



**MUKAND
ENGINEERS**

24th Annual Report

2009 - 2010



IOCL Naphtha Cracker Project - HDPE Unit at Panipat, Haryana

Company Has Carried Out Mechanical & Piping Work For
The Above Unit - Contract Value Rs.340 Million

BOARD OF DIRECTORS

Rajesh V. Shah, *Chairman*
Niraj Bajaj
Prakash V. Mehta
T. S. Anand
N. Ramanathan

MANAGER

K. P. Jotwani

COMPANY SECRETARY

P. R. Dhruva

AUDITORS

Dalal & Shah, Chartered Accountants

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.

ANNUAL GENERAL MEETING

on Thursday,
29th July, 2010
3.30 p.m.

at

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

CONTENTS

Notice	1
Directors' Report	3
Corporate Governance Report.....	6
Management Discussion and Analysis	12
Auditors' Report	14
Balance Sheet	16
Profit & Loss Account	17
Cash Flow Statement	18
Schedules to the Accounts	20
Notes to the Accounts	25
Balance Sheet Abstract and Company's General Business Profile	33
Financial Highlights	34

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.

NOTICE

NOTICE is hereby given that the 24th ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, the 29th day of July, 2010 at 3.30 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021, to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare 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 consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT M/s. K. K. Mankeshwar & Co., Chartered Accountants (Regn. No. 106009W), be and are hereby appointed as Statutory Auditors of the Company, in place of M/s. Dalal & Shah, Chartered Accountants (Regn. No. 102021W), existing Statutory Auditors of the Company, 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 with or without modification/s, the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, and in supersession of the Ordinary Resolution passed in the Annual General Meeting held on 20th September, 2004, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company who be and are authorised to borrow from time to time for the purpose of the Company's business any sum or sums of money as it may deem proper notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose), provided that the total amounts of such borrowings together with the amount already borrowed and outstanding, shall not exceed Rs.150 Crores (Rupees One Hundred Fifty Crores)."

7. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to provisions of Section 293(1)(a) and other applicable provisions, if any, of the

Companies Act, 1956, and in supersession of the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956, in the Annual General Meeting of the Company held on 20th September, 2004, consent of the Company be and is hereby accorded to the creation by the Board of Directors from time to time, of such mortgages, charges, hypothecation and / or other securities, in addition to the mortgages, charges, liens, hypothecation and / or other securities created by the Company, on such terms and conditions as the Board at its sole discretion may deem fit, of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, in favour of the banks/ financial institutions / debenture trustees, if any / other lenders as may be agreed to by the Board of Directors of the Company, for the purpose of securing the repayment of any loans/ financial assistance (whether in Rupees or in foreign currency), debentures or bonds or other instruments issued to the public and / or on private placement basis and / or in any other manner, subject to maximum of Rs.150 Crores (Rupees One Hundred Fifty Crores)"

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 and 7 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 24th July, 2010 to 29th July, 2010, (both days inclusive).
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Those Members who have so far not claimed their dividends upto the said period are requested to claim the amount by submitting an application in prescribed Form II to the Registrar of Companies, Maharashtra.
Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividend 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 amount so transferred.
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 The National Stock Exchange of India Ltd., Mumbai.
7. Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2010, 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 Registrars on or before 23rd July, 2010.
 - 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 23rd July, 2010.
 - 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) vide Circular Ref. No.MRD/DoP/Cir-05/2007 dated 27th April, 2007 made PAN mandatory for all securities market transactions. Thereafter, vide Circular NO. MRD/DoP/Cir-05/2009 dated 20th May, 2009 it was clarified that for securities market transactions and off market / private transactions involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTAs for registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s).
- b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
- c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

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

**P. R. Dhruva
Company Secretary**

Place : Mumbai
Date : 25th May, 2010

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

At the Annual General Meeting of the Company held on 20th September, 2004 the Members had accorded consent under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors for borrowing moneys from time to time for Company's business upto an amount of Rs.80 Crores (excluding temporary loans to be obtained from the Company's bankers in the ordinary course of business). In order to meet further fund requirement for additional working capital and other requirements, it is proposed to increase the borrowing powers of the Board of Directors upto an amount of Rs.150 Crores.

None of the Directors is, in any way, concerned with or interested in the Resolution.

The Directors recommend the Resolution for approval of the Members.

Item No. 7

At the Annual General Meeting of the Company held on 20th September, 2004 approval of the Members was obtained for creation of mortgages, charges or hypothecation of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, for securing the borrowings upto a limit of Rs.80 Crores in terms of Section 293 (1) (a) of the Companies Act, 1956. Considering the requirements of the funds for the Company, the Board of Directors may need further borrowings from time to time, by way of loans/ financial assistance from various banks / financial institutions and other lenders, both national and international, issue of debentures / bonds or other debt instruments. These borrowings may also have to be secured by creation of mortgages, charges, hypothecation of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertakings or undertakings, in favour of banks/ financial institutions/ debenture trustees/ other lenders.

It is, now, proposed to authorize the Board of Directors by the Resolution to mortgages/ charge the Company's properties for securing loans and debentures upto an aggregate value of Rs.150 Crores.

Section 293 (1) (a) of the Companies Act, 1956 provides that the Board of Directors of public company shall not, without the consent of the Members in general meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. It is therefore necessary for the members to pass the Resolution under Section 293 (1) (a) of the Companies Act, 1956, for the creation of the mortgages / charges as may be necessary.

None of the Directors of the Company is, in any way, concerned with or interested in the Resolution.

The Directors recommend the Resolution for approval of the Members.

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

**P. R. Dhruva
Company Secretary**

Place : Mumbai
Date : 25th May, 2010

DIRECTORS' REPORT

TO THE MEMBERS,

1. Your Directors present the Twenty Fourth Report and the Audited Statement of Accounts of the Company for the year ended 31st March 2010.

2. Financial Results:

	<i>(Rs. in Million)</i>	
	Current Year	Previous Year
Profit for the year before tax	123.47	46.15
Add / (Less): Provision for tax (including deferred tax)	<u>(41.55)</u>	<u>(6.26)</u>
Profit after tax	81.92	39.89
Add / (Less): Excess provision for taxation	—	0.08
Add / (Less): Balance brought forward from previous year.	<u>84.12</u>	<u>44.15</u>
Balance carried to the Balance Sheet	<u>166.04</u>	<u>84.12</u>

3. Dividend

The Directors recommend dividend of 15 % on equity shares. The dividend and tax thereon shall absorb Rs 21.99 million from surplus generated from operations during the year.

4. Operations

4.1 General

The income from operations and other income has more than doubled during the year to Rs.1,316.41 Million as compared to Rs.560.22 Million in the corresponding previous year. The Company earned a profit after tax of Rs. 81.92. Million during the year under review as compared to Rs. 39.89 Million in the previous year.

4.2 Engineering

The infrastructure industry has shown positive growth and the investment in expansion / new projects of Power, Petroleum & Engineering is increasing.

4.21 The income from Engineering operation during the year was Rs.1,213.18 Million as against Rs.485.50 Million in the previous year. Engineering operations earned profit before interest of Rs.123.57 Million during the year under review as compared to Rs.37.63 Million in the previous year.

4.22 New orders amounting to Rs.1,035.30 Million were received during the year and the outstanding orders as at the end of the year were Rs.1,714.86 Million as against Rs.2,025 Million at the beginning of the year.

4.23 During the FY 09-10 the Company has taken package projects covering supply, erection and commissioning. The Company expects to get more orders for project packages which will improve the Turnover and the Profitability.

4.3 InfoTech

The Income from InfoTech operations remained same. Infotech operations earned profit before interest of

Rs.26.21 Million during the year under review as compared to Rs.26.57 Million in the previous year.

4.4 Finance

4.41 The Company has received enhanced Fund based facility of Rs.20 Crores and Non-Fund based facility of Rs.45 Crores.

4.42 The Company has received Rs.25.48 Million by way of interest and installments against debt purchased from Commerzbank AG.

4.43 The Company has recovered an amount of Rs.27.78 Million during the year from the loans of Rs.179.45 million given to other companies.

The Company has granted time upto 31.03.2012 to these Companies to repay the balance loan and interest due of Rs.151.68 Million and Rs.62.33 Million respectively.

The Company continues to waive interest due on these loans.

5. Fixed Deposits

The Company held Rs.141.94 Million as Public deposits as of 31st March 2010, out of which, deposits aggregating Rs.2.29 Million have matured but remain unclaimed as on that date.

6. Corporate Governance

Pursuant to Clause 49 of the listing agreement, 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 are no foreign exchange earnings. The Company has incurred traveling expenditure amounting to Rs.0.123 Million in foreign currency.

7.3 A Statement showing details of employees covered within the purview of section 217 (2A) of The Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in the Annexure to the Report.

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 have 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 2010 and of the profit of the Company for the year ended 31st March 2010;

- (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.

10. Auditors

Messrs. Dalal & Shah, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting.

However, they have expressed their desire not to seek re-appointment in view of the new SEBI guidelines with regard to Corporate Governance. The Directors wish to put on record their appreciation to the services rendered by the Auditors.

The Company has received a notice from a member proposing the appointment of Messrs. K .K.Mankeshwar & Co. Chartered Accountants as Statutory Auditors of the Company to hold office from conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting. They have confirmed their eligibility and have given their consent for the proposed appointment. Members are requested to appoint Auditors at the ensuing Annual General Meeting.

11. Auditors' Report

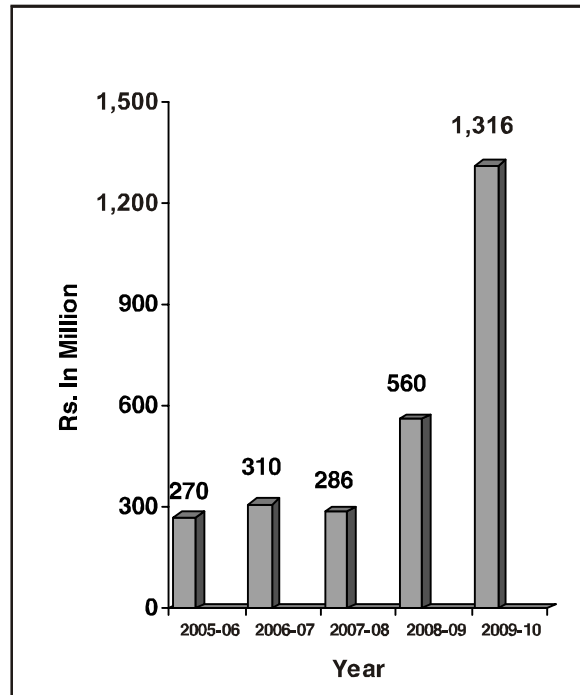
The notes referred to in the Auditors' Report are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

For and on behalf of the Board of Directors

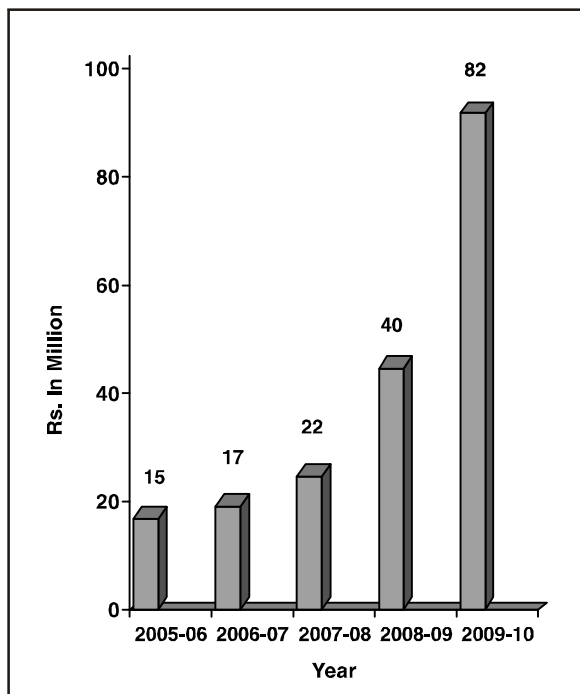
Rajesh V. Shah
Chairman

Place: Mumbai,
Date: 25th May, 2010

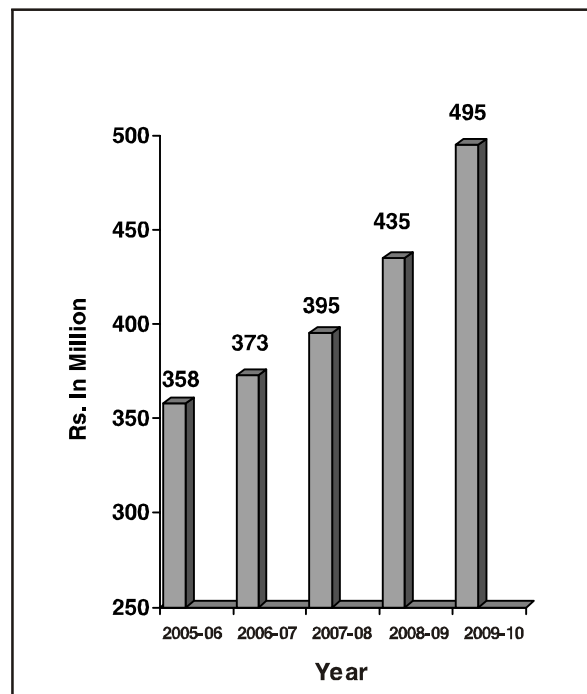
Income from Operations Including Other Income



Profit after Tax



Net Worth



REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy :

Your company believes that sound ethical practices, transparency in operation and timely disclosures go a long way in enhancing stockholders value and safeguarding their interest. Therefore it is imperative to adopt and follow certain policies, procedures and processes, which together constitutes a 'Code of Corporate Governance'. The Board of Directors of the Company provides a strong oversight and strategic counsel. The Company has laid down procedures and processes to ensure that the Board of Directors is well informed and well equipped to fulfill its responsibilities and provide management the strategic direction.

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.

(b) Board Meetings :

During the year four Board Meetings were held on May 27, 2009, July 28, 2009, October 21, 2009 and January 20, 2010. 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	No. of outside Directorships in Public Limited Companies	No. of other Directorships held (in listed Companies)	No. of ship (M) / Chairmanship (C) in other Board Committee/s	No. of Shares held in the Company as at 31-03-2010
Shri Rajesh V. Shah	C. NED	4 Yes	6	1 (M)	64220	
Shri Niraj Bajaj	NED	4 Yes	11	1 (M)	193200	
Shri Prakash V. Mehta	NED	2 Yes	7	10 (M)/1 (C)	Nil	
Shri T. S. Anand	NED	4 Yes	2	—	Nil	
Shri N. Ramanathan	NED	4 Yes	—	—	400	

C: Chairman, NED: Non-Executive Director.

(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

3. Audit Committee :

The Audit Committee consists of Shri Rajesh V. Shah, Shri Prakash V. Mehta, Shri T. S. Anand and Shri N. Ramanathan, all of whom are independent Directors except Shri Rajesh V. Shah. 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 and one member is having accounting and related financial management expertise.

During the year under review, the Audit Committee met four times on May 27, 2009, July 28, 2009, October 21, 2009 and January 20, 2010. 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", Shri Raphael Kuriyan, Chief Executive and Shri M. R. Karandikar, Chief of Accounts, 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	2
Shri T. S. Anand	NED	4
Shri Rajesh V. Shah	NED	4
Shri N. Ramanathan	NED	4

C: Chairman, NED: Non-Executive Director.

4. Remuneration Committee & Policy :

The Company has not constituted a Remuneration Committee. The decision regarding remuneration of the

"Manager" under the Companies Act, 1956 are 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, 2010.

Particulars	(Rupees)
Salary and allowances	19,75,171
Contribution to Provident Fund and Other Funds	1,73,789
Perquisites (including approx. money value)	3,38,116
TOTAL	24,87,076

The employee wise break up of liability on account of Retirement Schemes based on Actuarial Valuation is not ascertainable. The amounts relating to the 'Manager' will be, therefore, disclosed in the year of payment.

Sitting fees paid to the Directors for the year ended 31st March, 2010.

Sr. No.	Name of the Director	(Rupees)
1.	Shri Prakash V. Mehta	16,000
2.	Shri T. S. Anand	32,000
3.	Shri N. Ramanathan	32,000
	TOTAL	80,000

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

5. Shareholders'/ Investors' Grievance Committee:

The Company had constituted Shareholders'/ Investors' Grievance Committee consisting of Shri Rajesh V. Shah as the Chairman, Shri Niraj Bajaj and Shri T. S. Anand. The Company Secretary acts as Compliance Officer to the Committee. The meeting of the said Committee was held on May 27, 2009 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. which 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 Registrar 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 Bhawan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 on the following dates and time:

Financial Year	Date	Time
2008-2009	July 28, 2009	3.30 p.m.
2007-2008	July 30, 2008	3.30 p.m.
2006-2007	July 27, 2007	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
2008-2009	July 28, 2009	Nil
2007-2008	July 30, 2008	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 period of three years with effect from 1st June, 2008
2006-2007	27 th July, 2007	Nil

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

7. Disclosures :

There were no transactions of material significance entered into by the Company with its Promoters, Directors or their relatives, Companies, the 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 Bhawan,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai – 400 021
- b. Date, Time and Venue of Annual General Meeting** Thursday 29th July, 2010
at 3:30 p.m.
Kamalnayan Bajaj Hall,
Bajaj Bhawan,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai - 400 021.
- c. Reporting on Financial Calendar 2010-2011:**
- | | |
|--------------------------------|----------------------|
| • June 30 | Last week of July |
| • September 30 | Last week of October |
| • December 31 | Last week of January |
| • For the year ending March 31 | Last week of May |
- d. Dates of Book Closure** 24th July, 2010 to 29th July, 2010.
(both days inclusive)
- e. Listing Details :**
The Company's Shares are listed on the Stock Exchanges at Mumbai (Bombay Stock Exchange Ltd., Mumbai and The National Stock Exchange of India Ltd.) The Company has paid the listing fees for the period from April 1, 2010 to March 31, 2011 to both the Stock Exchanges where the shares of the Company are listed.
- f. Stock code**
- | | |
|---|---------------|
| 1. Bombay Stock Exchange Ltd. (BSE) | 532097 |
| 2. The National Stock Exchange Ltd. (NSE) | Mukand Engg. |
| 3. ISIN | INE 022B01014 |

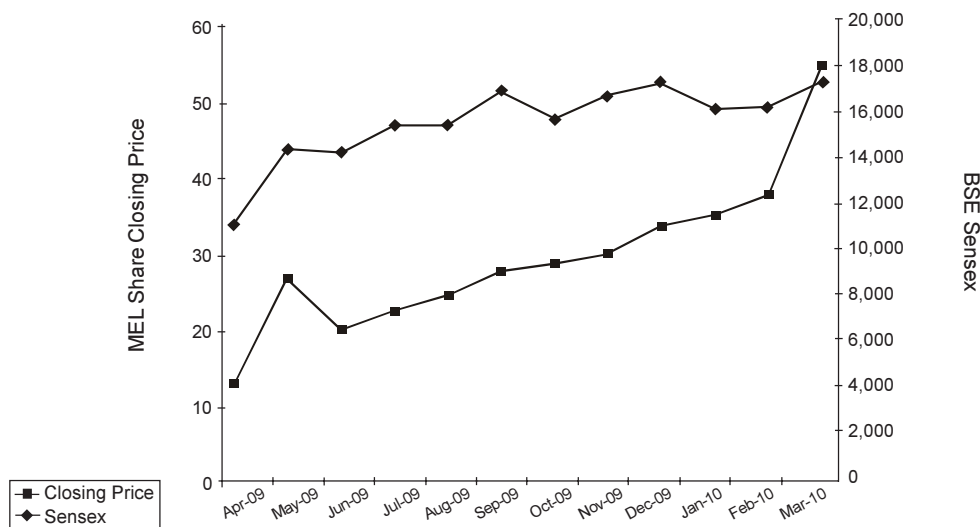
g. Stock Market Data :

(Amount in Rs.)

Month	Bombay Stock Exchange Ltd., Mumbai (BSE)			The National Stock Exchange Ltd. (NSE)		
	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (Nos.)	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (Nos.)
Apr- 2009	17.80	10.00	162,703	17.70	9.00	213,147
May- 2009	27.43	13.50	236,170	27.25	13.10	220,024
June-2009	30.15	18.50	175,553	30.00	18.50	206,001
July- 2009	24.70	16.80	121,867	24.75	16.70	82,796
Aug- 2009	25.90	21.90	145,143	25.80	22.05	151,647
Sep- 2009	29.45	23.60	30,153	29.80	23.35	443,619
Oct- 2009	37.75	24.00	633,873	37.95	24.30	722,018
Nov- 2009	36.00	27.00	311,072	35.60	27.00	238,193
Dec- 2009	36.90	29.50	211,598	35.40	29.85	173,967
Jan- 2010	43.90	33.00	1,332,425	44.00	33.30	1,850,170
Feb- 2010	42.20	34.20	717,288	42.70	34.10	896,092
Mar- 2010	57.90	37.50	1,999,016	57.70	37.20	3,082,135

Comparative Stock Price Performance:

The Equity share prices of the Company on BSE in comparison with the BSE Sensex 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 Naka, Andheri (East) Mumbai - 400 072.
Tel : (022) 28470652/53
Fax : (022) 28525207
E-Mail : marketing@bigshareonline.com
Website : www.bigshareonline.com

"Our Registrar & Transfer Agent M/s Bigshare Services Private Limited has launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss (www.bigshareonline.com) 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 15 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 2009-10 were 10884 shares.

There were no transfers which remained unattended as of March 31, 2010.

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

j. Investor Services (Complaints received during the year)

Nature of Complaints / Queries	2009-2010		2008-2009	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Interest, Demat & Remat, Change of address and others	78	78	113	113

There were no complaints / queries pending reply as on 31st March, 2010.

k. Distribution of Shareholding as on:

No. of Equity Shares Held	31st March, 2010				31st March, 2009			
	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	21638	80.74	531360	4.23	21916	80.91	532406	4.23
101-200	1956	7.30	343494	2.73	1974	7.29	346286	2.75
201-500	1882	7.02	701279	5.58	1899	7.01	708545	5.64
501-1000	675	2.52	568738	4.52	667	2.46	555259	4.42
1001-5000	500	1.87	1133491	9.02	489	1.80	1071564	8.52
5001-10000	71	0.26	506496	4.03	67	0.25	491212	3.91
10001 & above	78	0.29	8787542	69.89	75	0.28	8867128	70.53
Total	26800	100.00	12572400	100.00	27087	100.00	12572400	100.00

l. Categories of Shareholding as on:

Categories	31st March, 2010				31st March, 2009			
	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	26104	97.40	3959793	31.50	26576	98.11	4197481	33.39
Corporate	541	2.02	1715806	13.64	408	1.51	2090479	16.62
Financial Institutions	5	0.02	1335	0.01	5	0.02	1335	0.01
Fils	1	0.00	65	0.00	1	0.00	65	0.00
NRIs/OCBs	90	0.34	55507	0.44	70	0.26	52999	0.42
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	9	0.03	298167	2.37	11	0.04	302017	2.40
Promoters	37	0.14	6539879	52.02	3	0.01	5926176	47.14
Total	26800	100.00	12572400	100.00	27087	100.00	12572400	100.00

m. Dematerialisation of Shares and Liquidity

94.32% of outstanding equity have been dematerialised up to March 31, 2010
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 Bhawan, 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 return 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 conditions of Corporate Governance by Mukand Engineers Limited, for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DALAL & SHAH
Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh
Partner
Membership Number: 037942

Mumbai : 25th May, 2010

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 equipment for Power Generation Plants, Integrated steel Plants, Aluminum 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 rolling mills in 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 Rs.1,035.30 Million. These include Fabrication & Erection of Structural of Aluminum Smelter and Steel Hot Strip Mill in a steel plant, Equipment Supply, Cabling package, Earthing & Lighting protection electrical systems in a power plant and specialized shut down job in Refinery.

Business in the current year is expected from expansion projects in Hydrocarbon Industry as well as in Aluminum, Integrated Steel Plants and Power Projects for which the Company has received enquiries.

The cost escalation is provided in the quotation itself. However, the abnormal increases have to be borne by the Company. The risk of time over runs due to delays on account of client not providing site and other facilities results in higher costs. Such costs are claimed by the Company. These are considered in accounts after realization.

1.3 Future Outlook.

The Company expects large business opportunities from new projects and expansion of steel plants, Power Projects of NTPC and expansion of Aluminum plants as well as projects in Hydrocarbon Industry. In Steel Plants we are now quoting directly for the Pipeline jobs. The Company will continue to acquire business in Refinery in the areas of Piping and other Mechanical jobs. Special emphasis is to be given to jobs with engineering inputs.

During the FY 09-10 the Company has taken package projects covering supply, erection and commissioning. The Company expects to get more orders for project packages which will improve the Turnover and the Profitability.

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.

2 Segment wise Performance

Engineering

The income from engineering operation during the year was Rs.1,213.18 Million as against Rs.485.50

Million in the previous year. Engineering operations earned profit before interest of Rs.123.57 Million during the year under review as compared to Rs.37.63 Million in the previous year.

Info Tech Division

The Income from InfoTech operations remained same. InfoTech operations earned profit before interest of Rs 26.21 Million during the year under review as compared to Rs.26.57 Million in the previous year.

3 Internal Control Systems

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.

4 Financial Performances

For the year under review turnover and other receipts amount to Rs.1,316.41 million as compared to Rs.560.22 million in the previous year. The profit for the year before interest and depreciation amounted to Rs.165.63 million as against profit of Rs.76.78 million in the previous year.

The Company has received enhanced Fund based facility of Rs.20 Crores and Non Fund based facility of Rs.45 Crores. This will enable the Company to procure more orders.

The Company has received Rs. 25.48 Million by way of interest and installments against debt purchased from Commerzbank AG.

The Company has recovered an amount of Rs. 27.78 Million during the year from the loans of Rs.179.45 million given to other companies.

The Company has granted time upto 31.03.2012 to these Companies to repay the balance loan and interest due of Rs.151.68 Million and Rs.62.33 Million respectively.

The Company continues to waive interest due on these loans.

5 Human Resource Management Initiatives

The Company has increased the supervisory and managerial staff. Further recruitments have been planned at various levels to enable do successful completion of new large orders and improve profitability. The growth trend in the industry has resulted in shortages of skilled and trained manpower as well as engineers. This has affected the Company as well.

6 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.

ANNEXURE TO THE DIRECTORS' REPORT

Statement of Particulars pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010.

Sr. No.	Name	Age (Yrs.)	Designation & Nature of Duties	Qualification	Experi-ence (Yrs.)	Remuneration Received		Date of Commence-ment of employment	Last Employment held, Designation, Name of the employer (Period for which post held)
						Gross Rs.	Net Rs.		
A. Names of Employees employed throughout the year and in receipt of remuneration of not less than Rs.2,400,000/- per annum.									
1	K. P. Jotwani	66	Chief Executive Business Group I	B.E. (Mech.) Post Graduation Diploma in Industrial Engg.	44	2,487,076	1,752,252	14/02/1966	Graduate Trainee, Tak Machinery Ltd. (6 months)

NOTES:

1. Gross remuneration includes Salary, House Rent Allowance, Leave Encashment, Medical Expenses, Other Allowances, Contribution to Provident and Superannuation Funds, and value of perquisites etc. but excludes contribution to Gratuity Fund.
2. Net remuneration represents gross remuneration as above less taxes, contribution to Provident and Superannuation Funds.
3. All appointments are contractual.
4. The above employee is not related to any of the Directors of the Company.

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached Balance sheet of Mukand Engineers Limited, as at 31st March, 2010, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956', of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) 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;
 - (b) 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 those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) Without qualifying our opinion, we draw your attention to Note No. 7 in Schedule 20 to the financial statements, relating to the recoverability of the overdue loans, aggregating Rs. 151,675,000 (Previous Year Rs. 179,450,000) and Interest Receivable thereon, aggregating Rs. 62,332,753 (Previous Year Rs. 62,332,753), at the end of the year, that are due from six investment companies (related parties) whose net worths have eroded, and the Management's assessment on their recoverability due to the reasons stated therein, which are susceptible to inherent uncertainties which, if not materialised could significantly impact

the carrying values of the aforesaid loans and interest thereon.

- (g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For DALAL & SHAH
Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh
Partner

Membership Number: 037942

Mumbai : 25th May, 2010

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Mukand Engineers Limited on the financial statements for the year ended 31st March, 2010

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items 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 has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory has been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are 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, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the 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 explanations 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.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. 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 58A and 58AA or any other provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975 with regard 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 National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, *except for undisputed service tax dues*, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. There were no arrears of statutory dues outstanding as at 31st March, 2010, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2010 which have not been deposited on account of disputes are as follows:

Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income tax	19,882,170	2000-01 to 2002-2003	Income tax Appellate Tribunal
	748,636	2005-06	Income Tax Departmental Authorities
Works Contracts Tax	2,349,419	2001-02 to 2004-05	Sales Tax Department Authorities
Entry Tax	1,009,008	1999-00 to 2003-04	High Court / Supreme Court

9. The Company has no accumulated losses as at 31st March 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
10. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. There were no dues to any financial institution or debenture holder.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, 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
13. In our opinion and according to the information and explanations given to us, and the representations made by the management, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
14. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
15. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
17. On the basis of the records and documents examined by us, the Company has not issued any debentures during the year.
18. The Company has not raised any money by public issues during the year.
19. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
20. The other clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g), (viii) and (xiii) of Paragraph 4 of the Order, are not applicable in the case the Company for the current year, since in our opinion, there is no matter which arises to be reported in the aforesaid Order.

For DALAL & SHAH
Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh
Partner
Membership Number: 037942

Mumbai : 25th May, 2010

Balance Sheet as at 31st March, 2010

	Schedule	Rupees	31.3.2010 Rupees	31.3.2009 Rupees
I. SOURCES OF FUNDS				
(1) Shareholders' Funds :				
(a) Share Capital	1	125,797,500		125,797,500
(b) Reserves and Surplus	2	368,815,913		308,882,122
			494,613,413	434,679,622
(2) Loan Funds :				
(a) Secured Loans	3	31,864,020		19,418,994
(b) Unsecured Loans		258,075,491		139,961,608
			289,939,511	159,380,602
(3) Deferred Tax Liability (Net)				
			23,013,221	14,778,971
TOTAL			807,566,145	608,839,195
II. APPLICATION OF FUNDS				
(1) Fixed Assets :				
(a) Gross Block	4	260,519,219		245,722,612
(b) Less: Depreciation / Amortisation		188,041,186		184,685,149
(c) Net Block			72,478,033	61,037,463
(2) Investments				
	5		17,560,812	17,560,812
(3) Current Assets, Loans and Advances:				
(a) Inventories	6	98,554,038		106,433,687
(b) Sundry Debtors	7	472,965,757		318,401,367
(c) Cash and Bank Balances	8	93,557,145		77,309,804
(d) Other Current Assets	9	71,126,938		73,441,261
(e) Loans and Advances	10	615,217,227		619,406,277
		1,351,421,105		1,194,992,396
<i>Less :</i>				
Current Liabilities and Provisions :				
(a) Current Liabilities	11	438,759,923		518,831,151
(b) Provisions	12	195,133,882		145,920,325
		633,893,805		664,751,476
Net Current Assets			717,527,300	530,240,920
TOTAL			807,566,145	608,839,195
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Accounts		20		

As per our attached report of even date
For **DALAL & SHAH**
Firm Registration No. 102021W
Chartered Accountants

RAJESH V. SHAH
Chairman

NIRAJ BAJAJ
Director

T. S. ANAND
Director

S. Venkatesh
Partner
Membership NO. 037942
Mumbai, 25th May, 2010

K. P. JOTWANI
Manager

P. R. DHRUVA
Company Secretary

Mumbai, 25th May, 2010

Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Rupees	2009-2010 Rupees	2008-2009 Rupees
INCOME				
Income from Operations	13	1,262,818,128		535,141,713
Other Income	14	53,593,981		25,081,312
			1,316,412,109	560,223,025
			1,316,412,109	560,223,025
EXPENDITURE				
Contract execution costs	15	871,746,924		333,984,435
Variation in Inventories	16	7,316,015		(38,734,012)
Employees' remuneration and benefits	17	127,149,034		83,671,400
Administrative and Other expenses	18	144,565,515		104,515,244
Depreciation / Amortisation		7,216,563		6,055,470
Interest and Finance charges	19	34,947,182		24,580,068
			1,192,941,233	514,072,605
Profit for the year before Tax			123,470,876	46,150,420
Provision for Tax				
- Current Tax		(33,312,010)		(5,054,000)
- Minimum Alternate Tax (MAT) Credit Entitlement		—		5,054,000
- Fringe Benefit Tax		—		(865,579)
- Deferred Tax Credit / (Charge)		(8,234,250)		(5,397,725)
			(41,546,260)	(6,263,304)
Profit for the year after Tax			81,924,616	39,887,116
Excess/(Short) Provision for Taxation (Net of MAT Credit Entitlement)			—	74,792
			81,924,616	39,961,908
Balance brought forward from previous year			84,115,893	44,153,985
Balance available for Appropriation			166,040,509	84,115,893
Appropriations				
Proposed Dividend			(18,858,600)	—
Tax on Equity Share Dividend			(3,132,225)	—
Transferred to General Reserve			(4,096,231)	—
Balance Carried to Balance Sheet			139,953,453	84,115,893
Earnings for EPS			81,924,616	39,961,908
Weighted average number of Equity Shares outstanding during the year			12,572,400	12,572,400
Basic and diluted earnings per share (in Rs.)			6.52	3.18
Nominal Value of Share (in Rs.)			10	10
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Accounts				
	20			

As per our attached report of even date
For **DALAL & SHAH**
Firm Registration No. 102021W
Chartered Accountants

RAJESH V. SHAH
Chairman

NIRAJ BAJAJ
Director

T. S. ANAND
Director

S. Venkatesh
Partner
Membership NO. 037942
Mumbai, 25th May, 2010

K. P. JOTWANI
Manager

P. R. DHRUVA
Company Secretary

Mumbai, 25th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
A. Cash Flow arising from Operating Activities				
Profit before Tax		123,470,876		46,150,420
Add:				
a) Depreciation		7,216,563		6,055,470
b) Facilities at Customers' site written off		4,943,241		8,792,763
c) Interest and Finance charges		34,947,182		24,580,068
d) Loss on Sale of Assets (Net)		1,661,225		7,470,017
e) Provision for Doubtful Debts		26,076,852		9,457,752
f) Bad Debts		960,487		—
		75,805,550		56,356,070
Less:				
a) Interest Income		25,655,301		21,669,305
b) Dividend on Investment		52		681,252
c) Sundry Balances Apportioned		26,502,331		—
		52,157,684		22,350,557
Operating Profit before working capital changes		147,118,742		80,155,933
Add:				
a) Decrease in Inventories		7,879,649		—
b) Increase in Trade Payables		—		295,276,642
		7,879,649		295,276,642
Less:				
a) Increase in Inventories		—		40,121,347
b) Increase in Long term Bank Deposits for securing Operational Guarantees		8,383,006		16,487,055
c) Increase in Trade and Other Receivables		172,418,101		196,467,142
d) Decrease in Trade Payables		50,969,806		—
		231,770,913		253,075,544
Cash Inflow / (Outflow) from Operations		(76,772,522)		122,357,031
Less: Direct taxes Paid		46,109,130		12,383,399
Net Cash Inflow/(Outflow) in the course of Operating Activities		(122,881,652)		109,973,632

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

	2009- 2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
B. <u>Cash Flow arising from Investing Activities</u>				
Inflow:				
a) Sale of Fixed Assets	1,009,082		1,486,649	
b) Interest received	32,054,449		19,069,639	
c) Dividend on Investments	52		681,252	
d) Loans realised	32,030,338		53,163,268	
		65,093,921		74,400,808
Outflow: Acquisition of Fixed Assets (Including Facilities at Customer's Site)		30,355,505		21,547,493
Net Cash Inflow in the course of Investing Activities		34,738,416		52,853,315
C. <u>Cash Flow arising from Financing Activities</u>				
Inflow : Increase in borrowings (Net)		155,645,026		—
Outflow:				
a) Dividend paid	—		160,017	
b) Interest paid	59,637,455		16,599,597	
c) Decrease in borrowings (Net)	—		135,350,198	
		59,637,455		152,109,812
Net Cash Inflow / (Outflow) in the course of Financing Activities		96,007,571		(152,109,812)
Net (Decrease) in Cash / Cash Equivalents		7,864,335		10,717,135
Add: Balance at the beginning of the year		18,617,749		7,900,614
Cash / Cash Equivalents at the close of the year		26,482,084		18,617,749
<u>Cash / Cash Equivalents at the close of the year</u>				
Cash on hand		1,566,017		4,066,178
Bank balances	91,991,128		73,243,626	
Less: Long term Bank Deposits for securing Operational Guarantees	67,075,061		58,692,055	
		24,916,067		14,551,571
		26,482,084		18,617,749

As per our attached report of even date
For **DALAL & SHAH**
Firm Registration No. 102021W
Chartered Accountants

RAJESH V. SHAH
Chairman

NIRAJ BAJAJ
Director

T. S. ANAND
Director

S. Venkatesh
Partner
Membership NO. 037942
Mumbai, 25th May, 2010

K. P. JOTWANI
Manager

P. R. DHRUVA
Company Secretary

Mumbai, 25th May, 2010

SCHEDULES TO THE ACCOUNTS

Schedules '1' to '20' annexed to and forming part of the Balance Sheet as at and the Profit and Loss Account for the year ended 31st March, 2010.

	Rupees	31.3.2010 Rupees	31.3.2009 Rupees
1. SHARE CAPITAL			
Authorised:			
20,000,000 Equity Shares of Rs.10/- each		200,000,000	200,000,000
500,000 Preference Shares of Rs.100/- each		50,000,000	50,000,000
		<u>250,000,000</u>	<u>250,000,000</u>
Issued :			
12,592,700 Equity Shares of Rs.10/- each		125,927,000	125,927,000
		<u>125,927,000</u>	<u>125,927,000</u>
Subscribed and Paid up:			
12,572,400 @ Equity Shares of Rs.10/- each, fully paid up		125,724,000	125,724,000
Add: Forfeited Shares			
Amounts originally paid up		73,500	73,500
© Includes 598,500 Equity Shares allotted as fully paid up, pursuant to a contract without payments being received in cash.			
		<u>125,797,500</u>	<u>125,797,500</u>
2. RESERVES AND SURPLUS			
Securities Premium Account:			
As per last Account		224,766,229	224,766,229
GENERAL RESERVES			
Opening Balance	—		—
Add: Transfer from profit and Loss A/c	4,096,231	4,096,231	—
		<u>139,953,453</u>	84,115,893
Surplus as per Profit and Loss Account		<u>368,815,913</u>	<u>308,882,122</u>
3. LOAN FUNDS			
Secured Loans:			
<u>Loans from Banks:</u>			
Working Capital [Refer Note B (1)]		21,843,874	14,091,565
Others (Secured against Vehicle purchased thereagainst)		—	62,995
		<u>21,843,874</u>	14,154,560
Loan from companies (Secured against machinery purchased thereagainst)		10,020,146	5,264,434
		<u>31,864,020</u>	<u>19,418,994</u>
Unsecured Loans:			
Fixed Deposits		141,940,000	114,040,000
Inter-Corporate Deposits (Short term)	115,700,000		400,000
Interest accrued	435,491		25,521,608
		<u>116,135,491</u>	<u>25,921,608</u>
		<u>258,075,491</u>	139,961,608
		<u>289,939,511</u>	<u>159,380,602</u>

SCHEDULES TO THE ACCOUNTS (Contd.)
4. FIXED ASSETS
Rupees

ASSETS	GROSS BLOCK (AT COST/BOOK VALUE)				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April, 2009	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2010	Up to 1st April, 2009	Depreciation for the Year	Deductions/ Adjustments	Up to 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
Intellectual Property Rights (Intangible)	52,000,000	-	-	52,000,000	52,000,000	-	-	52,000,000	-	-
Plant and Machinery	47,741,176	4,858,963	6,523,232	46,076,907	18,538,034	2,199,353	3,859,863	16,877,524	29,199,383	29,203,142
Computers	116,163,361	583,911	-	116,747,272	104,808,091	1,733,671	-	106,541,762	10,205,510	11,355,270
ERP Software (Intangible)	-	1,925,000	-	1,925,000	-	385,000	-	385,000	1,540,000	-
Furniture and Fixtures etc.	16,401,200	3,020,992	7,600	19,414,592	7,300,780	821,452	663	8,121,569	11,293,023	9,100,420
Vehicles @	2,016,215	919,727	-	2,935,942	1,083,925	483,200	-	1,567,125	1,368,817	932,290
Assets acquired under Financing Arrangements										
Vehicles @	578,060	(578,060)	-	-	247,121	(247,121)	-	-	-	330,939
Plant and Machinery	10,822,600	2,840,180	-	13,662,780	707,198	637,740	-	1,344,938	12,317,842	10,115,402
Computers	-	4,347,726	-	4,347,726	-	521,469	-	521,469	3,826,257	-
ERP Software (Intangible)	-	3,409,000	-	3,409,000	-	681,799	-	681,799	2,727,201	-
Total	245,722,612	21,327,439	6,530,832	260,519,219	184,685,149	7,216,563	3,860,526	188,041,186	72,478,033	61,037,463
Previous Year's Total	267,156,318	15,989,234	37,422,940	245,722,612	207,095,953	6,055,470	28,466,274	184,685,149	61,037,463	

@ Asset adjusted due to completion of lease agreement

5. INVESTMENTS
**Long Term Investments (At Cost / Book Value):
Other than Trade:**
Nos. Shares:
Unquoted:

Indian Thermal Power Limited

 7,153 Equity Shares of Rs.10/- each, fully paid up
Less: Provision for Diminution in value

**71,530
(71,530)**
**71,530
(71,530)**
Quoted:

Mukand Limited@

 681,200 Equity Shares of Rs.10/- each, fully paid up
Mukand Limited

 52,400 0.01% Cummulative Redeemable Preference
Shares of Rs.10/- each, fully paid up

17,036,812
17,036,812
524,000
524,000
17,560,812
17,560,812
17,560,812
17,560,812
Notes:

- Market value of quoted investments as at 31-03-2010 Rs. 45,260,500/-, as at 31-03-2009 Rs.15,727,336/-
- All the above Investments have been classified by the Company as "Long Term Investments" in view of its intention to hold the same on long term basis.

@ Pledged as collateral security against working capital facilities availed from Central Bank of India

6. INVENTORIES [Refer Policy A(4) and (5) (iii)]

Stores and Spares

2,141,787
2,705,421

Contract work-in-progress:

Incomplete Contract Works

67,486,249
86,478,262

Accumulated Direct Costs

28,926,002
17,250,004
96,412,251
103,728,266
98,554,038
106,433,687

SCHEDULES TO THE ACCOUNTS (Contd.)

	Rupees	31.3.2010 Rupees	31.3.2009 Rupees
7. SUNDRY DEBTORS			
Over Six months : (Unsecured)			
Considered good		47,410,765	38,408,868
Considered doubtful	26,453,366		18,803,197
Less: Provision	26,453,366		18,803,197
		—	—
Other Debts (Unsecured, considered good)		425,554,992	279,992,499
		<u>472,965,757</u>	<u>318,401,367</u>
8. CASH AND BANK BALANCES			
Cash on hand (Including Cheques on hand Rs. 1,279,205/-) (31.03.2009 Rs. 38,20,586/-)		1,566,017	4,066,178
Balances with Scheduled Banks :			
(i) In Current Accounts	23,947,549		13,158,936
(ii) In Deposit Accounts [Includes Rs. 5,000/- endorsed in favour of Government authorities as security (Previous Year Rs. 5,000/-) and Rs. 67,075,061/- for securing operational guarantees (Previous Year Rs. 58,692,055/-)]	68,043,579		60,084,690
		91,991,128	73,243,626
		<u>93,557,145</u>	<u>77,309,804</u>
9. OTHER CURRENT ASSETS			
Interest Receivable {Refer Note B (7)}		62,673,601	69,072,749
Facilities at Customers' Site Completed : {Refer Policy A(5)(iv)}			
Opening Balance	4,368,512		7,603,016
Add: Constructed / Created during the year	9,028,066		5,558,259
	13,396,578		13,161,275
Less: Proportionate cost of Facilities written off	4,943,241		8,792,763
		8,453,337	4,368,512
		<u>71,126,938</u>	<u>73,441,261</u>
10. LOANS AND ADVANCES (Unsecured, considered good unless otherwise specified)			
Loan to a Company (Secured) on assignment of debt by a bank {Refer Note B(8)}		160,760,423	165,015,761
Loans to Other Companies {Refer Note B(7)}		151,675,000	179,450,000
Other Loans and Advances		9,917	61,360
Advances recoverable in cash or in kind or for value to be received		64,884,929	67,597,012
Advance payment of tax		234,481,296	188,372,166
Minimum Alternate Tax Credit Entitlement Receivable		—	9,084,214
Trade Deposits		3,405,662	9,825,764
		<u>615,217,227</u>	<u>619,406,277</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

	Rupees	31.3.2010 Rupees	31.3.2009 Rupees
11. CURRENT LIABILITIES			
Sundry Creditors {Refer Note B(16)}		293,049,085	206,909,236
Advances received against contracts {Refer Policy A(5)(ii)}		140,400,152	306,728,486
Interest accrued but not due on Loans		5,310,686	5,193,429
		<u>438,759,923</u>	<u>518,831,151</u>
12. PROVISIONS			
For Taxation		164,383,469	140,155,673
For Proposed Dividend		18,858,600	—
For Tax on Proposed Corporate Dividend		3,132,225	—
For Warranties		1,000,000	1,000,000
For Employees' Benefits		7,759,588	4,764,652
		<u>195,133,882</u>	<u>145,920,325</u>
		2009-2010	2008-2009
	Rupees	Rupees	Rupees
13. INCOME FROM OPERATIONS			
Value of Contract Work executed (including supply of materials) {Refer Policy A(5)(i) and A (5) (ii) }		1,213,183,128	484,505,940
Income from Equipment provided		—	993,723
Income from Infotech Business		49,635,000	49,642,050
		<u>1,262,818,128</u>	<u>535,141,713</u>
14. OTHER INCOME			
Interest (Gross)			
(Tax deducted at source Rs. 5,037,225/- Previous year Rs.4,476,891/-)		25,655,301	21,669,305
Excess Provision Written Back (Net)		426,895	263,769
Sundry Balance Appropriated (Net)		26,502,331	—
Dividend on Investments		52	681,252
Miscellaneous Income		1,009,402	2,466,986
		<u>53,593,981</u>	<u>25,081,312</u>
15. CONTRACT EXECUTION COSTS			
Sub-contracting Expenses		372,377,036	191,891,383
Cost of Materials Supplied		327,280,336	31,023,583
Stores, Spares and Construction Materials			
Consumed (Net) (Indigenous)		28,782,138	30,270,131
Equipment Hire Charges		87,401,955	52,860,892
Facilities at Customers' site written off		4,943,241	8,792,763
Other Operational Expenses		50,962,218	19,145,683
		<u>871,746,924</u>	<u>333,984,435</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

	Rupees	2009-2010 Rupees	2008-2009 Rupees
16. VARIATION IN INVENTORIES			
Opening Stocks:			
Incomplete Contract Works	86,478,262		45,191,161
Accumulated Direct Costs	17,250,004		19,803,093
		103,728,266	64,994,254
Closing Stocks:			
Incomplete Contract Works	67,486,249		86,478,262
Accumulated Direct Costs	28,926,002		17,250,004
		96,412,251	103,728,266
		7,316,015	(38,734,012)
17. EMPLOYEES' REMUNERATION AND BENEFITS {Refer Note B(6)}			
Salaries, Wages and other payments		107,506,361	70,660,878
Contribution to Provident and other Funds		10,174,155	7,340,708
Welfare Expenses		9,468,518	5,669,814
		127,149,034	83,671,400
18. ADMINISTRATIVE AND OTHER EXPENSES			
Rent		7,138,829	5,786,039
Insurance		672,630	1,017,906
Repairs:			
Plant and Machinery	629,152		255,400
Others	5,698,613	6,327,765	4,298,078
			4,553,478
Travelling and Conveyance		14,159,223	11,112,524
Auditors' Remuneration		623,946	626,654
Directors' Fees		80,000	72,000
Bank Charges		288,183	405,852
Bank Guarantee Commission		4,527,884	2,948,017
Legal and Professional Charges		13,220,870	12,121,199
Loss on Assets Discarded / Sold		1,661,225	7,470,017
Printing and Stationery		1,809,422	1,825,778
Telephone, Telex, etc.		2,672,444	1,983,063
Service Tax and Works Contract Tax		49,015,887	36,620,514
Miscellaneous Expenses		15,329,868	8,514,451
Bad Debts written off	19,387,170		—
Less: Doubtful debts provided in earlier years	(18,426,683)		—
		960,487	—
Provision for Doubtful debts		26,076,852	9,457,752
		144,565,515	104,515,244
19. INTEREST AND FINANCE CHARGES			
On Fixed Loans		28,704,113	21,214,330
To Banks and Others		6,243,069	3,365,738
		34,947,182	24,580,068

20. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY AND NOTES FORMING PART OF THE ACCOUNTS.

A. Statement of Significant Accounting Policies adopted by the Company:

(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.

(2) Fixed Assets and Depreciation :

(i) Fixed Assets :

- (a) Fixed Assets are stated at cost of acquisition/ book value less accumulated depreciation/ amortisation.
- (b) 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.

(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.
- (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/discardment of assets is provided on pro-rata basis from the month of such addition or up to the month of such sale/discardment as the case may be.

(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.

(4) Inventories :

(i) Stores and Spares :

Stores and Spares are valued at cost or net realisable value whichever is lower. The cost formula used is 'First In First Out'.

(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 in relation to the aggregate quantity of work to be carried out under each activity of the 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 any further carried forward as "Accumulated Direct Costs" as contemplated in policy 5 (iii) below.

(5) Income and Expenditure :

Engineering construction business:

- (i) Income by way of revenue arising out of execution of contract work (including supply of materials), is credited as "Income" in respect of each contract undertaken on the basis of pre-determined rates of income derived in relation to value of each activity under the contract, 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 activity 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.
- (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 "Sundry Debtors / 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 customer, 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 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 (on accrual basis).

Till such time, all the 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.

- (iv) All facilities in the nature of assets created at the customers' site and which are to be abandoned at the end of the contract, are, when under construction, carried forward at cost to-date as "Facilities at Customers' site-under construction". Upon subsequent completion, they are carried forward as "Facilities at Customers' site-completed"(both being grouped as "Other Current Assets"). The completed facilities are written off in equal annual installments over the period commencing from the year of completion of the facility upto the contracted year for completion of the contract. Billable reimbursements against such facilities, if separately identified in a contract, are similarly credited in equal annual installments against the write-offs over the said period.

Infotech Business:

- (v) Income from EDP services provided is accounted on accrual basis.

Other Income and Expenditure:

- (vi) Other Revenue / Income and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.
- (vii) Share issue expenses are charged, first against available balance in Securities Premium Account.

(6) 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.

(7) Retirement and other Employee Benefits:

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account 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 Profit and Loss

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

(8) 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;

(9) Borrowing Costs :

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

(10) 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 Profit and Loss Account 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.

(11) 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.

(12) 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.

B. Notes forming part of the Accounts :

1. Loan Funds :

Nature of security for Secured Loans:

Cash credit facilities from Central Bank Of India are secured by hypothecation of all the stocks, book debts and moveable fixed assets of the Company. [Also refer footnote (@) under Schedule 5].

2. Contingent Liability not provided for:	As at 31.3.2010 Rupees	As at 31.3.2009 Rupees
(i) Disputed Income Tax as the matters are in appeal	63,780,499	59,079,320
(ii) Disputed Entry Tax as the matters are in appeal	816,000	816,000
(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	664,334,669	904,918,123
(v) Works Contract Tax	2,165,085	2,165,085

3. 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.

4. Expenditure in Foreign Currency	2009-2010 Rupees	2008-2009 Rupees
(i) Professional Charges	—	1,824,394
(ii) Foreign Travelling Expenses	123,865	25,000
	<u>123,865</u>	<u>1,849,394</u>

5. Auditors' Remuneration	2009-2010 Rupees	2008-2009 Rupees
(i) As Auditors	375,000	375,000
(ii) As Tax Auditors	25,000	25,000
(iii) For Other Matters	120,000	120,000
(iv) For Certification work	90,000	90,000
(v) Out of pocket expenses	13,946	16,654
	<u>623,946</u>	<u>626,654</u>

6. Managerial Remuneration:	2009-2010 Rupees	2008-2009 Rupees
Salary and allowances	1,975,171	1,432,043
Contribution to Provident and Other Funds	173,789	149,910
Perquisites (including approximate money value)	338,116	250,494
	<u>2,487,076</u>	<u>1,832,447</u>

The employee-wise break-up of liability on account of employee benefits based on actuarial valuation is not ascertainable. The amounts relating to the Manager are, therefore, disclosed in the year of payment.

7. The Company has, as at 31st March, 2010 loans aggregating Rs.151,675,000 (31.03.2009 Rs. 179,450,000) and interest recoverable aggregating Rs.62,332,753 (31.03.2009 Rs. 62,332,753) 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) before the end of the financial year 2008-2009, the Company had agreed to waive interest on these loans with effect from 1st April, 2003. Being unable to repay in full, these companies had made another undertaking to repay fifty percent of the principal outstanding by financial year 2009-10 and the balance before the end of financial year 2010-11, which during the year has been further extended to financial year 2011-12, and requested the Company to continue to waive the interest. The Company has accepted the same. 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.

8. 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 2002-2003 joined as a surety under the said Consent Decree to pay a sum of Rs.76,000,000/- in the manner specified in the Consent terms, whereby the Company became entitled to assignment of the entire outstanding debt of Rs.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 Rs.84,858,072/- was credited to the Profit and Loss Account as "Exceptional Income" during 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 the assets of Mukand Limited. to the extent of Priority Debt raised by Mukand Limited.

Deferred Tax :	As at 31.3.2010 Rupees	As at 31.3.2009 Rupees	As at 31.3.2008 Rupees
Deferred Tax Liability on account of :			
(i) Depreciation	13,251,426	12,581,204	14,435,968
(ii) Income deferred for tax purposes	24,466,824	25,237,851	26,680,014
	37,718,250	37,819,055	41,115,982
Deferred Tax Asset on account of :			
(i) Employee benefits	3,294,602	2,355,257	2,848,904
(ii) Taxes, Duties, etc.	2,418,930	2,406,589	3,532,748
(iii) Provision for doubtful debts	8,991,497	6,391,206	3,176,517
(iv) Unabsorbed losses/ depreciation under tax laws	—	11,887,032	22,176,567
	14,705,029	23,040,084	31,734,736
Net Liability	23,013,221	14,778,971	9,381,246

10. Disclosures in respect of Finance Lease arrangements :

(in Rupees)

Particulars	Not later than one year	Later than one year not later than five years	Later than five years
Minimum Instalments Payable (MIP)	5,908,772 (3,224,670)	5,783,209 (2,988,192)	— (—)
Present Value of Instalments Payable (PVIP)	4,919,554 (2,655,524)	5,099,179 (2,671,904)	— (—)

Previous year figures in brackets

11. Related parties disclosures :

(i) Relationships :

(a) Related parties where control 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 Jannalal Sons Private Limited
- 13 Mukand Bekaert Wire Industries Private Limited
- 14 Mukand Vini Mineral Private Limited
- 15 Conquest Investments & Finance Limited (Conquest)
- 16 Econium Investments & Finance Limited (Econium)
- 17 Fusion Investments & Financial Services Limited (Fusion)
- 18 Catalyst Finance Limited (Catalyst)
- 19 Primus Investments & Finance Limited (Primus)
- 20 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:

Nature of Transactions	2009 – 2010 Rupees		2008 – 2009 Rupees	
	Referred in (i)(a) above	Referred in (i)(b) above	Referred in (i)(a) above	Referred in (i)(b) above
Sales - Mukand Ltd.				
• Contract executed (including supply of materials)	143,040,234		34,811,466	
• EDP Services	49,635,000		49,642,050	
• Income from Equipment Provided	—		951,923	
Other Payments				
• Rent – Mukand Ltd	1,675,250		1,122,000	
• Reimbursement of Expenses - Mukand Ltd	4,258,446		4,763,353	
• Remuneration		2,487,076	—	1,832,447
• Legal and Professional Charges - MGFL	330,908		1,834,849	
• Procurement of Assets Mukand Ltd	2,398,747			
Finance				
• Loan repayments received				
Mukand Ltd	4,255,338		13,163,268	
Conquest			40,000,000	
Catalyst	12,600,000			
Econium	6,100,000			
Fusion	11,825,000			
Primus	5,250,000			
• Loan Given – Lineage	8,000,000		—	
• Loan taken repaid - VCL	400,000		139,600,000	
• Interest paid - VCL	—		9,475,991	
• Interest received/receivable - Mukand Ltd	21,219,580		18,040,484	
Outstanding balances at the close of the year :				
• As Debtors - Mukand Ltd	51,884,613		4,850,471	
• As Creditors - MGFL	—		273,000	
• Advance received against contract - Mukand Ltd	19,515,822		222,400,000	
• 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		7,041,740	
Lineage	5,742,819		5,742,819	
Primus	10,480,965		10,480,965	
• Loans receivable -				
Mukand Ltd	160,760,423		165,015,761	
Catalyst	12,950,000		25,550,000	
Conquest	35,800,000		35,800,000	
Econium	33,900,000		40,000,000	
Fusion	16,275,000		28,100,000	
Lineage	18,000,000		10,000,000	
Primus	34,750,000		40,000,000	
• Counter Guarantees given by the Company - Mukand Ltd	664,334,669		904,918,123	
• Loans Payable - VCL	—		400,000	
• Interest accrued and due - VCL	435,491		25,521,608	
• Guarantees given by the Company - Mukand Ltd	60,000,000		60,000,000	

12. SEGMENT INFORMATION
A. BUSINESS SEGMENT - PRIMARY

Particulars	Rupees					
	Construction		Infotech		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Revenue						
External Revenue	1,213,183,128	485,499,663	49,635,000	49,642,050	1,262,818,128	535,141,713
Total Revenue	1,213,183,128	485,499,663	49,635,000	49,642,050	1,262,818,128	535,141,713
Segment Result before interest and tax	123,573,124	37,627,533	26,209,400	26,565,081	149,782,524	64,192,614
Add /(Less): Unallocated Income / (Expenses) (Net)					8,635,534	6,537,874
Interest and Finance charges					(34,947,182)	(24,580,068)
Deferred Tax Credit / (Charge)					(8,234,250)	(5,397,725)
Provision for Current Tax					(33,312,010)	(5,054,000)
Minimum Alternate Tax (MAT) Credit Entitlement					—	5,054,000
Provision for Fringe Benefit Tax					—	(865,579)
Excess / (Short) Provision for Taxation (Net of MAT Credit Entitlement)					—	74,792
Net Profit					81,924,616	39,961,908
Other Information						
Segment Assets	694,535,381	541,757,154	20,593,922	19,348,139	715,129,303	561,105,293
Unallocated assets					726,330,647	712,485,378
Total assets	694,535,381	541,757,154	20,593,922	19,348,139	1,441,459,950	1,273,590,671
Segment Liabilities	432,660,774	508,850,977	3,100,123	3,522,424	435,760,897	512,373,401
Unallocated liabilities					489,094,815	326,537,647
Total liabilities	432,660,774	508,850,977	3,100,123	3,522,424	924,855,712	838,911,048
Capital Expenditure						
Segment capital expenditure	11,582,561	15,032,894	137,751	653,518	11,720,312	15,686,412
Unallocated capital expenditure					9,607,127	302,822
Total capital expenditure	11,582,561	15,032,894	137,751	653,518	21,327,439	15,989,234
Depreciation						
Segment depreciation	4,399,235	4,088,628	1,492,354	1,455,352	5,891,589	5,543,980
Unallocated depreciation					1,324,974	511,490
Total depreciation	4,399,235	4,088,628	1,492,354	1,455,352	7,216,563	6,055,470
Significant Non Cash Expenditure					—	—

Notes

- Unallocated income includes interest received Rs. 25,655,301/- (Previous Year Rs. 21,669,305/-)
- 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 EDP 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.

13. i) The Company has recognised Rs. 9,094,367 (previous year Rs 6,398,876) as contribution towards defined contribution plans as an expense in the Profit and Loss Account.
- ii) 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 2010	(Rupees) Year ended 31 st March 2009
<u>Changes in present value of obligations:</u>		
a. Present value of Obligations at the beginning of the year	8,372,045	6,566,348
b. Interest cost	627,903	492,476
c. Current service cost	921,114	680,299
d. Actuarial Losses / (Gains)	307,194	777,614
e. Benefits paid	(700,000)	(144,692)
f. Present value of Obligations at the close of the year	9,528,256	8,372,045
<u>Changes in Fair Value of plan assets (Managed by LIC) :</u>		
a. Fair value of plan assets at the beginning of the year	8,185,770	6,035,443
b. Expected return on Plan Assets	727,956	616,683
c. Contributions	431,378	1,678,336
d. Benefits Paid	(700,000)	(144,692)
e. Actuarial gain / (loss) on Plan Assets	Nil	Nil
f. Fair value of plan assets at the close of the year	8,645,104	8,185,770
<u>Reconciliation of present value of the obligation and the fair value of plan assets and amount recognised in the balance sheet:</u>		
a. Present value of Obligations at the close of the year	9,528,256	8,372,045
b. Fair value of plan assets at the close of the year	(8,645,104)	(8,185,770)
c. Net Liability / (Asset) recognised	883,152	186,275
<u>Amounts recognised in the Profit and Loss Account:</u>		
a. Current Service Cost	921,114	680,299
b. Interest Cost	627,903	492,476
c. Expected Return on plan assets	(727,956)	(616,683)
d. Actuarial Loss	307,194	777,614
e. Expenses recognised	1,128,255	1,333,706
<u>Actuarial Assumptions at the Balance Sheet date:</u>		
Discount Rate	7.75	7.50
Expected rate of return on Plan Assets	9.25	9.25
Salary Escalation rate*	5.25	5.00
* The estimated salary escalation rate takes into account inflation, seniority, promotion and other relevant factors.		

14. (A) Details of loans and advances (stipulated under clause 32 of the listing agreement with Stock Exchange).

Name of the party	Outstanding Amount		Maximum Balance Outstanding during the year	
	As at 31.3.2010	As at 31.3.2009	2009 - 2010	2008 - 2009
<u>Associates</u>				
Mukand Ltd. *	160,760,423	165,015,761	165,015,761	178,179,029
Catalyst Finance Ltd.	12,950,000	25,550,000	25,550,000	25,550,000
Conquest Investments & Finance Ltd.	35,800,000	35,800,000	35,800,000	75,800,000
Econium Investments & Finance Ltd.	33,900,000	40,000,000	40,000,000	40,000,000
Fusion Investments & Financial Services Ltd.	16,275,000	28,100,000	28,100,000	28,100,000
Lineage Investments Ltd.	18,000,000	10,000,000	18,000,000	10,000,000
Primus Investments & Finance Ltd.	34,750,000	40,000,000	40,000,000	40,000,000

* 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 31.3.2010	As At 31.3.2009	2009-2010	2008-2009
Mukand Ltd.	4,539,781	4,539,781	4,539,781	4,539,781
Catalyst Finance Ltd.	—	40,000	40,000	40,000
Econium Investments & Finance Ltd.	—	200,600	200,600	200,600
Fusion Investments & Financial Services Ltd.	—	60,000	60,000	60,000
Primus Investments & finance Ltd.	141,600	227,400	227,400	227,400

15.	Disclosure regarding Contracts in progress	Year Ended 31-3-2010 Rs. in Lacs	Year Ended 31-3-2009 Rs. in Lacs
	Contract Costs incurred and recognized profits (less recognized losses)	19,403.27	7,465.20
	Advances received	1,090.88	2,623.17
	The amount of retention (Included in Sundry Debtors)	693.09	530.92

16. Sundry Creditors in Schedule '11' to the Accounts include (i) Rs. Nil (Previous Year Rs. Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) Rs. 293,049,085/- (Previous Year Rs. 206,909,236/-) due to other creditors.

No interest is paid / payable during the year to any micro or small enterprise registered under the MSME.

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME

17. Previous year's figures have been regrouped / recast wherever necessary.

As per our attached report of even date
For **DALAL & SHAH**
Firm Registration No. 102021W
Chartered Accountants

RAJESH V. SHAH
Chairman

NIRAJ BAJAJ
Director

T. S. ANAND
Director

S. Venkatesh
Partner
Membership NO. 037942
Mumbai, 25th May, 2010

K. P. JOTWANI
Manager

P. R. DHRUVA
Company Secretary

Mumbai, 25th May, 2010

**Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956 vide
Notification No. G.S.R. 388 (E) dated May 15, 1995 :
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE : (PART IV)**

I REGISTRATION DETAILS :

Registration No.

1	1	-	4	2	3	7	8
---	---	---	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet date

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue						Rights Issue					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
N I L						N I L					
Bonus Issue						Private Placement					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
N I L						N I L					

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands).

Total Liabilities						Total Assets					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8 0 7 5 6 6						8 0 7 5 6 6					
Sources of Funds :						Application of Funds :					
Paid up Capital						Reserves and Surplus					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1 2 5 7 9 8						3 6 8 8 1 6					
Secured Loans						Unsecured Loans					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3 1 8 6 4						2 5 8 0 7 5					
Deferred Tax						Investments					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2 3 0 1 3						1 7 5 6 1					
Net Fixed Assets						Miscellaneous Expenditure					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7 2 4 7 8						N I L					
Net Current Assets						Accumulated Losses					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7 1 7 5 2 7						N I L					

IV PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover (including Other Income)						Total Expenditure					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1 3 1 6 4 1 2						1 1 9 2 9 4 1					
+ - Profit / (Loss) before tax						+ - Profit / (Loss) after tax					
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1 2 3 4 7 1						8 1 9 2 5					
+ - Earnings per share in Rs.						+ - Dividend Rate (%)					
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6 . 5 2						1 5 %					

V GENERIC NAMES OF PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY :

Item Code No. (ITC Code)

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

E	N	G	I	N	E	E	R	I	N	G	C	O	N	S	T	R	U	C	T	I	O	N
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(Rs. in Million)

FINANCIAL HIGHLIGHTS					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I CAPITAL ACCOUNTS					
A. Share Capital	126	126	126	126	126
B. Reserves	232	247	269	309	369
C. Net Worth (A+B)	358	373	395	435	495
D. Borrowings	259	265	287	159	290
E. Capital Employed (C+D)	617	638	682	594	785
F. Gross Block	281	259	267	246	261
G. Net Block	71	56	60	61	72
H. Debt:Equity Ratio (D/C)	0.72:1	0.71:1	0.73:1	0.37:1	0.59:1
II REVENUE ACCOUNTS					
A. Gross Revenue	271	310	286	560	1316
B. Profit / (Loss) before Taxes (PBT)	10	16	22	46	123
C. Profit / (Loss) after Taxes (PAT)	15	17	22	40	82
D. Return on Shareholders' Fund %	4.19	4.56	5.32	9.20	16.57
III EQUITY SHAREHOLDERS' EARNINGS					
A. Equity Dividend	–	–	–	–	19
B. Earnings per Equity Share (in Rs.)	1.19	1.25	1.70	3.18	6.52
C. Dividend per Equity Share (in Rs.)	–	–	–	–	1.50
D. Net Worth per Equity Share (in Rs.)	28.45	29.70	31.40	34.57	39.28

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 24th Annual General Meeting of the Company on Thursday, the 29th July, 2010 at 3.30 p.m. at the Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021

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 24th Annual General Meeting of the Company to be held
 on Thursday, the 29th July, 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix Fifteen Paise 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.