

# MUKAND ENGINEERS

## ACCEPTANCE OF UNSECURED FIXED DEPOSITS (Deposits are invited only from the Members of the Company)

[Pursuant to Section 73 (2)(a) and Rule 4(1) of the Companies (Acceptance of Deposits) Rules, 2014]

### 1. GENERAL INFORMATION:

- Name: Mukand Engineers Ltd.
- Address: Bajaj Bhavan, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021.
- Website : www.mukandengineers.com
- Other Contact Details : Tel. (022) 61216626/7/8/9. Email: fixeddeposit@mukand.com
- Date of incorporation: January 30, 1987.
- Business carried on by the Company and its subsidiaries with details of branches or units, if any :  
The Company is engaged in the business of execution of projects in core sectors, handling of all areas of construction, erection and commissioning of equipments, project and design engineering, site fabrication work and giving loans & guarantees on behalf of other Corporates.
- Brief particular of Management of Company: The Company's affairs are managed by a team of professionals under the guidance of the Board of Directors
- Names, addresses, DIN and occupation of the Directors:

Name	Address	DIN	Occupation
Shri Rajesh V. Shah (Chairman)	Flat No. 31, Apsara CHS, NCPA Complex, Sir Dorabji Tata Road, Nariman Point, Mumbai - 400021.	00033371	Business Executive
Shri Niraj Bajaj	Mount Unique, 62-A, Dr. G. Deshmukh Marg, Mumbai - 400 026.	00028261	Business Executive
Shri Prakash V. Mehta	123/A Maker Towers, Cuffe Parade, Mumbai-400 005.	00001366	Advocate, Solicitor & Notary
Shri N.Ramanathan	L1/5 Hauzkhaz Enclave, New Delhi - 110 016.	01566914	Business Executive
Shri R.Sankaran	B-203, Runwal Towers CHS, Runwal Nagar, Phase 3, Kolbad, Thane (W), 400601.	00381139	Business Executive
Ms. Anna Usha Abraham	43B, Palash Towers, Veera Desai Road, Andheri West, Mumbai- 400 053.	07072268	Service

- Management's perception of risk factors:  
Unsecured deposits carry inherent risk of default in repayment of deposits or interest thereon in case of the Company facing liquidity crisis. The liquidity and /or profitability of the Company may get adversely affected due to change in economic situation, government policies, natural calamities etc.
- Details of default including the amount involved, duration of default and present status, in repayment of :
  - Statutory dues: There is no default in payment of undisputed statutory dues by the Company.
  - Debentures and interest thereon: There are no dues to any debenture holder.
  - Loan from any bank or financial institution and interest thereon: The Company has not defaulted in payment of dues to any financial institution or bank during the year.

### 2. PARTICULARS OF THE DEPOSIT SCHEME:

- Date of passing board resolution : 10th July, 2015
- Date of passing resolution in the General Meeting authorizing the invitation of such deposits: 13-8-2014
- Type of Deposits : Unsecured
- Amount which the Company can raise by way of deposits as per the Act and Rules made thereunder and the aggregate of deposits actually held as on 31-3-2015 and on the date of issue of Circular or Advertisement, amount of deposits proposed to be raised and amount of deposits repayable within next twelve months.

Amount (₹ in Lacs)

Category	Limit ₹	Deposits held as on 31st March, 2015 ₹	Deposits held as on date of Circular or Advertisement ₹	Amount of Deposits proposed to be raised ₹	Amount of Deposits repayable within the next twelve months ₹
Public	Nil	933.20*	795.90*	Nil	399.92*
Members	905.15	404.00* 427.68**	374.60* 477.53**	905.15	266.84*

\* The Hon'ble Company Law Board vide order dated 19th May, 2015 has extended the time to repay this amount alongwith interest accrued thereon until the date of maturity of the respective deposits.

\*\* Deposits accepted after the commencement of Companies Act, 2013.

- Terms of raising deposits: Duration, Rate of Interest, mode of payment and repayment  
The Company may at its sole discretion accept/renew unsecured deposits only from Members of the Company under the following schemes:

Quarterly Scheme		Cumulative Scheme			
Duration (Years)	Interest p.a.	Duration (Years)	Interest p.a.	Yield p.a.	Maturity Value of ₹ 10,000/-
3	11.50%	3	11.50%	13.65%	14,097/-

Minimum Deposit Amount of ₹ 10,000/- Additional amounts in multiples of ₹ 1,000/-.

Option available on single deposit of ₹ 1 Lakh and above to receive interest on monthly basis.

Mode of Repayment: by crossed account payee cheques/drafts/warrants payable at places where the Company's bankers issuing such instrument has branches.

Interest on deposits under monthly/quarterly scheme will be payable monthly/quarterly and interest under Cumulative Scheme will be compounded monthly. Interest on a single deposit of ₹ 1,00,000/- and above will be payable monthly/quarterly/upon maturity, at the option of the depositor.

Payment of interest will be subject to deduction of tax at source at the prescribed rate wherever applicable. Brokerage will be paid by the Company only to the Company's authorised brokers whose name and address appear on the application form as per the Companies (Acceptance of Deposits) Rules, 2014, as applicable.

The rates of interest as indicated in the advertisement above will be subject to revision in accordance with revised ceiling thereon, if any, as may be laid down by the Central Government / Reserve Bank Of India. The management may, during the validity of this advertisement, at its discretion, revise the rates of interest, for any fresh deposits/renewal of existing deposits to be accepted from such date as it may decide. However, such revision would not apply to the deposits already accepted/renewed before such revision.

- Company would accept deposits from the date this Circular is published in the newspapers/issued to the members. This circular would remain valid until 30-9-2016, or until the date on which the financial statement is laid before the Company in Annual General Meeting or where the Annual General Meeting has not been held, the latest day on which that meeting should have been held in accordance with the provisions of the Companies Act, whichever is earlier.

- Reasons or objects of raising the deposits:  
To meet financial requirements (including working capital requirements) for running the business of the Company
- Credit Rating: Brickworks Rating has reaffirmed rating of BWR FBB- (Pronounced BWR F Double B Minus), Outlook: stable for the enhanced fixed deposit limit.
- Extent of deposit insurance: As per Ministry of Corporate Affairs Notification No.G.S.R.241(E) dated 31-3-2015, the Company is exempted from obtaining deposit insurance till such insurance product is available or 31-3-2016, whichever is earlier.
- Short particulars of the charge created : Not applicable
- Any financial or other material interest of the directors, promoters or key managerial personnel in the deposits and the effect of such interest in so far as it is different from the interest of other persons:  
Directors, Promoters or Key Managerial Personnel do not hold any deposits in the Company.  
The Directors, Promoters or Key Management Personnel do not have any financial or other material interest other than the other depositors have in the deposit schemes of the company.

### 3. DETAILS OF ANY OUTSTANDING DEPOSITS:

- Amount outstanding : ₹ 16,48,03,000/-
- Date of acceptance : 1-04-2012 onwards
- Total amount accepted : ₹ 17,64,88,000/- (as on 31-3-2015)
- Rate of interest : 9.25% (1 year), 9.75% (2 years) & 11.50% (3 years) & 0.25% Extra for Shareholders (upto 31-3-2014) & from 15-12-2014, 11.5% p.a. for three years
- Total number of depositors : 2635 ( as on 31-3-2015)
- Default if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of the default involved: NIL
- Any waiver by the depositors of interest accrued on deposits. NIL

### 4. FINANCIAL POSITION OF THE COMPANY:

- Profits/(losses) of the Company, before and after making provision for tax.
- Dividends declared by the Company, and the interest coverage ratio, for the three financial years immediately preceding the date of issue of circular or advertisement :

Amounts (₹ in Lacs)

Financial Year ended on	Profits/(Loss)		Dividend declared	Interest coverage Ratio	
	Before Tax	After Tax		Rate %	Amount
31-3-13	532.01	361.59	10%	125.72	2.18
31-3-14	271.57	181.66	10%	125.72	1.67
31-3-15	136.68	177.58	-	-	1.51

### c) A summary of financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement:

LIABILITIES	As at			ASSETS	As at		
	31-3-2015	31-3-2014	31-3-2013		31-3-2015	31-3-2014	31-3-2013
Share Capital	1,257.98	1,257.98	1,257.98	Fixed Assets	721.61	993.03	1,065.13
Reserves & Surplus	4,630.64	4,553.97	4,519.40	Non-Current Investments	318.66	318.66	175.61
Long Term Borrowings	1,031.35	1,405.41	1,540.32	Long Term Loans & Advances	2,135.70	2,135.41	3,027.20
Long Term Provisions	250.65	266.37	253.75	Other Non-Current Assets	646.61	593.25	563.65
Short Term Borrowings	2,940.42	3,101.39	3,012.87	Short Term Loans & Advances	135.38	1,182.96	1,370.70
Current Liabilities & Provisions excluding Short Term Borrowings	5,666.24	5,184.83	3,096.32	Current Assets (excluding Short Term Loans & Advances)	11,739.12	10,677.20	7,691.00
Deferred Tax Liabilities (net)	-	130.56	212.65	Deferred Tax Assets	80.20	-	-
<b>Total</b>	<b>15,777.28</b>	<b>15,900.51</b>	<b>13,893.29</b>	<b>Total</b>	<b>15,777.28</b>	<b>15,900.51</b>	<b>13,893.29</b>

### d) Audited Cash-Flow Statement for the three financial years immediately preceding the date of issue of circular or advertisement :

(₹ in Lacs)

	2014-15	2013-14	2012-13
Net Cash Inflow/(outflow) from Operating Activities	669.42	24.92	98.45
Net Cash Inflow/(outflow) from Investing Activities	768.07	555.32	(31.05)
Net Cash Inflow/(Outflow) from Financing Activities	(1288.59)	(636.62)	(91.59)
Net (Decrease) in Cash/Cash Equivalents	148.9	(66.38)	(24.19)

### e) Any change in accounting policies during the last three years and their effect on the profits and reserves of the company.

During F.Y 2012-13, the Company changed its accounting policy in respect of threshold limits to be applied for income recognition, from 15% to 5% /10% /15%, depending upon the value of contract. This resulted in increase in Profits before tax by ₹ 5,707,456/- During F.Y.13-14, the Company revised its policy of valuation of Contract Work in Progress (WIP), to reflect the WIP value at cost of work performed on the contract plus proportionate margin, using the percentage completion method in case of certain projects which have achieved a predetermined minimum percentage of completion. As a result of this change, the profit before tax increased by ₹ 264 lacs.

### 5. A DECLARATION BY THE DIRECTORS THAT:

- the Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;
- the Board of Directors have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as

and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the Circular or Advertisement;

- the Company has complied with the provisions of the Act and the Rules made thereunder;
- the compliance with the Act and the Rules does not imply that repayment of deposits is guaranteed by the Central Government;
- the deposits accepted by the Company before the commencement of the Act have been repaid (or will be repaid along with interest as and when the same becomes due, as per Hon'ble Company Law Board's Order dated 19th May, 2015 and until they are repaid, they shall be treated as unsecured and ranking pari-passu with other unsecured liabilities).
- In case of any adverse change in credit rating, depositors have option to withdraw deposits without any penalty.
- the deposits shall be used only for the purposes indicated in the Circular or Circular in the form of Advertisement;
- the deposits accepted by the Company are unsecured and rank pari passu with other unsecured liabilities of the Company.

This advertisement is issued on the authority and in the name of the Board of Directors of the Company. The text was approved by the Board of Directors on 10th July, 2015 and a copy duly signed by a majority of the Directors has been delivered to the Registrar of Companies, Maharashtra, Mumbai for registration.

By Order of the Board of Directors  
For Mukand Engineers Limited  
P R Dhruva  
Company Secretary

Mumbai  
Dated : 10th July, 2015

# Mukand Engineers Limited

Registered Office : Bajaj Bhavan, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021  
CIN:L45200MH1987PLC042378 Website:www.mukandengineers.com