves for re-appointment. Information as required under Clause 49 of the Listing Agreement is given hereunder:-

Name of the Director	Shri Rajesh V. Shah	Shri N. Ramanathan
Date of appointment	October 23, 1989	May 14, 2007
Expertise in Specific Functional areas	Marketing, Planning and Performance, Expansion, etc.	Marketing, Manufacturing and quality control of precision machinery and heavy duty industrial machines including erection and commissioning.
List of other Directorships held (in listed Companies)	1) Mukand Ltd. 2) Ranbaxy Laboratories Ltd.	Nil
Chairman / Member of the Committee of the Board of other Companies in which he is a Director	Chairman: Nil Member: Compensation / Audit Committee 1) Ranbaxy Laboratories Ltd.	Chairman: Nil Member: Nil

(d) Appointment of Additional Director :

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

Name of the Director	Shri R. Sankaran
Date of appointment	February 07, 2012
Expertise in Specific Functional areas	Experience in management of manufacture, designing, planning and quality control of precision machinery and heavy duty industrial machines including erection and commissioning.
List of other Directorships held (in listed Companies)	NIL
Chairman / Member of the Committee of the Board of other Companies in which he is a Director	Chairman : NIL Member : NIL

3. Audit Committee :

The Audit Committee consists of Shri Rajesh V. Shah, Shri Prakash V. Mehta (Chairman of the Meeting), Shri T. S. Anand (upto November 10, 2011), Shri N. Ramanathan and Shri R. Sankaran (with effect from February 07, 2012) as Members, all of whom are independent Directors except Shri Rajesh V. Shah. Further, Shri R. Sankaran who was appointed as an Additional Director of the Company was also appointed as independent member of the Audit Committee. The terms of reference of the Audit Committee specified by the Board are as contained in Clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate.

During the year under review, the Audit Committee met four times on May 26, 2011, July 28, 2011, November 10, 2011 and February 07, 2012. These meetings were also attended by the Statutory Auditors, Internal Auditors, Shri Niraj Bajaj, Director, Shri S. B. Jhaveri, Advisor to the Board, Shri K.P. Jotwani, "Manager" and Shri J. S. Shrivastav, Chief of Accounts and Shri R. G. Golatkar, Deputy Chief of Accounts as invitees whenever required. Shri P. R. Dhruva, Company Secretary acts as Secretary to the Audit Committee. Apart from considering unaudited and/or audited financial results for the relevant quarter, half year and the year, before submission to the Board for its approval, the Committee focused its attention on other matters which *inter-alia* included key areas impacting the overall performance of the Company and major accounting policies and practices, review of internal control system, review of current site progress and Management Information System.

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

Name of the Director	Category	Attendance Particulars Number of Meetings Attended
Shri Prakash V. Mehta	C.NED	4
Shri T. S. Anand *	NED	2
Shri Rajesh V. Shah	NED	4
Shri N. Ramanathan	NED	4
Shri R. Sankaran	NED	1

C: Chairman, NED: Non-Executive Director.

* Expired on November 10, 2011

4. Remuneration Committee and Policy:

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

Remuneration paid to Shri K. P. Jotwani "Manager" under the Companies Act, 1956, for the year ended 31st March, 2012 is as under.

Particulars	₹
Salary and allowances	3,015,882
Contribution to Provident Fund & Other Funds	165,316
Perquisites (<i>including approx. money value</i>)	280,532
TOTAL	3,461,730

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

Sitting fees paid to the Directors for the year ended 31st March, 2012 are as under:

Sr. No.	Name of the Director	₹
1.	Shri Prakash V. Mehta	80,000
2.	Shri T. S. Anand	40,000
3.	Shri N. Ramanathan	80,000
4.	Shri R. Sankaran	20,000
	TOTAL	220,000

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

5. Shareholders' / Investors' Grievance Committee:

The Company has constituted Shareholders' / Investors' Grievance Committee consisting of Shri Rajesh V. Shah as the Chairman, Shri Niraj Bajaj, Shri T. S. Anand (upto November 10, 2011) and Shri R. Sankaran (with effect from February 07, 2012) as Members. Further, Shri R. Sankaran who was appointed as an Additional Director of the Company was also appointed as independent member of the Shareholders' / Investors' Grievance Committee. The Company Secretary acts as Compliance Officer to the Committee. The meeting of the said Committee was held on May 26, 2011 which was attended by all the members.

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

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

6. Annual General Meetings :

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

Financial Year	Date	Time
2010-2011	July 28, 2011	3:30 p.m.
2009-2010	July 29, 2010	3:30 p.m.
2008-2009	July 28, 2009	3:30 p.m.

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

Financial Year	Date of Annual General Meeting	Particulars of Resolution
2010-2011	July 28, 2011	Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(24) of the Companies Act, 1956, for a further period of two years with effect from 1st June, 2011
2009-2010	July 29, 2010	Nil
2008-2009	July 28, 2009	Nil

(c) No Resolutions were passed vide Postal Ballot during the year.

7. Disclosures :

No transactions of material significance were entered into by the Company with its Promoters, Directors or their relatives, Companies, Management or their relatives during the year, which have potential conflict with interest of the Company, at large. The details of transactions with related parties entered into in the ordinary course of business are disclosed in the accounts and are placed before the Audit Committee. There was no default in compliance on any matters related to capital markets. Consequently, during the last three years neither any penalties were imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority. No transaction with related parties or others have been entered into which are not at arm's length.

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

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

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

The Company has also instituted a Code of Conduct for prevention of Insider Trading on the securities of the Company for its Directors and key Managerial persons as required by SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended.

8. Means of Communication :

Quarterly / half yearly un-audited and yearly audited results are published in English and local language newspapers as specified by SEBI and as required under the Listing Agreement. The Management Discussion and Analysis is a part of the

Annual Report. All financial and other vital information is promptly communicated to the Stock Exchanges on which the Company's Shares are listed.

9. General Information for Shareholders :

- a. Registered Office Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021
- b. Date, Time and Venue of Annual General Meeting Monday, 13th August, 2012 at 11:30 a.m. Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), Churchgate, Mumbai-400 020.
- c. Reporting in the Financial Calendar 2012-2013:
 - June 30
 - September 30
 - December 31
 - For the year ending March 31

} Within 45 Days from the end of the Quarter

} Within 60 Days from the year end
- d. Dates of Book Closure 4th August, 2012 to 13th August, 2012 (both days inclusive)

e. Listing Details :

The Company's Shares are listed on the Stock Exchanges at Mumbai (Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd.). The Company has paid the listing fees for the period from April 1, 2012 to March 31, 2013 to both the Stock Exchanges where the shares of the Company are listed.

f. Stock code

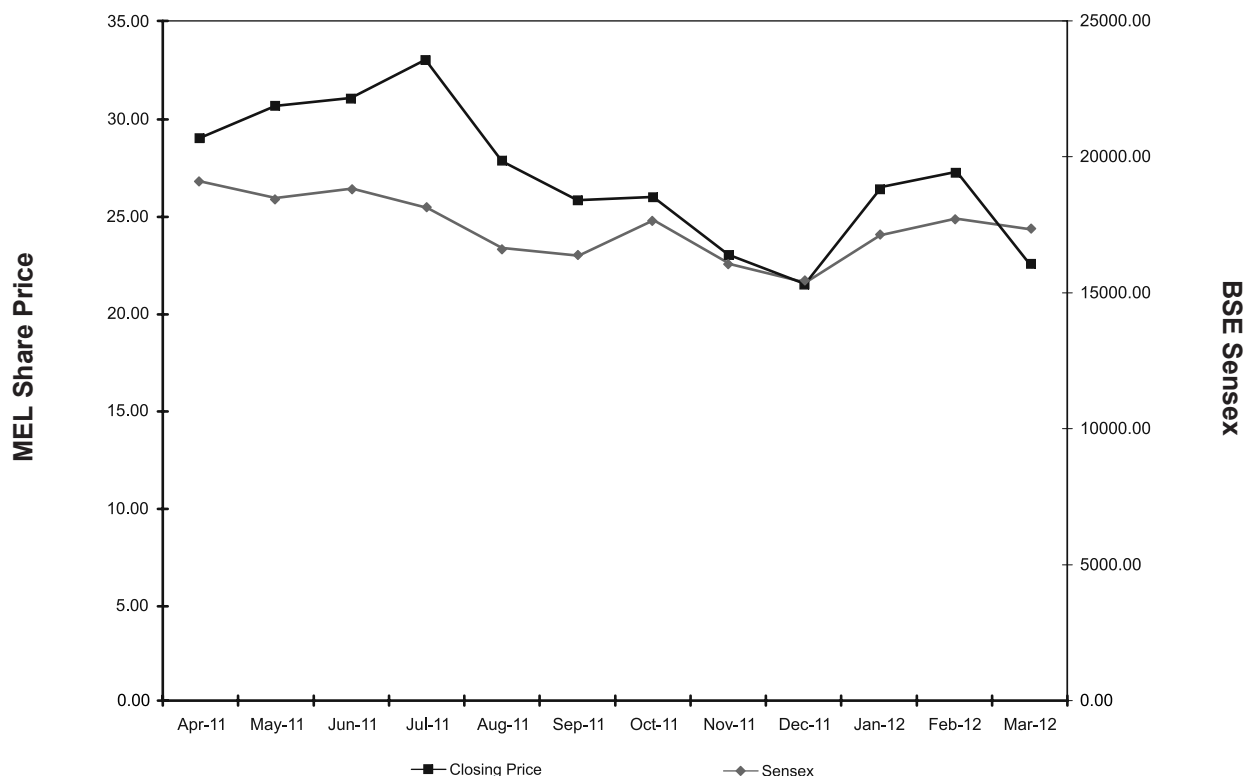
1. Bombay Stock Exchange (BSE) 532097
2. National Stock Exchange (NSE) MUKANDENG
3. ISIN INE 022B01014

g. Stock Market Data :

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Volume of Shares Transacted (Nos.)	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Volume of Shares Transacted (Nos.)
Apr-2011	34.50	27.50	125371	34.00	27.60	132957
May-2011	30.80	26.10	99995	31.00	25.35	171948
Jun-2011	32.50	29.00	64606	36.00	28.50	81329
July-2011	42.90	31.00	588154	42.80	31.05	744117
Aug-2011	34.30	25.70	101321	35.60	25.10	116209
Sep-2011	30.00	25.85	102424	29.90	25.65	64308
Oct-2011	27.35	24.55	38844	27.40	23.30	39450
Nov-2011	27.40	20.00	71014	29.00	20.35	80833
Dec-2011	24.50	19.65	42992	26.00	19.40	38350
Jan-2012	29.25	21.30	128405	29.85	21.30	87429
Feb-2012	29.35	25.65	270269	29.00	25.00	73203
Mar-2012	28.65	22.45	58028	28.35	22.30	38957

Comparative Stock Price Performance:

The Equity share prices of the Company on BSE. in comparison with the BSE Sensex for the period from 1st April, 2011 to 31st March, 2012 is given in the following graph



h. Registrar and Transfer Agents

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

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Vihar,
Andheri (East) Mumbai - 400 072.
Tel : (022) 28470652 / 53 / 40430200
Fax : (022) 28525207 E-Mail : marketing@bigshareonline.com
Website : www.bigshareonline.com

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

i. Share Transfer System

The Share Transfers are approved by a Committee of Directors and are registered within a period of 7 days from the date of receipt, if the documents are complete in all respect. During the year under review, the Company has followed the guidelines issued by SEBI for dematerialisation of shares sent for transfer by the investors.

Total number of shares transferred in physical form (non-dematerialised) during 2011-2012 were 6395 shares.

There were no transfers which remained unattended as of March 31, 2012.

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

j. Investor Services (Complaints received during the year)

Nature of Complaints / Queries	2011-2012		2010-2011	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Demat & Remat, Change of address and others	298	298	325	325

There were no complaints / queries pending reply as on March 31, 2012

k. Distribution of Shareholding as on:

No. of Equity shares held	31 st March, 2012				31 st March, 2011			
	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
1-100	20710	79.80	508556	4.05	21083	79.90	519619	4.13
101-200	1892	7.29	333079	2.65	1942	7.36	342325	2.72
201-500	1923	7.41	717571	5.71	1946	7.38	719658	5.72
501-1000	732	2.82	617687	4.91	736	2.79	618680	4.92
1001-5000	556	2.14	1288525	10.25	530	2.01	1207895	9.61
5001-10000	65	0.25	479435	3.81	74	0.28	537552	4.28
10001 & above	76	0.29	8627547	68.62	75	0.28	8626671	68.62
Total	25954	100.00	12572400	100.00	26386	100.00	12572400	100.00

l. Categories of Shareholding as on:

Categories	31 st March, 2012				31 st March, 2011			
	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	25450	98.06	4524922	35.99	25827	97.89	4364281	34.71
Corporate	336	1.29	930087	7.39	398	1.51	1069379	8.51
Financial Institutions	5	0.02	1335	0.01	5	0.02	1335	0.01
FII's	1	0.00	65	0.00	1	0.00	65	0.00
NRIs/OCBs	96	0.37	95020	0.76	96	0.36	78300	0.62
Banks	10	0.04	1048	0.01	10	0.04	1048	0.01
Mutual Funds	3	0.01	800	0.01	3	0.01	800	0.01
Trusts	15	0.06	260098	2.07	8	0.03	298167	2.37
Promoters	38	0.15	6759025	53.76	38	0.14	6759025	53.76
Total	25954	100.00	12572400	100.00	26386	100.00	12572400	100.00

m. Dematerialisation of Shares and Liquidity : 95.38% of outstanding equity shares have been dematerialised up to March 31, 2012. Trading in Equity Shares of the Company on any Stock Exchange is permitted only in the dematerialised form from July 24, 2000 as per Notifications issued by SEBI.

n. Plant Locations : The Company has no plants but carries out jobs at various sites of customers.

o. Investor Correspondence : For any queries, investors are requested to get in touch with the Company's Registrar and Transfer Agent: Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Vihar, Andheri (East), Mumbai - 400 072.

Registered Office of the Company : Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

p. Auditor's Certificate of Corporate Governance : The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in the Listing Agreement with Stock Exchanges. This is annexed to the Directors' Report. The certificate will be sent to the Stock Exchanges along with annual report to be filed by the Company.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,

The Members of Mukand Engineers Limited

We have examined the compliance of Corporate Governance by Mukand Engineers Limited (the Company), for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchanges.

The compliance conditions of Corporate Governance are the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to information and explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement(s).

We further state that such compliance is neither 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.

GIRISH M. PATHAK

Partner

Membership No.102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN-106009W

Mumbai, dated the 23rd May, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

1 Engineering Construction Division

1.1 Industry Structure and Developments

The business of the Company continues mainly in the areas of Supply and Erection of equipments for Power Generation Plants, Integrated steel Plants, Aluminium Plants and Hydrocarbon 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

During the year under review, the Company booked new orders valued at ₹ 90.49 Cr from power projects and steel plants.

In April 2012 the Company has booked an order worth ₹ 215.00 Cr from NMDC Ltd. for installation of Steel Melting shop consisting of HMDS,BOF,LF and RH-OB for 3.0 MTPA Integrated Steel Plant at Nagarnar, Chhattisgarh,India, to be executed progressively by March 2015.

1.3 Future Outlook

The outstanding order position including orders received in April 2012 is ₹ 378.86 Cr. With the healthy order book position, the Company expects executable load over the next 2 years. The management perceives that the economic downturn being envisaged now would turn positive during these two years, when the Company has an assured work load. Thus the existing recessionary trend may not substantially impact the interests of the Company.

1.4 Risk Management

As the contracts undertaken by the Company are generally in the Public Sector or reputed private sector companies, the risk of payment defaults by the clients is negligible. The Company evaluates project location environment risks before accepting contracts. The provision for escalation in cost due to delays in execution of project is considered while quoting tenders and in escalation clauses in the contract.

2 Internal Control System

The Company has instituted a system of internal control to safeguard and protect the assets of the Company. The Company has also appointed an independent auditor whose

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

3 Financial Performance

During the year the Company recovered an amount of ₹1.17 Cr under one time settlement of a corporate loan.

4 Human Resource Management Initiatives

The Company has increased the supervisory and managerial staff. Further recruitments have been planned at various levels to successfully complete new large orders and improve profitability.

5 Cautionary Statements

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

AUDITOR'S REPORT

To The Members of,
MUKAND ENGINEERS LIMITED
Mumbai

We have audited the attached Balance Sheet of **Mukand Engineers Limited**, as at **31st March, 2012** and also the annexed Statement of Profit & Loss and the Cash Flow statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the accounting standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004 ('the Order') issued by the central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report, are in agreement with the books of account of the Company;
 - (iv) In our opinion, the Statement of Profit & Loss and Balance Sheet together with the Notes thereon dealt with by this report, comply with the Mandatory accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable;

- (v) On the basis of written representations received from the Directors of the Company as on 31st March, 2012 and taken on record by the Board of Directors of the Company, we report that no Director is disqualified as on 31st March, 2012 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) Without qualifying our opinion, we draw your attention to Note No. 28.1 to the financial statements, relating to the recoverability of the overdue loans, aggregating ₹ 103,400,000 (Previous Year ₹ 119,675,000) and Interest Receivable thereon, aggregating ₹ 49,548,194 (Previous Year ₹ 56,589,934), at the end of the year, that are due from investment companies (related parties) whose net worth have eroded, and the Management's assessment on their recoverability due to the reason stated therein, which are susceptible to inherent uncertainties which, if not materialized could significantly impact the carrying values of the aforesaid loans & interest thereon.

- (vii) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements, subject to our observation expressed in para 3(vi) above, and read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2012;
- (b) in the case of the Statement of Profit & Loss, of the Profit for the year ended on that date and;
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

GIRISH M. PATHAK
Partner

Membership No.: 102016

For & on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN 106009W

Mumbai dated the 23rd May, 2012

AUDITOR'S REPORT (Contd.)

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our report of even date)

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As per the explanation given to us, the Fixed assets were physically verified by the Management in accordance with a regular programme covering all the assets over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year. As per the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the information and explanations given by the Management and on the basis of audit procedures performed by us, we are of the opinion that the fixed assets disposed off during the year do not constitute a substantial part of fixed assets of the Company and such disposal has not affected the going concern status of the Company.
- (ii) (a) The inventory excluding stocks with sub contractors third parties and Work- in-Progress has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Company's Act, 1956. Consequently, clauses (iii) (a) to (iii) (g) of paragraph 4 of the Companies (Auditor's Report) Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items of purchase / services availed are of special nature for which suitable alternative sources are not readily available for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register have been so entered.
 - (b) Where each of such transaction is in excess of Rupees Five Lacs in respect of any party, transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58 A and 58AA or any other provisions of the Act and the Companies (Acceptance of Deposits) Rules 1975 with regards to deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Entry Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. The Company is in the process of reconciling Service Tax, Provident Fund, Works Contract Tax, Employees' State Insurance and Tax Deducted at Source balances relating to earlier years and the amounts due, if any, will be ascertained on completion of reconciliations. There were no dues towards Custom Duty, Wealth Tax and Excise Duty during the year.

AUDITOR'S REPORT (Contd.)

- (b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Service Tax, Entry Tax, Cess and other material statutory dues in arrears as on 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to information and explanations given to us upon our enquiries in this regard and records of the Company, the disputed statutory dues in respect of Income Tax, Service Tax, Customs Duty, Excise Duty, Works Contract Tax, Entry Tax and Cess unpaid as at the last day of the financial year, are as under:

Nature of dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Income Tax	8,622,250	2000-2001 and 2001-2002	High Court of Bombay
Income Tax	1,309,112 7,146,336	2000-2001 2005-2006	Income Tax Appellate Tribunal
Income Tax	9,008,892	2002-2003 to 2008-2009	Income Tax Department Authorities
Works Contracts Tax	2,472,506	2001-2002 to 2004-2005	Sales Tax Department Authorities
Entry Tax	1,009,008	1999-2000 to 2003-2004	High Court/ Supreme Court

- (ix) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year;
- (x) 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 bank during the year. There are no dues to any debenture holder;
- (xi) In our opinion and according to information & explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xii) In our opinion and according to information & explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. All the investments are held by the Company, in its own name;

- (xiii) In our opinion and according to information & explanations given to us and the representations made by the Management, the terms and conditions at which the guarantees given by the Company for loans taken from financial institutions and / or banks by others, are *prima facie* not prejudicial to the interests of the Company;
- (xiv) In our opinion and according to information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xv) On the basis of review of utilization of funds on an overall basis, related information as made available to us and examination of the financial statements of the Company, we are of the opinion that *prima facie* short term funds have not been used for long term purposes during the year;
- (xvi) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act;
- (xvii) According to information and explanations given to us, the Company has not issued any debentures during the year.
- (xviii) The Company has not raised any monies by public issue during the year under review;
- (xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Looking at the nature of activities being carried on, at present, by the Company, and also considering the nature of matters referred to in various clauses of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004 ('the Order') issued by the central Government in terms of Section 227 (4A) of the Companies Act, 1956, clauses (viii) & (xiii) of paragraph 4 of the aforesaid Order, are in our opinion, not applicable to the Company.

GIRISH M. PATHAK
Partner

Membership No.: 102016

For & on behalf of
K. K. MANKESHWAR & CO
Chartered Accountants
FRN 106009W

Mumbai dated the 23rd May, 2012.

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	₹	31.03.2012 ₹	31.03.2011 ₹
I. EQUITY & LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	2	125,797,500		125,797,500
(b) Reserves and Surplus	3	430,393,272		412,110,709
			556,190,772	537,908,209
(2) Non Current Liabilities				
(a) Long-term borrowings	4	117,205,539		115,510,548
(b) Deferred tax liabilities (Net)	5	20,222,661		15,793,872
(c) Long-term provisions	6	25,967,024		21,474,053
			163,395,224	152,778,473
(3) Current Liabilities				
(a) Short-term borrowings	7	297,977,843		251,261,780
(b) Trade payables		123,480,172		159,433,367
(c) Other current liabilities	8	164,375,207		235,733,617
(d) Short-term provisions	9	17,626,176		24,531,445
			603,459,398	670,960,209
TOTAL			1,323,045,394	1,361,646,891
II. ASSETS				
(1) Non-Current Assets				
(a) Fixed Assets	10			
(i) Tangible assets		83,271,215		77,288,612
(ii) Intangible assets		2,295,817		3,532,617
(iii) Capital Work-in-progress		-		3,066,567
		85,567,032		83,887,796
(b) Non-current investments	11	17,560,812		17,560,812
(c) Long-term loans and advances	12	202,008,725		239,956,352
(d) Other non-current assets	13	105,969,035		119,178,548
			411,105,604	460,583,508
(2) Current Assets				
(a) Inventories	14	219,534,119		149,600,721
(b) Trade Receivables	15	455,858,222		453,265,786
(c) Cash and Bank Balances	16	11,173,380		18,704,794
(d) Short-term loans and advances	17	175,394,877		222,750,080
(e) Other current assets	18	49,979,192		56,742,002
			911,939,790	901,063,383
TOTAL			1,323,045,394	1,361,646,891
Significant Accounting Policies	1			

Notes 1 to 39 form an integral part of the financial statements

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 23, 2012

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary
Mumbai, May 23, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	2011-2012		2010-2011
		₹	₹	₹
I. Revenue from Operations	19	651,255,573		759,594,847
II. Other Income	20	35,322,667		25,993,251
III. Total Revenue (I + II)		686,578,240		785,588,098
IV. EXPENSES				
Contract Execution Costs	21	356,200,398		421,277,261
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(68,070,160)		(47,337,135)
Employee Benefits Expense	23	162,410,599		147,539,885
Finance Costs	24	56,849,134		60,090,455
Depreciation and Amortisation		8,698,094		8,122,375
Other Expenses	25	117,066,865		100,902,236
Total Expenses		633,154,930		690,595,077
V. Profit for the year before Tax (III- IV)		53,423,310		94,993,021
VI. Tax Expense				
(1) Current Tax		16,100,000		36,500,000
(2) Tax of Earlier Years (Net)		-		499,638
(3) Deferred Tax (Credit) / Charge		4,428,789		(7,219,349)
		20,528,789		29,780,289
VII. Profit for the year after Tax (V- VI)		32,894,521		65,212,732
VIII. Earnings per equity share of ₹ 10/- each	26			
(1) Basic		2.62		5.19
(2) Diluted		2.62		5.19
Significant Accounting Policies	1			

Notes 1 to 39 form an integral part of the financial statements

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 23, 2012

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary
Mumbai, May 23, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-2012	2010-2011
	₹	₹
A. <u>Cash Flow from Operating Activities</u>		
Profit before Tax	53,423,310	94,993,021
Add:		
a) Depreciation	8,698,094	8,122,375
b) Facilities at Customers' sites Written-off	8,026,087	8,268,854
c) Loss on Sale of Assets	35,282	5,900
d) Interest and Finance Charges	56,849,134	60,090,455
e) Provision for Doubtful Debts	-	4,826,197
f) Bad Debts	34,190,458	9,142,879
g) Loans to Companies Written-off	4,616,630	1,328,590
h) Interest Receivable Written-off	7,041,740	5,742,818
	119,457,425	97,528,068
Less:		
a) Interest Income	18,135,484	19,948,107
b) Dividend on Investments	681,252	681,252
c) Profit on Sale of Assets	122,962	529,213
d) Provision for Doubtful Debts Written-off As Bad Debts	11,619,814	7,841,449
	30,559,512	29,000,021
Operating Profit before Working Capital changes	142,321,223	163,521,068
Add:		
a) Decrease in Long term Bank Deposits for securing Operational Guarantees and/or other statutory Obligations	8,840,994	35,784,064
b) Decrease in Trade and Other Receivables	16,356,265	-
	25,197,259	35,784,064
Less:		
a) Increase in Inventories	69,933,398	51,046,682
b) Increase in Trade and Other Receivables	-	33,620,184
c) Decrease in Trade Payables	101,608,022	124,940,497
	171,541,420	209,607,363
Cash Inflow / (Outflow) generated from Operations	(4,022,938)	(10,302,231)
Less: Direct taxes paid	17,511,619	34,522,958
Net Cash Inflow / (Outflow) from Operating Activities	(21,534,557)	(44,825,189)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-2012	2010-2011
	₹	₹
B. Cash Flow from Investing Activities		
Inflow:		
a) Sale of Assets	178,461	775,726
b) Interest received	17,856,554	20,136,887
c) Dividend on Investments	681,252	681,252
d) Loans realised	39,000,821	40,096,236
	57,717,088	61,690,101
Outflow:		
a) Acquisition of Fixed Assets	10,786,231	19,784,551
b) Additions to Facilities at Customers' Sites	1,727,529	10,877,500
	12,513,760	30,662,051
Net Cash Inflow from Investing Activities	45,203,328	31,028,050
C. Cash Flow from Financing Activities		
Inflow:		
Increase in borrowings (Net)	45,489,271	84,357,873
Outflow:		
a) Dividend paid	21,404,462	21,746,065
b) Interest paid	55,284,994	56,591,959
	76,689,456	78,338,024
Net Cash Inflow / (Outflow) from Financing Activities	(31,200,185)	6,019,849
Net (Decrease) in Cash / Cash Equivalents	(7,531,414)	(7,777,290)
Add: Balance at the beginning of the year	18,704,794	26,482,084
Cash / Cash Equivalents at the close of the year	11,173,380	18,704,794
Cash / Cash Equivalents at the close of the year		
Cash on hand	208,445	294,847
Bank balances	33,414,935	49,700,942
Less: Long term Bank Deposits for Securing		
Operational Guarantees and/or other statutory Obligations	22,450,000	31,290,995
	10,964,935	18,409,947
	11,173,380	18,704,794

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 23, 2012

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary

Mumbai, May 23, 2012

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Accounting:**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

The Company is in to construction / erection business, where, the operating cycle depends upon the completion of the project, which is generally beyond twelve months. However, the Company has considered its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

1.2 Fixed Assets and Depreciation :**(i) Fixed Assets :**

Fixed Assets are stated at cost of acquisition / book value less accumulated depreciation/amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets individually costing ₹ 5,000/- or less are depreciated fully in the year of Acquisition.

(ii) Depreciation / Amortisation:

(a) Depreciation on assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956 except on assets acquired on second hand basis, where depreciation is provided over their remaining estimated useful life.

(b) Cost of Intangibles capitalised is amortised over their useful life.

(c) Cost of ERP Software capitalised is amortised over a period of five years.

(d) Depreciation / Amortisation on additions or on sale/ discard of assets is provided on pro-rata basis from the month of such addition or up to the month of such sale / discard as the case may be.

1.3 Investments :

All Long term investments are stated at cost. Diminution, if any, in the value of investments, other than temporary, is provided for each investment individually.

1.4 Inventories :**(i) Stores and Spares :**

Stores and Spares are valued at cost or net realisable value whichever is lower, computed on weighted average basis. Cost comprises of all costs of purchase and other costs incurred in bringing the inventories to its present location and condition.

(ii) Incomplete Contract Works under Contract Work-in-Progress:

"Incomplete Contract Works" are valued by the direct cost method. The direct cost rate is determined for each contract separately by considering all direct costs specifically attributable to each contract. The concept of valuation of "Incomplete Contract Works" under "Contract Work-in-Progress" arises only after the stage when direct costs under each contract are not carried forward any further as "Accumulated Direct Costs" as contemplated in policy 1.6(iii) below.

1.5 Amortisation of Facilities at Customers' site :

All facilities in the nature of assets created at the customers' site and which are to be abandoned at the end of the each contract are written off / amortised in equal monthly instalments over the period commencing from the month of completion of the individual facility upto the contracted month for completion of the contract plus twelve months. Billable reimbursements against such facilities, if separately identified in a contract, are similarly credited in equal annual instalments against the write-offs over the said period.

1.6 Revenue Recognition:**Engineering construction business:**

(i) Income by way of revenue arising out of execution of contract work (including supply of materials), is credited as "Income" only after at least 15% of the total estimated contract costs (i.e. direct and indirect costs) in respect of each contract are incurred (on accrual basis). Such revenue is recognised, as the contract progresses, by reference to the stage of completion of each contract and the invoices acknowledged by the customer's representative. 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 15% of the estimated contract costs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

- (ii) The Company follows the "Percentage of Completion Method" of accounting for execution of contract work. The revenue from the execution of contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred. Therefore, the invoices raised for claiming periodic payments from customers are not accounted as income and the "Trade Receivables / Advances received against Contracts" are reflected accordingly.

Claims made on account of escalation in costs and on account of variation in contract work approved by the customers, are both, recognised as revenue only when and to the extent of the acceptance / realisation of the amount of the claim or variation.

- (iii) Direct costs i.e. all costs related to contracts, which are accounted on accrual basis, are charged to revenue in respect of each contract undertaken, only after at least 15% of the total estimated contract costs (i.e. all direct and indirect costs) in respect of each contract are incurred. Till such time, all such direct costs accounted in respect of each contract are carried forward to the next accounting year as "Accumulated Direct Costs" under "Contract Work-in-Progress". Indirect costs are treated as expenses for the year in which they are incurred on accrual method of accounting and charged to revenue.

Infotech Business:

- (iv) Income from Infotech services provided is accounted on accrual basis.

Other Income and Expenditure:

- (v) Other Revenue / Income and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.

1.7 Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between actual results and estimates are recognised in the period in which results are known.

1.8 Retirement and other Employee Benefits:

- (i) **Short term employee benefits** are recognised as an expense at the undiscounted amount in the statement of Profit and Loss for the year in which the related service is rendered.

(ii) **Post employment benefits**

(a) Defined contribution plans:

Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered.

(b) Defined benefit plans:

The present value of the gratuity obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the statement of Profit and Loss. The gratuity liability is funded with the Life Insurance Corporation of India and the fair value of the plan assets, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

- (iii) **Long term compensated absences** are provided on the basis of an actuarial valuation using the Projected Unit Credit Method.

- (iv) **Termination Benefits** are recognised as an expense in the statement of Profit and Loss for the year in which they are incurred.

1.9 Foreign Currency Fluctuations:

- (i) All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- (ii) Monetary items in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

1.10 Borrowing Costs :

Interest and other borrowing costs attributable to qualifying assets are Capitalised. Other interest and borrowing costs are charged to revenue.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012****1.11 Taxation :**

Income-tax expense comprises Current tax and Deferred tax charge or credit.

- (i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.
- (ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassure realisation.

1.12 Impairment of Assets:

The Company, at each balance sheet date, assesses whether there is any indication that an individual asset or group of assets constituting a Cash Generating Unit (CGU) may be impaired. Provision for impairment loss is recognised where the recoverable amount of an asset or a CGU, is less than its carrying amount. Provisions for impairment losses recognised in earlier years are further reviewed at each balance sheet date and adjusted for changes in the estimated recoverable amount of asset / CGU.

1.13 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.14 Assets taken on lease :

Assets taken on finance lease are accounted in accordance with Accounting Standard 19 on Leases. Lease payments are apportioned between finance charges and reduction of outstanding liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

2. SHARE CAPITAL

Particulars	31.03.2012		31.03.2011	
	Number of Shares	₹	Number of Shares	₹
a) Authorised				
Equity Shares of ₹10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Preference Shares of ₹100/- each	500,000	50,000,000	500,000	50,000,000
	<u>20,500,000</u>	<u>250,000,000</u>	<u>20,500,000</u>	<u>250,000,000</u>
b) Issued				
Equity Shares of ₹10/- each	12,592,700	125,927,000	12,592,700	125,927,000
	<u>12,592,700</u>	<u>125,927,000</u>	<u>12,592,700</u>	<u>125,927,000</u>
c) Subscribed and Paid up				
i) Equity Shares of ₹10/- each fully paid up	11,973,900	119,739,000	11,973,900	119,739,000
ii) Fully paid up pursuant to contract(s) without payment being received in cash	598,500	5,985,000	598,500	5,985,000
iii) Forfeited Shares	20,300	73,500	20,300	73,500
Total	<u>12,592,700</u>	<u>125,797,500</u>	<u>12,592,700</u>	<u>125,797,500</u>

2.1 RECONCILIATION OF NUMBER OF SHARES AND AMOUNT OUTSTANDING :

Particulars	31.03.2012		31.03.2011	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Equity Shares at the beginning of the year	12,592,700	125,797,500	12,592,700	125,797,500
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	<u>12,592,700</u>	<u>125,797,500</u>	<u>12,592,700</u>	<u>125,797,500</u>

2.2 DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% SHARES :

Name of Shareholder	31.03.2012		31.03.2011	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
a) Mukand Ltd	4,539,781	36.05%	4,539,781	36.05%
b) Jamnalal Sons Private Ltd	1,386,395	11.01%	1,386,395	11.01%
Total	<u>5,926,176</u>	<u>47.06%</u>	<u>5,926,176</u>	<u>47.06%</u>

2.3 The Company has issued only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the Annual General Meeting.

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 amount, in the proportion of the number of equity shares held by each share holder.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

Particulars	31.03.2012	31.03.2011
	₹	₹
3. RESERVES AND SURPLUS		
(a) Securities Premium Account		
Opening balance	224,766,229	224,766,229
Add: Securities premium credited on Share issue	-	-
Less: Premium utilized	-	-
Closing Balance	224,766,229	224,766,229
(b) General Reserve		
Opening balance	7,356,868	4,096,231
Add: Transfer from Surplus during the current year	-	3,260,637
Less: Utilised during the current year	-	-
Closing Balance	7,356,868	7,356,868
(c) Surplus		
Opening balance	179,987,612	139,953,453
Add : Profit for the year	32,894,521	65,212,732
Less: Proposed Dividend (#)	(12,572,400)	(18,858,600)
Less: Tax on Dividend	(2,039,558)	(3,059,336)
Less: Transfer to General Reserve	-	(3,260,637)
Closing Balance	198,270,175	179,987,612
Total	430,393,272	412,110,709
(#) - Dividend proposed to be distributed to equity share holders is ₹ 1.00 (Previous Year - ₹ 1.50) per equity share		
4. LONG-TERM BORROWINGS		
(i) Secured		
Long term maturities of Finance lease obligations		
From Banks	2,263,009	1,682,733
From Other Parties	797,530	2,481,815
(Refer note 4.1 and 31)	3,060,539	4,164,548
(ii) Unsecured		
Public Deposits (Refer note 4.2)	114,145,000	111,346,000
Total	117,205,539	115,510,548

4.1 Finance lease obligations are secured against leased assets.

Terms of repayment and rates of interest are as under:

Finance Lease of ₹	492,417	Repayable in FY 2013-2014 at 10.5% p.a.
Finance Lease of ₹	1,066,420	Repayable in FY 2013-2014 and FY 2014-2015 at 11.5% p.a.
Finance Lease of ₹	704,172	Repayable in FY 2013-2014 and FY 2014-2015 at 11.75% p.a.
Finance Lease of ₹	797,530	Repayable in FY 2013-2014 at 9% p.a.

4.2 Repayment Schedule of Public Deposits is as under:

Public Deposits of ₹	49,407,000	Repayable in FY 2013-2014 at Interest rates ranging from 9.75% to 11.50% p.a.
Public Deposits of ₹	64,738,000	Repayable in FY 2014-2015 at Interest rates ranging from 9.75% to 11.50% p.a.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

Particulars	31.03.2012	31.03.2011
	₹	₹
5. DEFERRED TAX LIABILITIES (NET)		
Liabilities:		
Deferred tax liabilities in respect of income	21,250,438	23,118,662
Deferred tax liabilities in respect of depreciation	14,001,483	13,947,055
Total	35,251,921	37,065,717
Assets:		
Deferred tax Assets in respect of Taxes, Duties etc.	4,047,289	4,669,199
Deferred tax Assets in respect of employee benefits	9,963,058	8,816,505
Deferred tax Assets in respect of provision for doubtful debts	1,018,913	7,786,141
Total	15,029,260	21,271,845
Net deferred tax liability	20,222,661	15,793,872
6. LONG-TERM PROVISIONS		
Provision for employee benefits (Net) (Refer note 23)	24,967,024	20,474,053
Provision for warranties (Refer note 6.1)	1,000,000	1,000,000
Total	25,967,024	21,474,053
6.1 DETAILS OF PROVISION FOR WARRANTIES		
Opening Balance	1,000,000	1,000,000
Add: Provision for the year	-	-
Less: Payment made during the year	-	-
Less: Released during the year	-	-
Closing Balance	1,000,000	1,000,000
7. SHORT-TERM BORROWINGS		
Loan repayable on demand		
(i) Secured		
From Bank (Refer note 7.1)	188,708,843	118,692,780
Deposits		
(i) Unsecured		
Public Deposits	67,769,000	48,069,000
Inter Corporate Deposits	41,500,000	84,500,000
Total	297,977,843	251,261,780

7.1 Nature of security for short term Loans

Cash credit facility from Central Bank of India is secured by:

- (i) Hypothecation of all, present and future, stocks, book debts and fixed assets excluding assets taken on hire purchase, of the Company.
- (ii) Pledge of 681,200 equity shares of Mukand Ltd.
- (iii) Corporate Guarantee given by an associate company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	31.03.2012	31.03.2011
	₹	₹
8. OTHER CURRENT LIABILITIES		
Current maturities of finance lease obligations (Refer note 31)	3,957,847	6,845,363
Interest accrued but not due on Public Deposits	9,483,796	7,919,656
Advance received against Contracts {Refer note 1.6 (ii)}	24,771,756	91,273,940
Unpaid matured Public Deposits & interest thereon	1,445,204	1,497,525
Unclaimed Dividend	513,474	244,759
Other liabilities (\$)	124,203,130	127,952,374
	164,375,207	235,733,617
Total	164,375,207	235,733,617
(\$) Includes statutory dues and payable to employees.		
9. SHORT-TERM PROVISIONS		
Proposed dividend	12,572,400	18,858,600
Tax on dividend	2,039,558	3,059,336
	14,611,958	21,917,936
For employee benefits (Refer note 1.8)	3,014,218	2,613,509
Total	17,626,176	24,531,445

10. FIXED ASSETS

(₹)

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April, 2011	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2012	Upto 1st April, 2011	Depreciation For the Year	Deductions/ Adjustments	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
A TANGIBLE ASSETS										
Own Assets										
Plant and Equipment	57,517,007	8,838,698	-	66,355,705	20,177,940	4,010,860	-	24,188,800	42,166,905	37,339,067
Computers	117,610,841	479,520	-	118,090,361	107,531,087	2,283,593	-	109,814,680	8,275,681	10,079,754
Furniture and Fixtures etc. \$	21,836,770	2,489,152	62,999	24,262,923	9,275,372	975,112	12,718	10,237,766	14,025,157	12,561,398
Vehicles	2,530,942	636,300	810,000	2,357,242	1,460,903	189,180	769,500	880,583	1,476,659	1,070,039
Sub-Total	199,495,560	12,443,670	872,999	211,066,231	138,445,302	7,458,745	782,218	145,121,829	65,944,402	61,050,258
Assets under Lease #										
Plant and Machinery	13,653,312	-	-	13,653,312	536,449	-	-	536,449	13,116,863	13,116,863
Computers	4,347,726	-	-	4,347,726	1,226,235	-	-	1,226,235	3,121,491	3,121,491
Vehicles	-	1,091,008	-	1,091,008	-	2,549	-	2,549	1,088,459	-
Sub-Total	18,001,038	1,091,008	-	19,092,046	1,762,684	2,549	-	1,765,233	17,326,813	16,238,354
Total (A)	217,496,598	13,534,678	872,999	230,158,277	140,207,986	7,461,294	782,218	146,887,062	83,271,215	77,288,612
B INTANGIBLE ASSETS										
Own Assets										
Intellectual Property Rights	52,000,000	-	-	52,000,000	52,000,000	-	-	52,000,000	-	-
ERP Software	1,925,000	-	-	1,925,000	898,333	-	-	898,333	1,026,667	1,026,667
Sub-Total	53,925,000	-	-	53,925,000	52,898,333	-	-	52,898,333	1,026,667	1,026,667
Assets under Lease #										
ERP Software	3,409,000	-	-	3,409,000	903,050	1,236,800	-	2,139,850	1,269,150	2,505,950
Sub-Total	3,409,000	-	-	3,409,000	903,050	1,236,800	-	2,139,850	1,269,150	2,505,950
Total (B)	57,334,000	-	-	57,334,000	53,801,383	1,236,800	-	55,038,183	2,295,817	3,532,617
Total (A+B)	274,830,598	13,534,678	872,999	287,492,277	194,009,369	8,698,094	782,218	201,925,245	85,567,032	80,821,229
Previous Year	260,519,219	16,719,023	2,407,644	274,830,598	188,041,186	8,122,375	2,154,192	194,009,369	80,821,229	
C Capital Work In Progress (Plant and Machinery)										
									-	3,066,567

\$ - Includes Office Equipments

- Refer Note 31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

11. NON-CURRENT INVESTMENTS

Particulars	Book Value (₹)		Market Value (₹)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
A. Other Investments (Quoted) - At Cost:				
Mukand Limited (Associate) 681,200 (Previous year - 681,200) Equity Shares of ₹ 10/- each, fully paid up #	17,036,812	17,036,812	22,956,440	30,926,480
52,400 (Previous year - 52,400) 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid up	524,000	524,000	389,856	413,960
Total - Quoted	17,560,812	17,560,812	23,346,296	31,340,440
B. Other Investments (Unquoted) (At cost less Provision)				
Indian Thermal Power Limited (Associate) 7,153 (Previous year - 7,153) Equity Shares of ₹ 10/- each, fully paid up	71,530	71,530		
Less: Provision for Diminution in Value	(71,530)	(71,530)		
Total - Unquoted	-	-		
Total Non - Current Investments	17,560,812	17,560,812	23,346,296	31,340,440

- Pledged as collateral security against working capital facilities availed from Central Bank of India {Refer note 7.1(ii)}

Particulars	31.03.2012	31.03.2011
	₹	₹
12. LONG TERM LOANS & ADVANCES		
a) Capital Advances		
Unsecured, considered good	318,120	-
b) Security Deposits		
Unsecured, considered good	2,142,688	2,429,921
c) Loans and advances to related parties		
Secured, considered good		
Loans to Company on assignment of debt by a bank (Refer note 29)	104,525,576	128,876,837
d) Other loans and advances		
Unsecured, considered good		
Balance with Revenue Authorities (Net of Provision)	93,057,122	106,713,869
Advance paid to Suppliers, Contractors	1,831,054	1,801,560
Welfare cess	134,165	134,165
	1,965,219	1,935,725
Total	202,008,725	239,956,352

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

Particulars	31.03.2012	31.03.2011
	₹	₹
13. OTHER NON-CURRENT ASSETS		
a) Long term Trade Receivables		
Unsecured, Considered Good	78,755,610	76,825,570
b) Facilities at Customers' Site		
(Refer note 1.5)		
Opening Balance	11,061,983	8,453,337
Add: Addition during the year	1,727,529	10,877,500
Less: Written-off during the year	8,026,087	8,268,854
	4,763,425	11,061,983
c) Others		
Margin Money with Banks (#)	22,450,000	31,290,995
Total	105,969,035	119,178,548
# - Represents Fixed Deposits with Banks towards margin money for non-fund based facilities availed.		
14. INVENTORIES (Refer note 1.4)		
(As taken, valued and certified by the Management)		
Stores & Spares	7,714,574	5,851,335
Contract Work- in-progress		
Incomplete Contract Works (Valued at cost)	190,426,232	108,841,579
Accumulated Direct Costs	21,393,313	34,907,807
	211,819,545	143,749,386
Total	219,534,119	149,600,721
15. TRADE RECEIVABLES		
Unsecured, Considered Good		
- Due over six months	169,371,247	65,608,587
- Others	286,486,975	387,657,199
	455,858,222	453,265,786
Others, considered doubtful	3,140,431	23,438,114
Less: Provision for doubtful debts	3,140,431	23,438,114
	-	-
Total	455,858,222	453,265,786
16. CASH AND BANK BALANCES		
Cash and cash equivalents		
a) Cash on hand	208,445	294,847
b) Cheques on hand	4,984,525	-
c) Balances with Banks		
(i) in Current accounts	4,841,936	17,589,214
(ii) in Unpaid dividend accounts	513,474	244,759
(iii) in Fixed Deposits	625,000	575,974
	11,173,380	18,409,947
Total	11,173,380	18,704,794

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

Particulars	31.03.2012		31.03.2011
	₹	₹	₹
17. SHORT-TERM LOANS AND ADVANCES			
Loans and advances to related parties			
Secured, Considered good			
Loan to a Company on assignment of debt by a bank (Refer note 29)		19,467,570	22,458,760
Unsecured, Considered good			
Loans to Companies (Refer note 28.1)		103,400,000	119,675,000
Security Deposits			
Unsecured, considered good		2,991,235	2,372,955
Other loans and advances			
Unsecured, considered good			
Balance with Revenue Authorities (Net of Provision)		22,967,329	6,410,082
- Advance paid to Suppliers, Contractors	20,070,210		66,759,836
- Prepaid Expenses	6,498,533		5,073,447
		26,568,743	71,833,283
Total		175,394,877	222,750,080
18. OTHER CURRENT ASSETS			
Interest Receivable (Refer note 28.1) #		49,979,192	56,742,002
Total		49,979,192	56,742,002
# - Including interest receivable from Banks ₹ 430,998/- (Previous Year - ₹ 152,068/-).			
Particulars	2011-2012		2010-2011
	₹	₹	₹
19. REVENUE FROM OPERATIONS			
Value of contract work executed {Refer note 1.6(i) - 1.6(iii)}			
- Supply of Materials	69,853,118		177,901,528
- Sale of Services	534,791,165		536,091,317
		604,644,283	713,992,845
Income from Equipments provided		861,290	602,002
Income from Infotech Business		45,750,000	45,000,000
Total		651,255,573	759,594,847
20. OTHER INCOME			
Interest (Gross)		16,005,427	19,948,107
Profit on Sale of Assets (Net)		122,962	529,213
Excess Provision Written Back (Net)		15,363,656	4,540,717
Dividend on Investments		681,252	681,252
Miscellaneous Income		1,019,313	293,962
Interest on Income Tax refund		2,130,057	-
Total		35,322,667	25,993,251

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

Particulars	2011-2012		2010-2011
	₹	₹	₹
21. CONTRACT EXECUTION COSTS			
Sub-contracting Expenses		231,514,700	227,342,879
Cost of materials Supplied		44,208,912	100,047,188
Stores, Spares and Construction materials consumed (Net) (Indigenous)		31,181,403	22,607,263
Equipment Hire charges		25,567,625	39,085,516
Facilities at Customers' sites written off (Refer note 1.5)		8,026,087	8,268,854
Other Operational Expenses		15,701,671	23,925,561
Total		<u>356,200,398</u>	<u>421,277,261</u>
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Opening Stocks			
Incomplete Contract Works	108,841,579		67,486,249
Accumulated Direct Costs	<u>34,907,807</u>		<u>28,926,002</u>
		143,749,386	96,412,251
Closing Stocks			
Incomplete Contract Works	190,426,232		108,841,579
Accumulated Direct Costs	<u>21,393,314</u>		<u>34,907,807</u>
		211,819,546	143,749,386
(Increase) / Decrease in Stocks		<u>(68,070,160)</u>	<u>(47,337,135)</u>
23. EMPLOYEE BENEFITS EXPENSE			
Salaries, Wages and other payments		144,068,221	120,143,388
Contribution to provident and other funds		16,617,992	17,961,375
Welfare Expenses		1,724,386	9,435,122
Total		<u>162,410,599</u>	<u>147,539,885</u>

23.1 The Company has recognised ₹ **12,976,674/-** (Previous Year ₹ 10,183,589/-) as contribution towards defined contribution plans as an expense.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

23.2 The disclosures in respect of the Defined Benefit Gratuity Plan to the extent information is available with the Company, are given below :

	Year ended 31 st March 2012 ₹	Year ended 31 st March 2011 ₹
<u>Changes in present value of obligations:</u>		
Present value of Obligations at the beginning of the year	17,450,529	9,528,256
Interest cost	1,396,043	738,440
Current service cost	1,575,353	1,425,143
Actuarial Losses / (Gains)	1,793,332	6,426,577
Benefits paid	(366,322)	(667,887)
Present value of Obligations at the close of the year	21,848,935	17,450,529
<u>Changes in Fair Value of plan assets (Managed by LIC):</u>		
Fair value of plan assets at the beginning of the year	10,473,951	8,645,104
Expected return on Plan Assets	988,114	830,654
Contributions	1,856,194	1,666,080
Benefits Paid	(366,322)	(667,887)
Actuarial gain / (loss) on Plan Assets	-	-
Fair value of plan assets at the close of the year	12,951,937	10,473,951
<u>Reconciliation of present value of the obligation and the fair value of plan assets and amount recognised in the balance sheet:</u>		
Present value of Obligations at the close of the year	21,848,935	17,450,529
Fair value of plan assets at the close of the year	(12,951,937)	(10,473,951)
Net Liability / (Asset) recognised	8,896,998	6,976,578
<u>Amounts recognised in the Statement of Profit and Loss:</u>		
Current Service Cost	1,575,353	1,425,143
Interest Cost	1,396,043	738,440
Expected Return on plan assets	(988,114)	(830,654)
Actuarial Loss	1,793,332	6,426,577
Expenses recognised	3,776,614	7,759,506
<u>Actuarial Assumptions at the Balance Sheet date:</u>		
Discount Rate	8.50%	8.00%
Expected rate of return on Plan Assets	9.25%	9.25%
Salary Escalation rate*	5.25%	5.50%
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

* The estimated salary escalation rate takes into account inflation, seniority, promotion and other relevant factors.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

Particulars	2011-2012	2010-2011
	₹	₹
24. FINANCE COSTS		
Interest Expense	55,259,060	58,650,875
Other Borrowing Costs	1,590,074	1,439,580
Total	56,849,134	60,090,455
25. OTHER EXPENSES		
Rent	10,502,262	7,894,049
Insurance	1,523,188	1,284,852
Repairs - Machinery	390,361	1,040,585
Repairs - Others	6,809,071	6,819,077
	7,199,432	7,859,662
Traveling and Conveyance	16,940,049	16,561,219
Auditor's Remuneration (Refer note 25.1)	746,888	618,470
Directors' Fees	220,000	184,000
Legal and Professional Charges	13,522,719	21,279,860
Loss on Assets Discarded / Sold	35,282	5,900
Service Tax and Works Contract Tax	2,524,246	5,532,130
Watch & Ward Expenses	8,066,688	7,376,710
Miscellaneous Expenses	17,967,101	18,843,789
Sundry Balances Written-off / Appropriated (Net)	13,729,776	6,440,968
Bad Debts Written-off	34,190,458	9,142,879
Less: Doubtful debts provided in earlier years	(11,619,814)	(7,841,449)
	22,570,644	1,301,430
Provision for Doubtful debts	-	4,826,197
Prior Period Adjustments (Net)		
Debits relating to earlier years	1,518,590	1,353,548
Depreciation / Amortisation adjustments (Net)	-	(460,548)
	1,518,590	893,000
Total	117,066,865	100,902,236
25.1 AUDITOR'S REMUNERATION		
As Auditors	450,000	375,000
For Taxation Matters	50,000	25,000
For Other Services	225,000	210,000
For reimbursement of Expenses	21,888	8,470
Total	746,888	618,470
26. EARNINGS PER SHARE (EPS)		
Net profit after tax as per Statement of profit and Loss attributable to Equity shareholders	32,894,521	65,212,732
Weighted Average number of equity shares used as denominator for calculating EPS	12,572,400	12,572,400
Basic and Diluted Earnings per share	2.62	5.19
Face value per equity share	10	10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

27. Contingent Liabilities not provided for:

	As at 31.3.2012 (₹)	As at 31.3.2011 (₹)
(i) Disputed Income Tax Dues	26,086,590	26,098,075
(ii) Disputed Works Contract Tax Dues	2,170,085	2,170,085
(iii) Corporate Guarantee given by the Company on behalf of a company	60,000,000	60,000,000
(iv) Counter Guarantees given by the Company on behalf of a company	40,000,000	291,287,071
(v) The Company has given performance guarantees and / or guarantees against advances received from the clients in the course of its business. Based on the past experience, Company is of the opinion that no liability would arise on this account and as such the liability, if any, cannot be estimated.		

28.1 The Company has, as at 31st March, 2012 loans aggregating ₹103,400,000/- (Previous Year - ₹ 119,675,000/-) and interest recoverable thereon aggregating ₹ 49,548,194/- (Previous Year - ₹ 56,589,934/-) due from investment companies. The net worth of these companies has eroded. On the undertaking by these companies to pay the principal amount along with interest, (accrued upto 31st March, 2003) the Company had agreed to waive interest on these loans with effect from 1st April, 2003. As a matter of prudence, the Company had already stopped accounting for interest income on these loans with effect from 1st April, 2003. The management, based on its assessment of the estimated realisable values of the financial assets of these companies, believes that the Company would still be able to recover the loans and interest as mentioned above and has accordingly treated the said loan amount and interest due thereon as current asset.

28.2 During the year, the Company made one time settlement with an investment company, referred to in Note 28.1 above, to settle the total outstanding amount as on 12-05-2011. Accordingly, the investment company has paid an amount of ₹ 11,658,370/- towards principal outstanding. The balance amount of ₹ 11,658,370/- (Principal ₹ 4,616,630/- and interest ₹ 7,041,740/-) is written off during the year.

29. As per the understanding reached by Mukand Limited with Commerzbank AG as recorded in the Consent Terms filed in the Debt Recovery Tribunal, the Company during financial year 2002-2003 joined as a surety under the said Consent Decree to pay a sum of ₹ 76,000,000/- in the manner specified in the Consent terms, whereby the Company became entitled to assignment of the entire outstanding debt of ₹160,858,072/- due by Mukand Limited to the Bank together with the security held by the Bank. The Company discharged its obligations under the said Consent Terms and the aforesaid debt has been assigned in its favour. The difference between the face value of debt assigned to the Company and the obligation discharged by it aggregating ₹ 84,858,072/- was credited to the Profit and Loss Account as "Exceptional Income" during Financial Year 2002-2003.

During the year 2009-10, the Company re-participated along with other secured creditors in restructuring of Mukand Limited's debts to receive the payment of principal amount and interest only over a period of 9 years (earlier 12 years), on similar lines, as other secured creditors, who have accepted the Financial Restructuring Package (FRP) approved by the Corporate Debt Restructuring Cell for Mukand Limited. As per the aforesaid FRP, interest for the period 1st April, 2002 to 30th September, 2004 was converted into a loan to be repaid till March 2013. The Principal amount will be repaid till March, 2015 as per the said FRP. The Company has ceded pari-passu charge on certain current assets and fixed assets of Mukand Limited to the extent of additional debts raised by Mukand Limited.

30. As per the practice, the Company assigns certain specific jobs to sub-contractors at various sites. As per the terms, the sub-contractors are primarily responsible for payment of wages and all other employee benefits to its workmen engaged at the site. Whenever the sub-contractors had left the site and abandoned the contract without fulfilling their obligation to the workmen, the Company, as a principal employer, had paid an amount of ₹ 160,032,791/- in earlier years, to sub-contractors' workmen engaged and working on the site under Company's supervision. As the sub-contractors had not settled their accounts for a long time, the balances appearing in provision for expenses account and in sub-contractors' account were reversed during the previous year.

31. Disclosures in respect of Finance Lease arrangements

Particulars	Not later than one year ₹	Later than one year and not later than five years ₹	Later than five years ₹
Minimum Instalments Payable (MIP)	4,504,841 (7,745,352)	3,259,575 (4,468,566)	- (-)
Present Value of Instalments Payable (PVIP)	3,957,847 (6,845,363)	3,060,539 (4,164,548)	- (-)

Previous year's figures are in brackets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

32. Related parties disclosures :

(i) Relationships :

(a) Related parties where control / significant influence exists:

- 1 Mukand Limited
- 2 Indian Thermal Power Limited
- 3 Mukand Global Finance Limited (MGFL)
- 4 Mukand International Limited, UK
- 5 Mukand International FZE, UAE
- 6 Vidyavihar Containers Limited (VCL)
- 7 Mukand Vijaynagar Steel Limited
- 8 Bombay Forgings Limited
- 9 Stainless India Limited
- 10 Hospet Steels Limited
- 11 Kalyani Mukand Limited

- 12 Jamnalal Sons Private Limited
- 13 Mukand Vini Mineral Limited
- 14 Conquest Investments & Finance Limited (Conquest)
- 15 Econium Investments & Finance Limited (Econium)
- 16 Fusion Investments & Financial Services Limited (Fusion)
- 17 Catalyst Finance Limited (Catalyst)
- 18 Primus Investments & Finance Limited (Primus)
- 19 Lineage Investments Limited (Lineage)

(b) Key Management Personnel:

Mr. K. P. Jotwani - Manager.

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

(ii) Transactions with related parties referred in (i) above, in the ordinary course of business:

	2011-2012 ₹		2010-2011 ₹	
Nature of Transactions	Referred in (i)(a) above	Referred in (i)(b) above	Referred in (i)(a) above	Referred in (i)(b) above
Sales - Mukand Ltd				
• Contracts executed (including supply of materials)	216,429,431		209,887,687	
• Infotech Services (Excluding Service Tax)	45,750,000		45,000,000	
Purchases :				
Other Payments / Expenditure				
• Rent - Mukand Ltd	3,000,000		1,453,000	
• Reimbursement of Expenses - Mukand Ltd	2,128,311		4,577,996	
• Remuneration		3,461,730		2,529,748
• Legal and Professional Charges - MGFL	360,000		300,000	
• Procurement of Assets - Mukand Ltd	1,811,250		2,478,118	
• Irrecoverable Interest written off - Fusion	7,041,740		-	
• Irrecoverable Loans Written off - Fusion	4,616,630		-	
• Irrecoverable Interest written off - Lineage	-		5,742,819	
• Irrecoverable Loans Written off - Lineage	-		1,328,590	
• Loan repayments received Mukand Ltd	27,342,451		9,424,826	
• Conquest	-		2,500,000	
• Catalyst	-		2,600,000	
• Primus	-		8,900,000	
• Lineage	-		16,671,410	
• Interest paid - VCL	-		435,491	
• Interest received / receivable - Mukand Ltd	14,089,150		16,486,589	
• Lineage	-		991,562	
Outstanding balances at the close of the year :				
• As Debtors - Mukand Ltd	237,228,275		124,579,048	
• Rent Deposits given - Mukand Ltd	650,000		650,000	
• Interest Receivable - Catalyst	6,590,775		6,590,775	
• Conquest	24,449,427		24,449,427	
• Econium	8,027,027		8,027,027	
• Fusion	-		7,041,740	
• Primus	10,480,965		10,480,965	
• Loans receivable - Mukand Ltd	123,993,146		151,335,597	
• Catalyst	10,350,000		10,350,000	
• Conquest	33,300,000		33,300,000	
• Econium	33,900,000		33,900,000	
• Fusion	-		16,275,000	
• Primus	25,850,000		25,850,000	
• Counter Guarantees given by the Company - Mukand Ltd	40,000,000		291,287,071	
• Guarantees given by the Company - Mukand Ltd	60,000,000		60,000,000	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

33. SEGMENT INFORMATION

A. BUSINESS SEGMENT - PRIMARY

(₹)

Particulars	Construction		Infotech		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Segment Revenue						
External Revenue	605,505,573	714,594,847	45,750,000	45,000,000	651,255,573	759,594,847
Inter segment Revenue	-	-	-	-	-	-
Total Revenue	605,505,573	714,594,847	45,750,000	45,000,000	651,255,573	759,594,847
Segment Result before interest and tax	106,884,646	147,669,644	20,643,887	22,866,458	127,528,533	170,536,102
Add / (Less): Unallocated Income / (Expenses) (Net)					(17,256,089)	(15,452,627)
Interest and Finance charges					(56,849,134)	(60,090,454)
Deferred Tax Credit / (Charge)					(4,428,789)	7,219,349
Provision for Current Tax					(16,100,000)	(36,500,000)
Minimum Alternate Tax (MAT) Credit Entitlement					-	-
Excess / (Short) Provision for Taxation (Net of MAT Credit Entitlement)					-	(499,638)
Net Profit					32,894,521	65,212,732
Other Information						
Segment Assets	847,719,726	820,324,049	15,925,778	21,124,516	863,645,504	841,448,565
Unallocated Corporate assets					459,399,890	520,198,326
Total assets					1,323,045,394	1,361,646,891
Segment Liabilities	295,378,512	389,100,054	5,291,351	4,604,246	300,669,863	393,704,300
Unallocated Corporate liabilities					466,184,759	430,034,382
Total liabilities					766,854,622	823,738,682
Capital Expenditure						
Segment capital expenditure	9,211,973	18,068,444	1,091,008	29,391	10,302,981	18,097,835
Unallocated capital expenditure					165,130	1,687,755
Total capital expenditure					10,468,111	19,785,590
Depreciation						
Segment depreciation	4,553,974	4,386,205	1,534,692	1,411,456	6,088,666	5,797,661
Unallocated depreciation					2,609,428	2,324,714
Total depreciation					8,698,094	8,122,375
Significant Non Cash Expenditure					-	-

Notes

- Unallocated income includes interest received ₹ 16,005,427/- (Previous Year ₹ 19,948,107/-).
- Unallocated assets mainly relate to Loans to Companies, Advance Tax and Investments. Unallocated liabilities mainly relate to Loan Funds and Tax Liabilities.

B: Other Disclosures

- Segments have been identified in line with the Accounting Standard (AS) 17 on Segment Reporting taking into account the organisation structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business Segment as the primary segment.
- Types of products and services in each business segment :

<u>Business Segment</u>	<u>Types of Products and services</u>
a) Construction	- Construction and Engineering activities
b) Infotech	- ERP Implementation and Infotech Services
- The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
- Secondary Segment Information - Geographical Segment : The operations of the Company are, at present, only in India within a single Geographical Segment.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

34. (A) Details of loans and advances in the nature of loans to associates and shares held by loanees (stipulated under clause 32 of the listing agreement with Stock Exchanges).

Name of the party	Outstanding Amount ₹		Maximum Balance Outstanding during the year ₹	
	As at 31.03.2012	As at 31.03.2011	2011-2012	2010-2011
<u>Associates</u>				
* Mukand Ltd.	123,993,146	151,335,597	151,335,597	160,760,423
Catalyst Finance Ltd.	10,350,000	10,350,000	10,350,000	12,950,000
Conquest Investments & Finance Ltd.	33,300,000	33,300,000	33,300,000	35,800,000
Econium Investments & Finance Ltd.	33,900,000	33,900,000	33,900,000	33,900,000
Fusion Investments & Financial Services Ltd.	NIL	16,275,000	16,275,000	16,275,000
Lineage Investments Ltd.	NIL	NIL	NIL	18,000,000
Primus Investments & Finance Ltd.	25,850,000	25,850,000	25,850,000	34,750,000

* Also a Company in which Directors are interested as Directors.

- (B) Shares held by the loanees in the capital of the Company

Name of the Loanee	No. of shares held by Loanee		Maximum no. of shares held by Loanee during the year	
	As at 31.03.2012	As at 31.03.2011	2011-2012	2010-2011
Mukand Ltd.	4,539,781	4,539,781	4,539,781	4,539,781
Catalyst Finance Ltd.	-	-	-	-
Conquest Investments & Finance Ltd.	-	-	-	-
Econium Investments & Finance Ltd.	-	-	-	-
Fusion Investments & Financial Services Ltd.	-	-	-	-
Primus Investments & finance Ltd.	141,600	141,600	141,600	141,600

35. Disclosure regarding Contracts in progress

	Year Ended 31.03.2012 ₹	Year Ended 31.03.2011 ₹
Contract Costs incurred and recognized profits (less recognized losses)	2,463,717,000	1,885,095,000
Advances received	22,272,000	29,098,000
The amount of retention (Included in Trade Receivables)	129,911,000	80,457,000

36. Trade Payables include ₹ NIL (Previous Year - ₹ NIL) 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 said act at the close of the year.

The disclosure above is based on the information available with the Company regarding the status of supplier's under the said Act.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2012**

37. In the opinion of the Board of Directors, all items of Current Assets, Loans and Advances continue to have a realisable value of at least the amounts at which they are stated in the Balance Sheet, unless otherwise stated.
38. Balances of Trade Receivables, Loans & advances and Trade Payables are subject to confirmation and are as per books of account only. However, in the opinion of management, the reconciliation will not have any material impact on profitability of the Company for the year.
39. On Account of application of revised Schedule VI for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 39

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No.102016

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

For & on behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 23, 2012

K. P. JOTWANI

Manager

P. R. DHURVA

Company Secretary

Mumbai, May 23, 2012

(₹ in Lacs)

FINANCIAL HIGHLIGHTS					
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I CAPITAL ACCOUNTS					
A. Share Capital	1258	1258	1258	1258	1258
B. Reserves	2689	3089	3688	4121	4304
C. Net Worth (A+B)	3947	4347	4946	5379	5562
D. Borrowings	2874	1594	2899	3688	4152
E. Capital Employed (C+D)	6821	5941	7845	9067	9714
F. Gross Block	2672	2457	2605	2748	2875
G. Net Block	601	610	725	808	856
H. Debt-Equity Ratio (D/C)	0.73:1	0.37:1	0.59:1	0.69:1	0.75:1
II REVENUE ACCOUNTS					
A. Gross Revenue	2785	5300	12774	7856	6866
B. Profit before Taxes (PBT)	217	462	1235	950	534
C. Profit after Taxes (PAT)	218	399	819	652	329
D. Return on Shareholders' Fund %	5.41	9.19	16.56	12.12	5.91
III EQUITY SHAREHOLDERS' EARNINGS					
A. Equity Dividend	-	-	189	189	126
B. Earnings per Equity Share (in ₹)	1.70	3.18	6.52	5.19	2.62
C. Dividend per Equity Share (in ₹)	-	-	1.50	1.50	1.00
D. Networth per Equity Share (in ₹)	31.40	34.57	39.34	42.78	44.24

ATTENDANCE SLIP
MUKAND ENGINEERS LIMITED

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

Shares held in Demat Form		Shares held in Physical Form	
DP ID :		Folio No.	
Client ID :		No. of Shares	
No. of Shares			

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company on Monday, the 13th August, 2012 at 11.30 a.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), Churchgate, Mumbai – 400 020

NAME & ADDRESS OF THE SHAREHOLDER

Member's / Proxy's
Signature

NOTE : Shareholders/Proxy holders are requested to bring this Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it. The copy of Annual Report may please be brought to the meeting hall.

PROXY FORM
MUKAND ENGINEERS LIMITED

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

Shares held in Demat Form		Shares held in Physical Form	
DP ID :		Folio No.	
Client ID :		No. of Shares	
No. of Shares			

I/We _____
of _____ being a Member/Members of MUKAND ENGINEERS LIMITED
hereby appoint _____ of _____ or
failing him / her _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Monday, the 13th August, 2012 at 11.30 a.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), Churchgate, Mumbai – 400 020

Signed this _____ day of _____ 2012

Affix
Re. 1/-
Revenue
Stamp

NOTE : The proxy form duly completed and stamped must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

BOOK-POST

If undelivered, please return to :



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