



**MUKAND
ENGINEERS**
MUKAND ENGINEERS LIMITED
(CIN No.: L45200MH1987PLC042378)

Registered Office: Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021.
Tel: 022-21727500, Fax: 022-25410291, E-mail: mel@mukand.com, Website: www.mukandengineers.com

Notice for passing of Resolutions by Postal Ballot pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

Dear Member/s,

Notice is hereby given pursuant to Sections 101, 102, 108, 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014, the Equity Listing Agreement with the Stock Exchanges ("Listing Agreement"), including any statutory modification or re-enactment thereof for the time being in force, that the Resolution appended below are proposed to be passed by way of Postal Ballot / e-Voting. The Explanatory Statement pertaining to the said Resolution setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a Postal Ballot Form (the "Form") for your consideration. The Board of Directors has appointed M/s Ragini Chokshi & Co, (C.P No-1436) Practicing Company Secretaries, Mumbai as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form, record your assent (for) or dissent (against) therein and return the Form duly completed in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer not later than the close of working hours i.e., 5.00 p.m. on Wednesday, the 11th March, 2015. Any assent or dissent received after the said date will be treated as if the reply from the concerned member is not received. The postage will be borne and paid by the Company. It is, however, clarified that members desiring to exercise their vote from outside of India will have to arrange for postage from the country where from the Ballot Papers are despatched to the Scrutinizer.

In compliance with provisions of Clause 35B of the Equity Listing Agreement as well as Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all the Shareholders of the Company. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the Notice and instructions overleaf the Form.

The Scrutinizer will submit his Report to the Chairman after completion of the scrutiny of the Postal Ballots received not later than 7 (seven) days from the last date of receipt of postal ballots. In case of electronic votes, the Scrutinizer shall, within a period not exceeding 3 (three) working days from the date of conclusion of the electronic voting period (as specified in this Notice) unblock the votes and make a report to the Chairman. The result of the Postal Ballot would be announced by any one of the Chairman, Director or the Company Secretary on Tuesday, 17th March, 2015 at 4.00 p.m. at the Registered Office of the Company. The result will be displayed at the Registered Office of the Company and communicated to BSE Limited & National Stock Exchange of India Limited on which Company's shares are listed ("Stock Exchanges"). The result will also be displayed along with the Scrutinizer's report on the Company's website and the website of M/s. Bigshare Services Private Limited (Registrar & Transfer Agents).

The resolution, if approved by the requisite majority, will be deemed to have been passed at a general meeting convened in that behalf on the date of declaration of the result of the Postal Ballot as stated above.

PROPOSED RESOLUTION

Item No. 1: Approval of Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of the revised Clause 49(VII) of the Equity Listing Agreement with the Stock Exchanges and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify / approve all existing contracts / arrangements / agreements entered / to be entered into contract(s)/transaction(s) with Mukand Limited ("ML"), an Associate Company and hence a related party within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of FY: 2013-2014; having the following details and as detailed in the Explanatory Statement annexed hereto:

Description of Contract	Period of Contract	Total cumulative contract value with Related Party (₹in Lacs)
Contract Execution - Design, Erection, Commissioning & Transportation, Consultancy Service - PMS, Contract Execution - Interest on delayed payments, Maintenance Service - Maintenance of EDP System, Purchases for Projects, Payment of Expenses, Repayment of Loan and Interest thereon.	April 1, 2014 to March 31, 2015	10221.96
Corporate Guarantee given by Mukand Ltd on behalf of the Company for Credit Facilities.	April 1, 2014 to March 31, 2015	8500.00
Corporate Guarantee given by the Company on behalf of Mukand Ltd. to ICICI Ltd.		600.00

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual if any, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above Resolution."

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

Place : Mumbai
Date : 10th November, 2014

- NOTES:**
- The Explanatory Statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.
 - The Postal Ballot Notice is being despatched (in physical form and/or electronically, by email, to those members who have registered their email address with the Company) to all members, whose names would appear in the Register of Members / record of Depositories as on Friday, 23rd January, 2015.
 - The despatch of the Notice along with the Explanatory Statement shall be announced through advertisement in at least one English newspaper and at least one Marathi newspaper, each with wide circulation in Mumbai, where the registered office of the Company is situated and also published on the website of the Company.

4. In compliance with the provisions of sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges, the Company is offering e-voting facility to all its eligible members as an alternative mode of voting which will enable the members to cast their vote electronically.
5. All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts and other statutory registers are open for inspection by the Members at the Registered Office of the Company between 10:00 a.m. and 2:00 p.m. on all working days except Saturdays, Sundays and national holidays, from the date hereof up to the end of the voting period.
6. A copy of this Notice is placed on the website of the Company and the website of M/s. Bigshare Services Pvt Ltd (Registrar & Transfer Agents)

THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SETTING OUT MATERIAL FACTS RELATING TO THE AFORESAID RESOLUTION:

Item No. 1 of the Notice

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

However, pursuant to revised Clause 49(VII) of the Listing Agreement with the Stock Exchanges ("Revised Clause 49") effective from 1st October, 2014, approval of the Shareholders through Special Resolution is required for all material Related Party Transactions (RPT) even if they are entered into in the ordinary course of business on arm's length basis. For this purpose, a RPT will be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with Mukand Limited. ("ML"), an Associate Company and therefore a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2014:-

Amount (₹ In Lacs)

Sr. No.	Nature of Work	Amount	Basis for Transfer Pricing
1.	Operations - Income		
a)	Contract Execution - Design, Erection, Commissioning & Transportation	1097.95	Bills raised as per contract.
b)	Consultancy Service - PMS	50.00	Bills raised as per contract.
c)	Contract Execution - Interest on delayed payments	99.27	Interest charged to Mukand on delayed payment against bills. Rate of Interest - 15.50%
d)	Maintenance Service - Maintenance of EDP System	504.00	Bills raised as per contract.
	Total - 1	1751.22	
2.	Operations - Expenses		
a)	Purchases of Cranes - NMDC Project	7785.72	Bills raised as per Contract for NMDC Projects
b)	Rent	33.03	Bills raised as per Agreement for office space.
c)	Electricity Charges	33.01	Bills raised as per Agreement Electricity consumed
d)	Canteen	7.20	Bills raised as per Agreement for office staff.
e)	Transport Reimbursement	0.54	As per Debit Note
	Total - 2	7859.50	
3.	Financial Transactions		
a)	Loan Repayment	499.90	Received against Loan of Mukand Ltd purchased from Commerz Bank
b)	Interest Income	111.34	Received as per CDR Terms
	Total - 3	611.24	
4.	Others - Corporate Guarantee		
a)	Corporate Guarantee given by Mukand Ltd on behalf of the Company.	8500.00	-
b)	Corporate Guarantee given by the Company on behalf of Mukand Ltd.	600.00	-
	Total - 4	9100.00	
	GRAND TOTAL (1 + 2 + 3 + 4)	19321.96	

The other particulars of above transactions are as under:-

Sl. No.	Information required to be disclosed	Particulars
a.	Name of the Related Party	Mukand Limited
b.	Name of the Director or Key Managerial Personnel who is related, if any	Shri Rajesh V. Shah - Chairman, Shri Niraj Bajaj- Director & Shri Prakash V. Mehta - Director.
c.	Nature of Relationship	Associate Company
d.	Any other information relevant or important for the members to take a decision on the proposed resolution	The transactions are in the ordinary course of business and at arm's length basis

The above transactions are approved by the Audit Committee and Board of Directors in their respective meetings held on 10th November, 2014 as per the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

In view the above, it is proposed to seek approval of the members of the Company through Special Resolution for the above transactions and the related parties are abstained from voting on the said resolution.

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

The Board recommends the Resolution for approval of the Members.

Your approval is sought by voting through Postal Ballot / e-voting in accordance with the aforesaid provisions of the Companies Act, 2013 and rules made there under, for passing the aforesaid Resolutions as set out in this Notice.

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

P. R. Dhruva
Company Secretary

Place : Mumbai

Date : 10th November, 2014