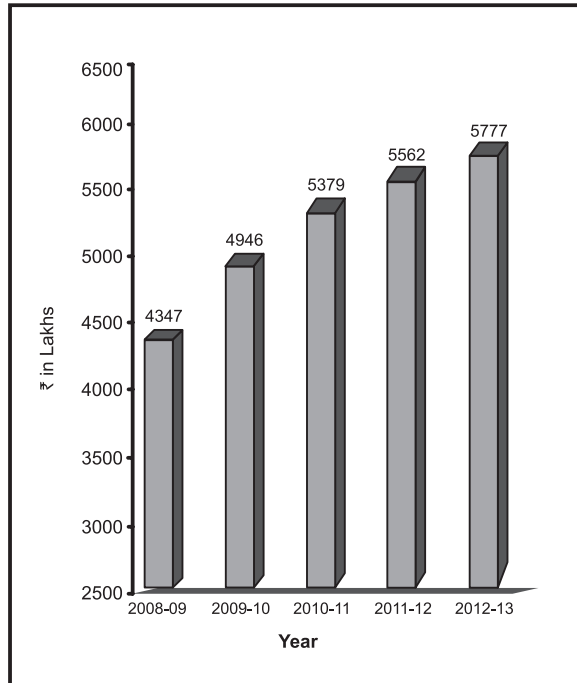
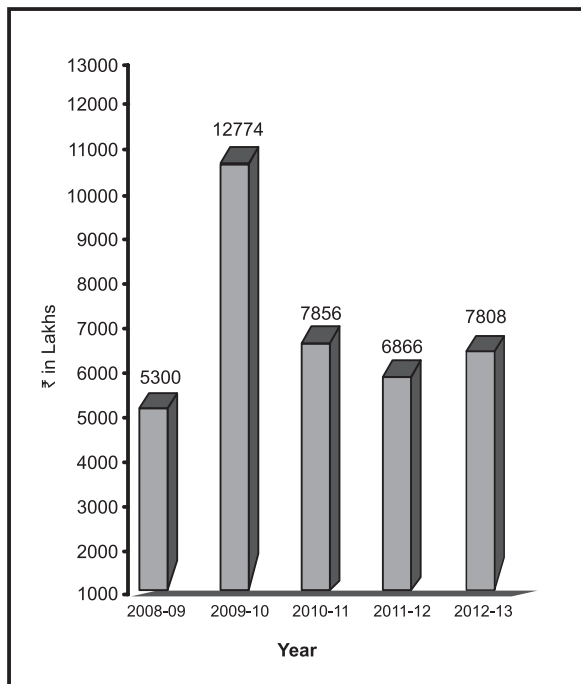


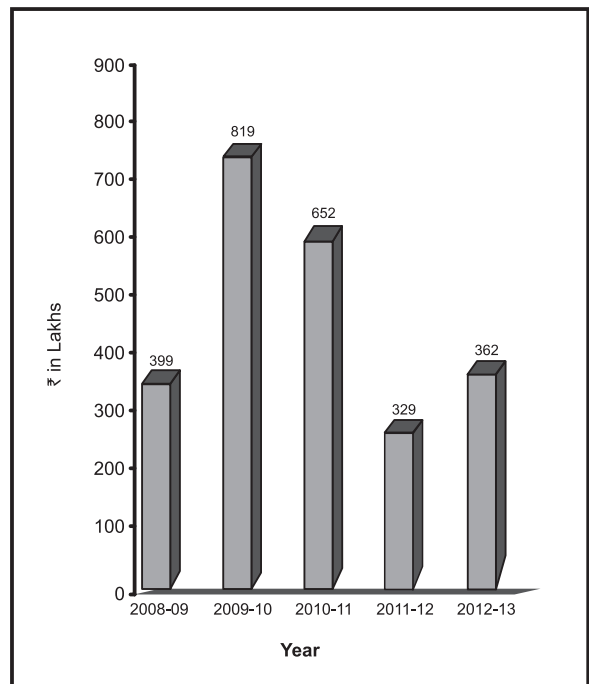
Net Worth



Income from Operations Including Other Income



Profit after Tax



BOARD OF DIRECTORS

Rajesh V. Shah, *Chairman*
Niraj Bajaj
Prakash V. Mehta
N. Ramanathan
R. Sankaran

ANNUAL GENERAL MEETING

On Tuesday, 13th August, 2013, 11:30 a.m.
at Kamalnayan Bajaj Hall,
Bajaj Bhavan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai – 400021.

MANAGER

K. P. Jotwani

COMPANY SECRETARY

P. R. Dhruva

AUDITORS

M/s. K. K. Mankeshwar & Co.,
Chartered Accountants, Mumbai

REGISTERED OFFICE

Bajaj Bhavan, Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai - 400 021.
Tel : (022) 61216666 / 6626
E-mail : mel@mukand.com
Website : www.mukandengineers.com

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka, Andheri (East), Mumbai - 400 072.
Tel : (022) 28470652 / 0653 / 40430200
Fax : (022) 28475207
E-Mail : info@bigshareonline.com
Website : www.bigshareonline.com

A Request :

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

Cover Picture - Bunker Mill Structure for Barh Super Thermal Power Project-Stage I (3X660MW) at NTPC Barh, Bihar

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IMPORTANT COMMUNICATION TO MEMBERS

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

NOTICE

TO THE MEMBERS,

NOTICE is hereby given that the **27th ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Tuesday, the 13th day of August, 2013 at 11:30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, 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 March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Niraj Bajaj who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Prakash V. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. K. K. Mankeshwar & Co., Chartered Accountants (Registration No.106009W), retiring Auditors of the Company who are eligible for re-appointment for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 198, 387 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals as may be necessary, the Company do hereby appoint Shri K. P. Jotwani, as the "Manager" of the Company, as defined under Section 2(24) of the Companies Act, 1956, for a further period of 2 (two) years with effect from 1st June, 2013 upon the terms and subject to the conditions as set out in the Draft Agreement between the Company and Shri K. P. Jotwani with further liberty to the Directors from time to time, to alter and vary the said terms and conditions in such manner as may be agreed upon between the Directors and Shri K. P. Jotwani in the best interests of the Company, subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time.

RESOLVED FURTHER THAT Shri K. P. Jotwani shall function as a "Manager" within the meaning of Section 2(24) of the Companies Act, 1956 subject to the superintendence, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution."

NOTES FOR MEMBERS' ATTENTION:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.6 is annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 06/08/2013 to 13/08/2013, (both days inclusive).
4. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends for the years 1994-1995 to 2000-2001 have been transferred to the Investors' Education and Protection Fund (the Fund) set up by the Central Government. The said Section further provides that amounts remaining unclaimed for a period of seven years from the date of payment shall be transferred to the said Fund. Members are requested to note that no claims shall thereafter lie against the said Fund or the Company in respect of the said amounts so transferred.

However, Members who have neither received nor encashed their dividend warrant(s) for any of the financial year from 2009-2010 upto 2011-2012, are requested to write to the Registrar and Share Transfer Agents of the Company mentioning the relevant Folio Number(s) / DP ID, for issuance of duplicate dividend warrant(s).

In compliance with the provisions of Section 205C of the Companies Act, 1956 and the Notification dated 10th May, 2012, issued by the Ministry of Corporate Affairs, the Company has identified the unclaimed amount of dividend for the financial year ended 31st March, 2011 and 31st March, 2012 and requisite detailed information was uploaded on the Ministry's website through e-form 5 INV and also on the Company's website within the prescribed time limit. Further the Company has identified the unclaimed amount of dividend upto the financial year ended 31st March, 2013 and requisite detailed information will be uploaded on the Ministry's website through e-form 5 INV and also on the Company's website within the prescribed time limit.

5. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the Members.
6. The Company's Equity Shares are listed on Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai.
7. Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2013, when declared at the meeting, will be paid:
 - (i) To those Members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company and its Registrar on or before 05/08/2013.
 - (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 (NSD) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 05/08/2013.

- (iii) The Securities and Exchange Board of India (SEBI) vide Circular no. CIR/MRD/DP/10/2013 dated 21st March, 2013 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) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers / copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited at E - 2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai - 400 072.

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

**P. R. Dhruva
Company Secretary**

Place : Mumbai

Date : 23rd May, 2013

ANNEXURE TO THE NOTICE

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

Item No. 6

Members of the Company had approved the appointment of Shri K. P. Jotwani as "Manager" of the Company under the Companies Act, 1956 for a period of 2 (Two) years from 1st June, 2011 to 31st May, 2013 and had also approved the maximum Remuneration payable to him, at their 25th Annual General Meeting held on 28th July, 2011. The said terms will expire on 1st June, 2013.

Therefore, the Board of Directors of the Company at their meeting held on 23rd May, 2013 has subject to the approval of the Members appointed Shri K. P. Jotwani, as the "Manager" of the Company effective from 1st June 2013 for a further period of 2 (Two) years from 1st June, 2013 to 31st May, 2015 with liberty to alter/vary the said terms and conditions in conformity with the requirements of Schedule XIII to the Companies Act, 1956 or any amendments thereto.

Shri Jotwani, aged 70 years is a B. E. (Mech.) from M. S. University, Baroda. He joined Mukand Limited in the year 1966 as a Management Trainee and has held various positions in Mukand Limited. Prior to joining the Company, he was in charge of Machine Building Division, and was designated as Vice President (Machine Building) of Mukand Limited.

Shri Jotwani has been associated with the Company since 1st February, 1997 as the Chief Executive of the Company and the Board of Directors at its meeting held on 29th June, 1998 had appointed him as the Chief Executive and "Manager" of the Company. He resigned on 28th January, 2000 to join Mukand Limited to head its Machine Building Division. Since 1st February, 2000, he was on the Board as Director of the Company, and resigned on 31st May, 2002.

Shri Jotwani, the "Manager" of the Company will be entrusted with substantial powers of the Management and will perform such functions as may, from time to time be decided by the Board of Directors.

The draft agreement between the Company and Shri Jotwani is available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.30 p.m. on all working days of the Company up to and including the day of the Meeting. Remuneration payable per month will be subject to the approval by the Board from time to time within the maximum limit as under. The draft Agreement, inter alia, contains the following terms and conditions effective from 1st June, 2013

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------------------|
| (a) Period of Agreement | : | Two years |
| (b) Basic Salary | : | ₹ 60,000/- per month |
| (c) House Rent Allowance | : | 50% of Basic Salary |
| (d) Special Allowance | : | ₹ 40,000/- per month |
| (e) Personal Allowance | : | ₹ 90,000/- per month |
| (f) Company's contribution to Provident Fund and Superannuation Fund. | | |
| (g) Gratuity at the rate of one month's salary for each completed year of service. | | |
| (h) Leave with full pay as per the Rules of the Company, | | |
| (i) Company will take insurance cover for accident and hospitalization of self and family in India or abroad | | |
| (j) Reimbursement of gas, electricity, water charges, soft furnishings, house repairs, furniture repairs and attire expenses and domiciliary medical expenses. | | |
| (k) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place and return therefrom in respect of self and family in accordance with the rules specified by the Company from time to time. | | |
| (l) Reimbursement of membership fee for clubs in India or abroad including any admission / life membership fee. | | |
| (m) Free use of Company's car and reimbursement of operating and maintenance expenses including driver. | | |

The ceiling for item (i), (j), (k), (l) and (m) is ₹ 330,000/- per annum.

- (n) Telephone, telefax and other communication facilities at the residence.
- (o) Subject to statutory ceiling/s, the "Manager" may be given any other allowance/s, perquisites, benefits and facilities as the Board of Directors from time to time may decide.
- (p) Unutilised leave as on 31st May, 2013 will be available for use in future / encashment during the period of continuity of service and balance on termination of service.

In the absence or inadequacy of profits in any financial year, Shri K. P. Jotwani will be paid the above remuneration within the ceiling laid down in Section II (B) of Part II of Schedule XIII to the Companies Act, 1956 upon the Resolution being passed as a Special Resolution.

Memorandum of Interest:

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

Pursuant to Section 302 of the Companies Act, 1956, this may be treated as abstract of the terms and conditions governing the appointment of Shri K P Jotwani, as the "Manager" of the Company.

Information pursuant to clause (iv) of the proviso to para (B) of Section II, part II of Schedule XIII to the Companies Act, 1956 is furnished hereunder:

I. GENERAL INFORMATION:
(1) Nature of industry

The Company is engaged in the business of execution of projects in core sectors, handling of all areas of construction, erection and commissioning of equipments, project and design engineering, site fabrication work and giving loans and guarantees on behalf of other corporates.

(2) Commencement of commercial production

The Company has no plants as the Company carries out various job at different sites of customers, hence the question of date of commencement of commercial production does not arise.

(3) Financial performance based on given indicators

The financial performance of the Company as reflected by total income, profit, earnings per share and dividend recommended for the financial year ended 31st March, 2013 is as under:-

	(₹ in Lacs)
Total Income	7808.43
Profit before tax	532.01
Profit after tax	361.59
Earnings per share (Rs.)	2.88
Rate of Dividend (on equity shares)	10%

(4) Export performance & Net Foreign Exchange Earnings / Outgo:-

The details of Export performance & Net Foreign Exchange Earnings / Outgo are as under:-

	(₹ in Lacs)
Export performance	Nil
Net foreign exchange earnings	Nil
Foreign exchange expenditure / Outgo	1.64

(5) Foreign investments or collaborations. :-

NIL

II. INFORMATION ABOUT THE APPOINTEE:
(1) Background details

The relevant information is already given in the Explanatory Statement of the Notice hereinabove.

(2) Past remuneration

The gross remuneration drawn by the appointee during the past 3 years are as under:

Financial Year		(₹ in Lacs)
2010-2011	:	25.30
2011-2012	:	34.61
2012-2013	:	35.26

(3) Recognition or awards :-
(4) Job profile and suitability :-

Mr Jotwani is responsible for booking orders from Steel, Aluminium and Power sectors and its execution thereof.

Mr. Jotwani is a Mechanical Engineer of 1965 batch with post Graduation in Industrial Engineering in 1975 from University of Mumbai. He has been with Mukand Limited since February 1966 and has worked through design, marketing, planning and execution. He was responsible for development of non-crane business in Machine Building Division. He executed MMSM Project of VSP from 1986 to 1990 and also BOF Project of Rourkela Steel Plant from 1994 to 1997. Since 1997 he has been the Chief Executive with the Company. During his tenure business has been developed with SAIL, IISCO, NTPC, BHEL and Vedanta. He has experience of more than 43 years in procuring orders and execution thereof of engineering business. He is the link between Execution Group and the Board.

(5) Remuneration proposed

As mentioned hereinabove

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration proposed takes into consideration nature and size of business operations; the qualifications, experience and contribution of appointee to all-round growth of the Company; present trends and norms observed in the industry for payment of managerial remuneration by companies of comparable size and nature of business.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

He does not have any pecuniary relationship with the Company except as remuneration drawn as "Manager" and as a shareholder to the extent of his share holdings, if any, in the Company.

III. OTHER INFORMATION:

The Company is making profits; hence, the question of stating - (1) Reasons of loss or inadequate profits (2) Steps taken or proposed to be taken for improvement (3) Expected increase in productivity and profits in measurable terms does not arise.

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

**Place : Mumbai
Date : 23rd May, 2013**

DIRECTORS' REPORT

TO THE MEMBERS,

1. Your Directors present the Twenty Seventh Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

2. Financial Results

(₹ in lacs)

	Current Year	Previous Year
Income from operations and other Income	7808.43	6865.78
Profit for the year before tax	532.01	534.23
Add/(Less) : Provision for tax (including deferred tax)	(170.42)	(205.28)
Profit after tax	361.59	328.95
Add/(Less) : Balance brought forward from previous year.	1982.70	1799.88
Balance available for appropriation	2344.29	2128.83

3. Dividend

Directors are pleased to recommend dividend of 10% on equity shares. The dividend and tax thereon shall absorb ₹ 146.12 lacs from surplus generated from the operations during the year.

4. Operations

4.1 General-

The income from operations, and other income during the year was higher at ₹ 78.08 Cr as compared to ₹ 68.66 Cr in the previous year.

4.2 Engineering

4.21 The income from Engineering operation during the year was ₹ 71.22 Cr as against ₹ 60.55 Cr in previous year, Engineering operations earned profit before interest and tax of ₹ 10.43 Cr during the year under review as compared to profit of ₹ 10.69 Cr in the previous year. Despite higher inflationary pressure witnessed in the economy resulting in higher cost of execution of the contracts during the year, the Company has been able to maintain its profit level through increased turnover.

4.22 During the year major part of income came from power projects, mechanical projects and aluminium projects,

4.23 New orders amounting to ₹ 255.17 Cr were received during the year and the orders on hand as at the end of the year were ₹ 338.12 Cr as against ₹ 90.49 Cr at the beginning of the year. These orders will be executed during the F.Y. 2013-14 and F.Y. 2014-15. The Company has been able to book new orders consistently during this year as well.

4.3 Infotech-

Income from Infotech Segment during the year was ₹ 4.80 Cr as against the previous year ₹ 4.58 Cr.

5. Fixed Deposits

The Company held ₹ 19.03 Cr as Public deposits as of 31st March 2013. Deposits aggregating ₹ 0.20 Cr have matured but remain unclaimed as at 31st March 2013. The Company sends reminder letters to the Fixed Deposit Holders before the date of Maturity of their Fixed Deposits.

6. Corporate Governance

Pursuant to Clause 49 of the Listing 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 Net foreign exchange earnings Nil
Foreign exchange expenditure / Outgo ₹ 1.64 lacs

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

8. Directors' Responsibility Statement

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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, 2013 and of the profit of the Company for the year ended 31st March, 2013.
- 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.
- 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 Niraj Bajaj and Shri Prakash V Mehta, Directors of the Company retire by rotation and are eligible for re-appointment.

10. Cost Compliance

The Company has appointed M/s Joshi Apte & Associates, Cost Accountants to verify cost compliance report for the period 1st April, 2012 to 31st March, 2013 as prescribed under the Companies (Cost Accountants Record) Rules 2011. The compliance report for F.Y. 2011-12 was filed within the stipulated date.

11. Auditors

Messrs. K. K. Mankeshwar & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

12. Auditors' Report

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 23rd May, 2013

Rajesh V. Shah
Chairman

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 Steel Plants and Electrical works for Power Plants.

1.2 Opportunity and threats

During the year under review, the Company booked new orders valued at ₹ 255.17 Cr from Power projects and Mechanical projects. The existing recessionary trend may not substantially impact the interest of the Company with ₹ 338.12 Cr of orders on hand.

1.3 Future Outlook

With the healthy orders on hand, the Company expects executable load over the next 2 years. The management perceives that with the economy showing signs of recovery in the current fiscal, the capital investments in the economic sectors of interest to the Company can be reasonably expected. The Company has quoted tenders for jobs in Refineries, Power and Steel Plants.

1.4 Risk Management

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

2 Internal Control System

The Company has instituted a system of internal control to safeguard and protect the assets of the Company. The Company has also appointed an Internal Auditor whose reports are regularly reviewed by the Management, and guidelines and procedures are formulated and monitored for proper controls.

3 Human Resource Management Initiatives

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

4 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.

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy :

The Company believes that good Corporate Governance is carried out from the application of the best and sound management practices and compliance with the various statutory laws which are based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Your Company also believes and places great emphasis on values such as integrity and safety of its employees, sound ethical practices, transparency in decision making process and in the overall operations along with timely disclosures go a long way in enhancing shareholders' value and last but not the least, accountability and safeguarding the interests of long term stakeholders'. It is this conviction that has led the Company to make strong Corporate Governance values intrinsic in all its operations and has also contributed to the Company's sustained growth.

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

2. Board of Directors :

(a) Composition and size of the Board :

The Board of Directors of the Company consists of five Directors including the Non-Executive Chairman. All these five Directors are Non-Executive Directors out of which three Directors are Independent Directors. The Company did not have any pecuniary relation or transaction with Non-Executive Directors during the year under review.

(b) Board Meetings :

During the year four Board Meetings were held on May 23, 2012, August 13, 2012, November 1, 2012 and February 13, 2013. 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	Cate-gory	Attendance Particulars		No. of outside Director-ships in Public Limited Companies	No. of Membership (M) / Chairmanship (C) in other Board Committee(s)	No. of Shares held in the Company as at 31.03.2013
		Board Meetings	Last AGM			
Shri Rajesh V. Shah	C. NED	4	Yes	5	1 (M)	64220
Shri Niraj Bajaj	NED	4	Yes	10	--	411500
Shri Prakash V. Mehta	NED	3	Yes	8	12 (M) / 1(C)	Nil
Shri N. Ramanathan	NED	4	Yes	--	--	200
Shri R. Sankaran	NED	4	Yes	4	--	438

C : Chairman, NED : Non-Executive Director.

(c) Re-appointment of Directors :

Shri Niraj Bajaj and Shri Prakash V. Mehta 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 Niraj Bajaj	Shri Prakash V. Mehta
Date of appointment	July 27, 1992	August 19, 1992
Expertise in Specific Functional areas	Providing valuable guidance on matters relating to strategic planning and performance, expansion, diversification, new business.	Joint Ventures & Foreign Collaborations, Property and Corporate Laws.
List of other Directorships held (in listed Companies)	1) Mukand Ltd. 2) Hind Rectifiers Ltd. 3) Bajaj Auto Ltd. 4) Hindustan Housing Co. Ltd. 5) Zensar Technologies Ltd.	1) Bharat Bijlee Ltd. 2) PCS Technologies Ltd. 3) W. H. Brady & Co. Ltd. 4) JBF Industries Ltd. 5) Hikal Ltd. 6) Advani Hotels and Resorts (I) Ltd. 7) Mukand Ltd. 8) Camphor and Allied Products Ltd.
Chairman / Member of the Committee of the Board of other Companies in which he is a Director	Chairman : Nil Member : Nil	Chairman : A) <u>Remuneration Committee</u> 1) JBF Industries Ltd. Member : A) <u>Audit Committee</u> 1) Bharat Bijlee Ltd. 2) Advani Hotels and Resorts (I) Ltd. 3) Hikal Ltd. 4) Mukand Ltd. 5) Camphor and Allied Products Ltd. B) <u>Shareholders and Investors Grievance Committee</u> 1) Bharat Bijlee Ltd. 2) JBF Industries Ltd. 3) Hikal Ltd. C) <u>Remuneration Committee</u> 1) Bharat Bijlee Ltd. 2) Advani Hotels and Resorts (I) Ltd. 3) Hikal Ltd. 4) Mukand Ltd.

3. Audit Committee :

The Audit Committee consists of Shri Rajesh V. Shah, Shri Prakash V. Mehta (Chairman of the Audit Committee), Shri N. Ramanathan and Shri R. Sankaran as Members, all of whom are independent Directors except Shri Rajesh V. Shah. The terms of reference of the Audit Committee specified by the Board are as contained in Clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate.

During the year under review, the Audit Committee met four times on May 23, 2012, August 13, 2012, November 1, 2012 and February 13, 2013. These meetings were also attended by the Statutory Auditors, Internal Auditors, Shri Niraj Bajaj, Director, Shri S. B. Jhaveri, Advisor to the Board, Shri K.P. Jotwani, "Manager" and Shri J. S. Shrivastav, Chief of Accounts and Shri R. G. Golatkar, Deputy Chief of Accounts as invitees whenever required. Shri P. R. Dhruva, Company Secretary acts as Secretary to the Audit Committee. Apart from considering unaudited and / or audited financial results for the relevant quarter, half year and the year, before submission to the Board for its approval, the Committee focused its attention on other matters which *inter-alia* included key areas impacting the overall performance of the Company

and major accounting policies and practices, review of internal control system, review of current site progress and Management Information System.

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

Name of the Director	Category	Attendance Particulars Number of Meetings Attended
Shri Prakash V. Mehta	C. NED	3
Shri Rajesh V. Shah	NED	4
Shri N. Ramanathan	NED	4
Shri R. Sankaran	NED	4

C: Chairman, NED: Non-Executive Director.

4. Remuneration Committee and Policy :

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

Remuneration paid to Shri K. P. Jotwani "Manager" under the Companies Act, 1956 for the year ended 31st March, 2013.

Particulars	(₹)
Salary and allowances	3,056,801
Contribution to Provident Fund and Other Funds	179,860
Perquisites (<i>including approx. money value</i>)	289,095
TOTAL	3,525,756

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, 2013 are as under:

Sr. No.	Name of the Director	(₹)
1.	Shri Prakash V. Mehta	60,000
2.	Shri N. Ramanathan	80,000
3.	Shri R. Sankaran	80,000
	TOTAL	220,000

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

5. Shareholders' / Investors' Grievance Committee :

The Company has constituted Shareholders' / Investors'

Grievance Committee consisting of Shri Rajesh V. Shah as the Chairman, Shri Niraj Bajaj and Shri R. Sankaran as Members. The Company Secretary acts as Compliance Officer to the Committee. The meeting of the said Committee was held on May 23, 2012 which was attended by all the members.

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

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

6. Annual General Meetings :

(a) The last three Annual General Meetings were held on the following dates, time and venue :

Financial Year	Date	Time	Venue
2011-2012	August 13, 2012	11:30 a.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), Churchgate, Mumbai 400020
2010-2011	July 28, 2011	3:30 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhavan, 226, Jambhalal Bajaj Marg, Nariman Point, Mumbai 400021
2009-2010	July 29, 2010	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
2011-2012	August 13, 2012	Nil
2010-2011	July 28, 2011	Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(24) of the Companies Act, 1956, for a further period of two years with effect from 1st June, 2011
2009-2010	July 29, 2010	Nil

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

7. Disclosures :

No transactions of material significance were entered into by the Company with its Promoters, Directors or their relatives, Company's Management or their relatives during the year, which may have potential conflict with the interests 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 transactions 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 Agreements. 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.

g. Stock Market Data :

Month	Bombay Stock Exchange Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Volume of Shares Transacted (Nos.)	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Volume of Shares Transacted (Nos.)
Apr-2012	26.25	21.60	23069	24.65	22.15	36003
May-2012	24.00	20.05	44762	23.00	20.05	50248
June-2012	22.50	20.00	37264	25.00	20.00	34308
July-2012	29.10	20.45	510036	28.40	20.55	516799
Aug-2012	28.50	22.75	175290	29.45	22.50	158248
Sep-2012	34.50	22.15	851400	34.20	22.00	637893
Oct-2012	35.50	29.50	1173871	36.00	29.20	1125127
Nov-2012	31.95	27.75	133861	31.90	28.00	173100
Dec-2012	40.90	28.60	1678905	41.15	28.40	1787248
Jan-2013	43.75	32.65	621744	43.55	32.30	711608
Feb-2013	34.45	25.05	81762	35.25	24.10	77407
Mar-2013	28.90	22.05	166568	28.50	20.00	127414

9. General Information for Shareholders :

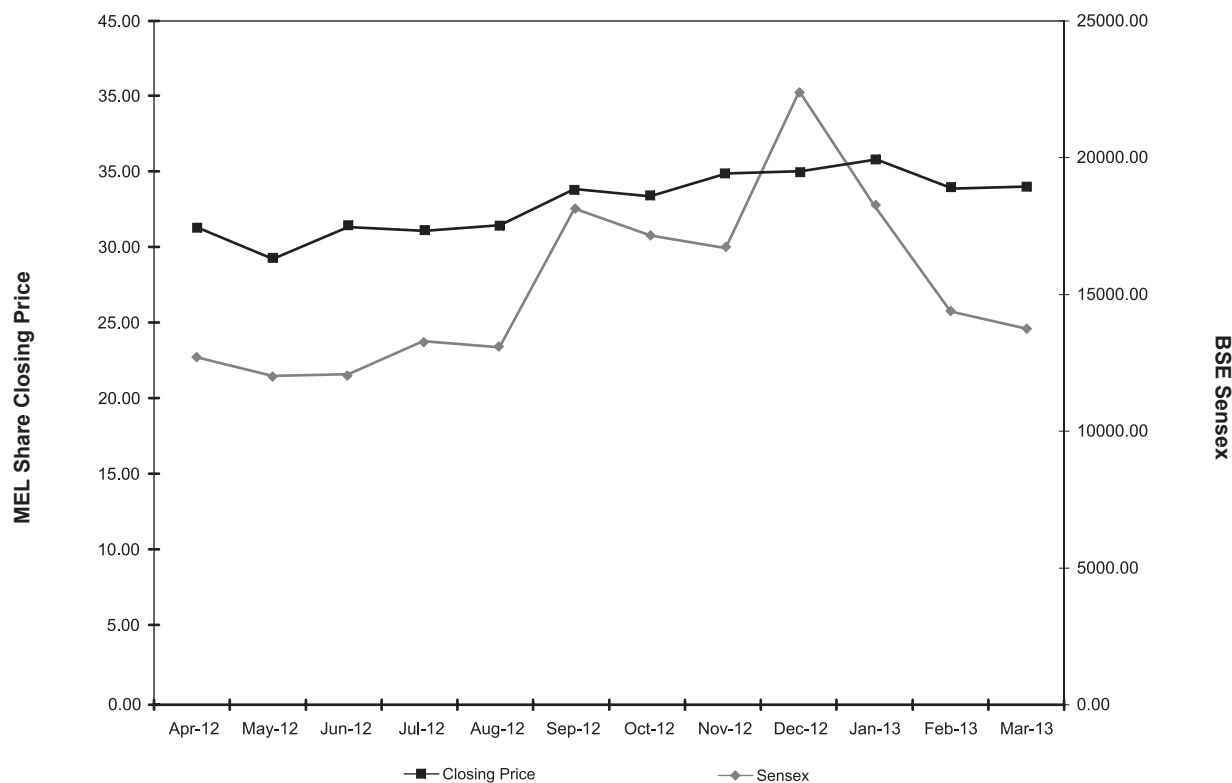
- a. Registered Office Bajaj Bhavan, Jamnalal Bajaj Marg ,226, Nariman Point, Mumbai - 400021
- b. Date, Time and Venue of Annual General Meeting Tuesday, 13th August, 2013 at 11:30 a.m. Kamalnayan Bajaj Hall, Bajaj Bhavan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021.
- c. Reporting in the Financial Calendar 2013-2014 :
 - June 30
 - September 30
 - December 31
 - For the year ending March 31

} Within 45 Days from the end of the Quarter

} Within 60 Days from the year end
- d. Dates of Book Closure 6th August, 2013 to 13th August, 2013 (both days inclusive)
- e. Listing Details :
The Company's Shares are listed on the Stock Exchanges at Mumbai (Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd.). The Company has paid the listing fees for the period from April 1, 2013 to March 31, 2014 to both the Stock Exchanges where the shares of the Company are listed.
- f. Stock code
 1. Bombay Stock Exchange (BSE) 532097
 2. National Stock Exchange (NSE) MUKANDENGG
 3. ISIN INE 022B01014
 4. Corporate Identity Number (CIN) L45200MH1987PLC042378

Comparative Stock Price Performance :

The Equity share prices of the Company on BSE in comparison with the BSE Sensex for the period from 1st April, 2012 to 31st March, 2013 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,
Sakinaka, Andheri (East), Mumbai - 400 072.
Tel : (022) 28470652 / 53 / 40430200
Fax : (022) 28475207 E-Mail : info@bigshareonline.com
Website : www.bigshareonline.com

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

i. Share Transfer System

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

Total number of shares transferred in physical form (non-dematerialised) during 2012-2013 were 5882 shares.

There were no transfers which remained unattended as of March 31, 2013.

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

j. Investor Services (Complaints received during the year)

Nature of Complaints / Queries	2012-2013		2011-2012	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Demat & Remat, Change of address and others	257	257	298	298

There were no complaints / queries pending reply as on March 31, 2013

k. Distribution of Shareholding as on :

No. of Equity shares held	31st March, 2013				31st March, 2012			
	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	20102	80.09	486661	3.87	20710	79.80	508556	4.05
101-200	1810	7.21	317139	2.52	1892	7.29	333079	2.65
201-500	1806	7.20	676108	5.38	1923	7.41	717571	5.71
501-1000	699	2.79	586199	4.66	732	2.82	617687	4.91
1001-5000	533	2.12	1169083	9.30	556	2.14	1288525	10.25
5001-10000	69	0.27	503369	4.00	65	0.25	479435	3.81
10001 & above	81	0.32	8833841	70.27	76	0.29	8627547	68.62
Total	25100	100.00	12572400	100.00	25954	100.00	12572400	100.00

i. Categories of Shareholding as on :

Categories	31st March, 2013				31st March, 2012			
	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	24592	97.98	4461042	35.47	25450	98.06	4524922	35.99
Corporate	337	1.34	999085	7.95	336	1.29	930087	7.39
Financial Institutions	5	0.02	1335	0.01	5	0.02	1335	0.01
FII's	1	-	65	-	1	-	65	-
NRIs/OCBs	98	0.39	89902	0.72	96	0.37	95020	0.76
Banks	10	0.04	1048	0.01	10	0.04	1048	0.01
Mutual Funds	3	0.01	800	0.01	3	0.01	800	0.01
Trusts	15	0.06	260098	2.07	15	0.06	260098	2.07
Promoters	39	0.16	6759025	53.76	38	0.15	6759025	53.76
Total	25100	100.00	12572400	100.00	25954	100.00	12572400	100.00

m. **Dematerialisation of Shares and Liquidity** : 95.48% of outstanding equity shares have been dematerialised up to March 31, 2013. 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 Agents at the following address: Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai - 400 072.

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

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

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,

The Members of Mukand Engineers Limited

We have examined the compliance of Corporate Governance by Mukand Engineers Limited (the Company), for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s).

The compliance conditions of Corporate Governance are 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.

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

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

GIRISH M. PATHAK

Partner

Membership No.102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN-106009W

Mumbai, dated the 23rd May, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Engineers Limited Report on the Financial Statements

We have audited the accompanying financial statements of M/s Mukand Engineers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to:

- Note No. 28.1 to the financial statements, relating to overdue loans, aggregating ₹103,400,000 (Previous Year ₹ 103,400,000/-) and Interest Receivable thereon, aggregating ₹ 49,548,194/- (Previous Year ₹ 49,548,194/-), at the end of the financial year, that are due from investment companies whose net worth have eroded. The Management's assessment on the recoverability from the financial assets of these companies is subject to uncertainties and which, if do not materialize, could significantly impact the carrying values of the aforesaid loans & interest thereon.
- Note No. 30 to the financial statements, relating to the change in accounting policy during the financial year in respect of threshold limits to be applied for Income Recognition, resulting into an increase in Revenue by ₹ 107,735,676/- and Profit before tax by ₹ 5,707,456/-.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - 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;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

GIRISH M. PATHAK

Partner

Membership No. 102016

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN - 106009W

Mumbai, dated the 23rd May, 2013

AUDITOR'S REPORT (Contd.)

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in our report to the members of the Company for the year ended March 31, 2013.)

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

- (b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Service Tax, Entry Tax, Cess and other material statutory dues in arrears as on 31st March, 2013 for a period of more than six months from the date they become payable.
- (c) According to information and explanations given to us upon our enquiries in this regard and records of the Company, the disputed statutory dues in respect Income Tax, Service Tax, Customs Duty, Excise Duty, Works Contract Tax, Entry Tax and Cess unpaid as at the last day of the financial year, are as under:

Nature of dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Income Tax	8,622,250	2000-2001 and 2001-2002	High Court of Bombay
Income Tax	1,309,112 7,146,336	1999-2000 2005-2006	Income Tax Appellate Tribunal
Income Tax	183,504	2009-2010	Commissioner of Income Tax
Income Tax	9,340,669	2002-2003 to 2009-2010	Income Tax Department Authorities
Works Contracts Tax	2,472,505	2001-2002 to 2004-2005	Sales Tax Department Authorities
Entry Tax	852,181	1999-2000 to 2002-2003	High Court
Entry Tax	86,827	2003-2004	Asst. Commissioner (Sales Tax)

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

other investments. All the investments are held by the Company, in its own name;

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

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

GIRISH M. PATHAK

Partner

Membership No. 102016

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN- 106009W

Mumbai, dated the 23rd May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	₹	31.03.2013 ₹	31.03.2012 ₹
I. EQUITY & LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	2	125,797,500		125,797,500
(b) Reserves and Surplus	3	451,940,197		430,393,272
			577,737,697	556,190,772
(2) Non Current Liabilities				
(a) Long-term borrowings	4	154,032,186		114,584,539
(b) Deferred tax liabilities (Net)	5	21,265,276		20,222,661
(c) Long-term provisions	6	25,375,297		25,967,024
			200,672,759	160,774,224
(3) Current Liabilities				
(a) Short-term borrowings	7	301,286,607		297,977,843
(b) Trade payables		163,664,984		123,480,172
(c) Other current liabilities	8	129,694,419		166,996,207
(d) Short-term provisions	9	16,937,587		17,626,176
			611,583,597	606,080,398
TOTAL			<u>1,389,994,053</u>	<u>1,323,045,394</u>
II. ASSETS				
(1) Non-Current Assets				
(a) Fixed Assets	10			
(i) Tangible assets		103,637,088		83,271,215
(ii) Intangible assets		2,875,909		2,295,817
		106,512,997		85,567,032
(b) Non-current investments	11	17,560,812		17,560,812
(c) Long-term loans and advances	12	252,936,209		305,408,725
(d) Other non-current assets	13	146,037,005		105,969,035
			523,047,023	514,505,604
(2) Current Assets				
(a) Inventories	14	292,105,336		219,534,119
(b) Trade Receivables	15	326,333,960		455,858,222
(c) Cash and Bank Balances	16	8,754,709		11,173,380
(d) Short-term loans and advances	17	187,518,604		71,994,877
(e) Other current assets	18	52,234,421		49,979,192
			866,947,030	808,539,790
TOTAL			<u>1,389,994,053</u>	<u>1,323,045,394</u>
Significant Accounting Policies	1			

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

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 23, 2013

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary
Mumbai, May 23, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	2012-2013 ₹	2011-2012 ₹
I. Revenue from Operations	19	760,190,026	651,255,573
II. Other Income	20	20,653,061	35,322,667
III. Total Revenue (I + II)		780,843,087	686,578,240
IV. Expenses			
Contract Execution Costs	21	473,567,208	356,200,398
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(69,632,604)	(68,070,160)
Employee Benefits Expense	23	167,126,443	162,410,599
Finance Costs (Net)	24	40,348,513	56,849,134
Depreciation and Amortisation		9,352,805	8,698,094
Other Expenses	25	106,879,224	117,066,865
Total Expenses		727,641,589	633,154,930
V. Profit for the year before Tax (III- IV)		53,201,498	53,423,310
VI. Tax Expense			
(1) Current Tax		16,000,000	16,100,000
(2) Deferred Tax Charge		1,042,615	4,428,789
		17,042,615	20,528,789
VII. Profit / (Loss) for the year after Tax (V- VI)		36,158,883	32,894,521
VIII. Earnings per equity share of ₹ 10/- each	26		
(1) Basic		2.88	2.62
(2) Diluted		2.88	2.62
Significant Accounting Policies	1		

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

As per our attached report of even date

GIRISH M. PATHAK
Partner
Membership No: 102016

RAJESH V. SHAH
Chairman

R. SANKARAN
Director

For & on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W
Mumbai, May 23, 2013

K. P. JOTWANI
Manager

P. R. DHRUVA
Company Secretary
Mumbai, May 23, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-2013		2011-2012
	₹	₹	₹
A. Cash Flow from Operating Activities			
Profit before Tax		53,201,498	53,423,310
Add:			
a) Depreciation		9,352,805	8,698,094
b) Facilities at Customers' sites Written-off		4,908,698	8,026,087
c) Loss on Sale of Assets		1,347,509	35,282
d) Interest and Finance charges (Net)		40,348,513	56,849,134
e) Bad Debts		19,236,844	34,190,458
f) Sundry Balances Written-off / Appropriated (Net)		1,591,259	2,071,406
g) Loans to Companies Written-off		-	4,616,630
h) Interest Receivable Written-off		-	7,041,740
		76,785,628	121,528,831
Less:			
a) Interest Income		16,301,606	18,135,484
b) Dividend on Investments		52	681,252
c) Profit on Sale of Assets		311,372	122,962
d) Excess Provision Written Back (Net)		3,863,211	15,363,656
e) Provision for Doubtful Debts Written-off As Bad Debts		-	11,619,814
		20,476,241	45,923,168
Operating Profit before Working Capital changes		109,510,885	129,028,973
Add / (Less) :			
a) (Increase) / Decrease in Long term Bank Deposits		(21,504,303)	8,840,995
b) Increase / (Decrease) in Trade and Other Payables		496,394	(94,922,235)
c) Decrease in Trade and Other Receivables		21,630,177	22,962,727
b) (Increase) in Inventories		(72,571,217)	(69,933,398)
		(71,948,949)	(133,051,911)
Cash Inflow / (Outflow) generated from Operations		37,561,936	(4,022,938)
Less: Direct taxes paid		27,716,464	17,511,619
Net Cash Inflow / (Outflow) from Operating Activities		9,845,472	(21,534,557)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

	2012-2013		2011-2012
	₹	₹	₹
B. <u>Cash Flow from Investing Activities</u>			
Inflow:			
a) Sale of Assets	2,248,887		178,461
b) Interest received	14,046,429		17,856,554
c) Dividend on Investments	-		681,252
d) Loans realised	14,923,010		39,000,821
		31,218,326	57,717,088
Outflow:			
a) Acquisition of Fixed Assets	33,583,795		10,786,231
b) Additions to Facilities at Customers' Sites	739,510		1,727,529
		34,323,305	12,513,760
Net Cash Inflow / (Outflow) from Investing Activities		(3,104,979)	45,203,328
C. <u>Cash Flow from Financing Activities</u>			
Inflow:			
Increase in borrowings (Net)		45,583,245	45,489,271
Outflow:			
a) Dividend paid	14,417,631		21,404,462
b) Interest paid (Net)	40,324,778		55,284,994
		54,742,409	76,689,456
Net Cash Inflow / (Outflow) from Financing Activities		(9,159,164)	(31,200,185)
Net (Decrease) in Cash / Cash Equivalents		(2,418,671)	(7,531,414)
Add: Balance at the beginning of the year		11,173,380	18,704,794
Cash / Cash Equivalents at the close of the year		8,754,709	11,173,380
<u>Cash / Cash Equivalents at the close of the year</u>			
Cash on hand		360,009	208,445
Bank balances		8,101,300	10,339,935
Fixed Deposit Account		293,400	625,000
		8,754,709	11,173,380

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 23, 2013

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary

Mumbai, May 23, 2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Accounting:**

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

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

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

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

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

(ii) Depreciation / Amortisation:

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

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

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

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

1.3 Investments :

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

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

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

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

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

1.5 Amortisation of Facilities at Customers’ site :

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

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

(i) Income by way of revenue arising out of execution of contract work (including supply of materials), is credited as “Income” only after at least 5% / 10% / 15% (depending upon each contract value) of the total estimated contract costs (i.e. direct and indirect costs) in respect of each contract are incurred (on accrual basis). Such revenue is recognised, as the contract progresses, by reference to the stage of completion of each contract and the invoices acknowledged by the customer’s representative. Procurement of goods and materials, prior to commencement of the contract activity, is not considered as a progress in the contract activity and hence, no revenue is recognised, although, value of such goods and materials procured, exceeds 5% / 10% / 15% of the estimated contract costs.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

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

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

- (iii) Direct costs i.e. all costs related to contracts, which are accounted on accrual basis, are charged to revenue in respect of each contract undertaken, only after at least 5% / 10% / 15% of the total estimated contract costs (i.e. all direct and indirect costs) in respect of each contract are incurred. Till such time, all such direct costs accounted in respect of each contract are carried forward to the next accounting year as "Accumulated Direct Costs" under "Contract Work-in-Progress". Indirect costs are treated as expenses for the year in which they are incurred on accrual method of accounting and charged to revenue.

Infotech Business:

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

Other Income and Expenditure:

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

1.7 Use of Estimates :

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

1.8 Retirement and other Employee Benefits:

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

(ii) **Post employment benefits**

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

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

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

1.9 Foreign Currency Fluctuations:

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

1.10 Borrowing Costs :

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013****1.11 Taxation :**

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

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

1.12 Impairment of Assets:

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

1.13 Provisions, Contingent Liabilities and Contingent Assets:

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

1.14 Assets taken on lease :

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

1.15 Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**
2. SHARE CAPITAL

Particulars	31.03.2013		31.03.2012	
	Number of Shares	₹	Number of Shares	₹
a) Authorised				
Equity Shares of ₹10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Preference Shares of ₹100/- each	500,000	50,000,000	500,000	50,000,000
	<u>20,500,000</u>	<u>250,000,000</u>	<u>20,500,000</u>	<u>250,000,000</u>
b) Issued				
Equity Shares of ₹10/- each	12,592,700	125,927,000	12,592,700	125,927,000
	<u>12,592,700</u>	<u>125,927,000</u>	<u>12,592,700</u>	<u>125,927,000</u>
c) Subscribed and Paid up				
i) Equity Shares of ₹10/- each fully paid up	11,973,900	119,739,000	11,973,900	119,739,000
ii) Fully paid up pursuant to contract(s) without payment being received in cash	598,500	5,985,000	598,500	5,985,000
iii) Forfeited Shares	20,300	73,500	20,300	73,500
Total	<u>12,592,700</u>	<u>125,797,500</u>	<u>12,592,700</u>	<u>125,797,500</u>

2.1 RECONCILIATION OF NUMBER OF SHARES AND AMOUNT OUTSTANDING :

Particulars	31.03.2013		31.03.2012	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Equity Shares at the beginning of the year	12,592,700	125,797,500	12,592,700	125,797,500
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	<u>12,592,700</u>	<u>125,797,500</u>	<u>12,592,700</u>	<u>125,797,500</u>

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

Name of Shareholder	31.03.2013		31.03.2012	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
a) Mukand Ltd	4,539,781	36.05%	4,539,781	36.05%
b) Jamnalal Sons Private Ltd	1,386,395	11.01%	1,386,395	11.01%
Total	<u>5,926,176</u>	<u>47.06%</u>	<u>5,926,176</u>	<u>47.06%</u>

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

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amount, in the proportion of the number of equity shares held by each share holder.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

Particulars	31.03.2013	31.03.2012
	₹	₹
3. RESERVES AND SURPLUS		
(a) Securities Premium Account		
As per last Balance Sheet	224,766,229	224,766,229
(b) General Reserve		
As per last Balance Sheet	7,356,868	7,356,868
(c) Surplus		
Opening balance	198,270,175	179,987,612
Add : Profit for the year	36,158,883	32,894,521
Less: Proposed Dividend (#)	(12,572,400)	(12,572,400)
Less: Tax on Dividend	(2,039,558)	(2,039,558)
Closing Balance	219,817,100	198,270,175
Total	451,940,197	430,393,272
<p>(#) -Dividend proposed to be distributed to equity share holders is ₹ 1.00 (Previous Year - ₹ 1.00) per equity share.</p>		
4. LONG-TERM BORROWINGS		
(i) Secured		
Long term maturities of Finance lease obligations		
From Banks	14,030,919	2,263,009
From Other Parties	512,267	797,530
(Refer note 4.1 and 31)	14,543,186	3,060,539
(ii) Unsecured		
Public Deposits (Refer note 4.2)	139,489,000	111,524,000
Total	154,032,186	114,584,539

4.1 Finance lease obligations are secured against leased assets.

Terms of repayment and rates of interest are as under:

Finance Lease of ₹	551,794	Repayable in FY 2014-2015 at 11.5% p.a.
Finance Lease of ₹	13,991,392	Repayable in FY 2014-2015, FY 2015-2016 and FY 2016-2017 at 11.% p.a.

4.2 Repayment Schedule of Public Deposits is as under:

Public Deposits of ₹	64,555,000	Repayable in FY 2014-2015 at Interest rates ranging from 9.75% to 11.75% p.a.
Public Deposits of ₹	74,934,000	Repayable in FY 2015-2016 at Interest rates ranging from 9.75% to 11.75% p.a.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

Particulars	31.03.2013	31.03.2012
	₹	₹
5. DEFERRED TAX LIABILITIES (NET)		
Liabilities:		
Deferred tax liabilities in respect of income	18,595,009	21,250,438
Deferred tax liabilities in respect of depreciation	14,991,372	14,001,483
Total	33,586,381	35,251,921
Assets:		
Deferred tax Assets in respect of Taxes, Duties etc.	2,256,201	4,047,289
Deferred tax Assets in respect of employee benefits	9,502,045	9,963,058
Deferred tax Assets in respect of provision for doubtful debts	562,859	1,018,913
Total	12,321,105	15,029,260
Net deferred tax liability	21,265,276	20,222,661
6. LONG-TERM PROVISIONS		
Provision for employee benefits (Net) (Refer note 1.8 and 23.2)	24,375,297	24,967,024
Provision for warranties (Refer note 6.1)	1,000,000	1,000,000
Total	25,375,297	25,967,024
6.1 DETAILS OF PROVISION FOR WARRANTIES		
Opening Balance	1,000,000	1,000,000
Add: Provision for the year	-	-
Less: Payment made during the year	-	-
Less: Released during the year	-	-
Closing Balance	1,000,000	1,000,000
7. SHORT-TERM BORROWINGS		
Loan repayable on demand		
(i) Secured		
From Bank (Refer note 7.1)	178,470,607	188,708,843
Deposits		
(i) Unsecured		
Public Deposits	50,816,000	67,769,000
Inter Corporate Deposits	72,000,000	41,500,000
Total	301,286,607	297,977,843

7.1 Nature of security for short term Loans

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

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

Particulars	31.03.2013		31.03.2012
	₹	₹	₹
8. OTHER CURRENT LIABILITIES			
Current maturities of finance lease obligations (Refer note 31)		6,784,681	3,957,847
Interest accrued but not due on Public Deposits		9,507,530	9,483,796
Unclaimed Deposit		2,039,000	2,621,000
Advance received against Contracts {Refer note 1.6 (ii)}		30,895,951	24,771,756
Unpaid matured Public Deposits & interest thereon		-	1,445,204
Unclaimed Dividend		707,801	513,474
Other liabilities (\$)		79,759,456	124,203,130
Total		129,694,419	166,996,207
(\$)	Includes statutory dues and payable to employees.		
9. SHORT-TERM PROVISIONS			
Proposed dividend		12,572,400	12,572,400
Tax on dividend		2,039,558	2,039,558
		14,611,958	14,611,958
For employee benefits (Refer note 1.8 and 23.2)		2,325,629	3,014,218
Total		16,937,587	17,626,176

10. FIXED ASSETS

(₹)

ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April, 2012	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2013	Upto 1st April, 2012	Depreciation For the Year	Deductions/ Adjustments	Upto 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
A TANGIBLE ASSETS										
Own Assets										
Plant and Equipment	66,346,237	5,328,603	3,795,860	67,878,980	21,746,634	3,830,945	1,600,720	23,976,859	43,902,121	42,166,905
Computers	117,240,361	453,784	-	117,694,145	109,108,563	1,045,380	-	110,153,943	7,540,202	8,275,681
Furniture and Fixtures etc. \$	24,262,923	2,627,646	2,415,455	24,475,114	10,237,766	1,192,539	1,848,048	9,582,257	14,892,857	14,025,157
Vehicles	2,357,242	-	1,312,393	1,044,849	880,583	176,853	789,915	267,521	777,328	1,476,659
Sub-Total	210,206,763	8,410,033	7,523,708	211,093,088	141,973,546	6,245,717	4,238,683	143,980,580	67,112,508	65,944,402
Assets under Lease #										
Plant and Machinery	13,662,780	24,018,262	-	37,681,042	2,978,615	930,292	-	3,908,907	33,772,135	13,116,863
Computers	4,347,726	-	-	4,347,726	1,931,002	704,766	-	2,635,768	1,711,958	3,121,491
Vehicles	1,091,008	60,000	-	1,151,008	2,549	107,972	-	110,521	1,040,487	1,088,459
Sub-Total	19,101,514	24,078,262	-	43,179,776	4,912,166	1,743,030	-	6,655,196	36,524,580	17,326,813
Total (A)	229,308,277	32,488,295	7,523,708	254,272,864	146,885,712	7,988,747	4,238,683	150,635,776	103,637,088	83,271,215
B INTANGIBLE ASSETS										
Own Assets										
Intellectual Property Rights	52,000,000	-	-	52,000,000	52,000,000	-	-	52,000,000	-	-
ERP Software	2,775,000	1,095,500	-	3,870,500	1,164,583	682,258	-	1,846,841	2,023,659	1,026,667
Sub-Total	54,775,000	1,095,500	-	55,870,500	53,164,583	682,258	-	53,846,841	2,023,659	1,026,667
Assets under Lease #										
ERP Software	3,409,000	-	-	3,409,000	1,874,950	681,800	-	2,556,750	852,250	1,269,150
Sub-Total	3,409,000	-	-	3,409,000	1,874,950	681,800	-	2,556,750	852,250	1,269,150
Total (B)	58,184,000	1,095,500	-	59,279,500	55,039,533	1,364,058	-	56,403,591	2,875,909	2,295,817
Total (A+B)	287,492,277	33,583,795	7,523,708	313,552,364	201,925,245	9,352,805	4,238,683	207,039,367	106,512,997	85,567,032
Previous Year	274,830,598	13,534,678	872,999	287,492,277	194,009,369	8,698,094	782,218	201,925,245	85,567,032	

\$ - Includes Office Equipments

- Refer Note 31

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**
11. NON-CURRENT INVESTMENTS

Particulars	Book Value (₹)		Market Value (₹)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A. Other Investments (Quoted) - At Cost:				
Mukand Limited (Associate) 681,200 (Previous year - 681,200) Equity Shares of ₹ 10/- each, fully paid up #	17,036,812	17,036,812	18,051,800	22,956,440
52,400 (Previous year - 52,400) 0.01% Cummulative Redeemable Preference Shares of ₹ 10/- each, fully paid up	524,000	524,000	404,004	389,856
Total - Quoted	17,560,812	17,560,812	18,455,804	23,346,296
B. Other Investments (Unquoted) (At cost less Provision)				
Indian Thermal Power Limited (Associate) 7,153 (Previous year - 7,153) Equity Shares of ₹ 10/- each, fully paid up	71,530	71,530	-	-
Less: Provision for Diminution in Value	(71,530)	(71,530)	-	-
Total - Unquoted	-	-	-	-
Total Non - Current Investments	17,560,812	17,560,812	18,455,804	23,346,296

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

Particulars	31.03.2013		31.03.2012
	₹	₹	₹
12. LONG TERM LOANS & ADVANCES			
a) Capital Advances			
Unsecured, considered good	-	-	318,120
b) Security Deposits			
Unsecured, considered good	1,950,838	1,950,838	2,142,688
c) Loans and advances to related parties			
Secured, considered good			
Loans to Company on assignment of debt by a bank (Refer note 29)	54,535,224	54,535,224	104,525,576
Unsecured, Considered good			
Loans to Companies (Refer note 28.1)	-	-	103,400,000
	54,535,224	54,535,224	207,925,576
d) Other loans and advances			
Unsecured, considered good			
- Balance with Revenue Authorities (Net of Provision)	90,940,451	90,940,451	93,057,122
- Loans to Companies (Refer note 28.1)	103,400,000	103,400,000	-
- Advance paid to Suppliers, Contractors	2,109,696	2,109,696	1,965,219
	196,450,147	196,450,147	95,022,341
Total	252,936,209	252,936,209	305,408,725

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

Particulars	31.03.2013		31.03.2012
	₹	₹	₹
13. OTHER NON-CURRENT ASSETS			
a) Long term Trade Receivables			
Unsecured, Considered Good		101,488,465	78,755,610
b) Facilities at Customers' Site			
(Refer note 1.5)			
Opening Balance	4,763,425		11,061,983
Add: Addition during the year	739,510		1,727,529
Less: Written-off during the year	4,908,698		8,026,087
		594,237	4,763,425
c) Others			
Margin Money with Banks (#)		43,954,303	22,450,000
Total		146,037,005	105,969,035
# - Represents Fixed Deposits with Banks towards margin money for non-fund based facilities availed.			
14. INVENTORIES (Refer note 1.4)			
Stores & Spares		10,653,186	7,714,574
Contract Work- in-progress			
Incomplete Contract Works (Valued at cost)	262,571,654		190,426,232
Accumulated Direct Costs	18,880,496		21,393,313
		281,452,150	211,819,545
Total		292,105,336	219,534,119
15. TRADE RECEIVABLES			
Trade Receivables outstanding for a period exceeding six months			
Unsecured, considered good	190,787,060		169,371,247
Unsecured, considered doubtful	1,734,808		3,140,431
Less: Provision for doubtful debts	1,734,808		3,140,431
		190,787,060	169,371,247
Trade Receivable Outstanding for a period of Less than six months			
Unsecured, Considered Good		135,546,900	286,486,975
Total		326,333,960	455,858,222
16. CASH AND BANK BALANCES			
Cash and cash equivalents			
a) Cash on hand	360,009		208,445
b) Cheques on hand	-		4,984,525
c) Balances with Banks			
(i) in Current accounts	7,393,499		4,841,936
(ii) in Unpaid dividend accounts	707,801		513,474
(iii) in Fixed Deposits	293,400		625,000
		8,754,709	5,980,410
Total		8,754,709	11,173,380

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

Particulars	31.03.2013		31.03.2012
	₹	₹	₹
17. SHORT-TERM LOANS AND ADVANCES			
Loans and advances to related parties			
Secured, considered good			
Loan to a Company on assignment of debt by a bank (Refer note 29)		54,534,912	19,467,570
Security Deposits			
Unsecured, considered good		2,986,969	2,991,235
Other loans and advances			
Unsecured, considered good			
Balance with Revenue Authorities (Net of Provision)		49,783,516	22,967,329
- Advance paid to Suppliers, Contractors	72,307,999		20,070,210
- Prepaid Expenses	7,905,208		6,498,533
		80,213,207	26,568,743
Total		187,518,604	71,994,877
18. OTHER CURRENT ASSETS			
Interest Receivable from companies(Refer note 28.1)		49,548,194	49,548,194
Interest Receivable Others #		2,686,227	430,998
Total		52,234,421	49,979,192
# - Including interest receivable from Banks ₹ 1,721,848/- (Previous Year - ₹ 430,998/-).			
Particulars		2011-2013	2011-2012
	₹	₹	₹
19. REVENUE FROM OPERATIONS			
Value of contract work executed {Refer note 1.6(i) - 1.6(iii)}			
- Supply of Materials	146,897,363		69,853,118
- Sale of Services	565,265,663		534,791,165
		712,163,026	604,644,283
Income from Equipments provided		27,000	861,290
Income from Infotech Business		48,000,000	45,750,000
Total		760,190,026	651,255,573
20. OTHER INCOME			
Interest (Gross)		15,939,164	16,005,427
Profit on Sale of Assets (Net)		311,372	122,962
Excess Provision Written Back (Net)		3,863,211	15,363,656
Dividend on Investments		52	681,252
Miscellaneous Income		176,820	1,019,313
Interest on Income Tax refund		362,442	2,130,057
Total		20,653,061	35,322,667

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

Particulars	2012-2013		2011-2012
	₹	₹	₹
21. CONTRACT EXECUTION COSTS			
Sub-contracting Expenses		361,986,624	231,514,700
Cost of materials Supplied		4,571,807	44,208,912
Stores, Spares and Construction materials consumed (Net) (Indigenous)		47,184,947	31,181,403
Equipment Hire charges		40,458,670	25,567,625
Facilities at Customers' sites written off (Refer note 1.5)		4,908,698	8,026,087
Other Operational Expenses		14,456,462	15,701,671
Total		<u>473,567,208</u>	<u>356,200,398</u>
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Opening Stocks			
Incomplete Contract Works		190,426,232	108,841,579
Accumulated Direct Costs		21,393,314	34,907,807
		211,819,546	143,749,386
Closing Stocks			
Incomplete Contract Works		262,571,654	190,426,232
Accumulated Direct Costs		18,880,496	21,393,314
		281,452,150	211,819,546
(Increase) / Decrease in Stocks		<u>(69,632,604)</u>	<u>(68,070,160)</u>
23. EMPLOYEE BENEFITS EXPENSE			
Salaries, Wages and other payments		150,335,839	144,068,221
Contribution to provident and other funds		15,089,574	16,617,992
Welfare Expenses		1,701,030	1,724,386
Total		<u>167,126,443</u>	<u>162,410,599</u>

23.1 The Company has recognised ₹ 12,655,320/- (Previous Year ₹ 12,976,674/-) as contribution towards defined contribution plans as an expense.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

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

	Year ended 31 st March 2013 ₹	Year ended 31 st March 2012 ₹
<u>Changes in present value of obligations:</u>		
Present value of Obligations at the beginning of the year	21,848,935	17,450,529
Interest cost	1,857,159	1,396,043
Current service cost	1,902,403	1,575,353
Actuarial Losses / (Gains)	330,115	1,793,332
Benefits paid	(1,177,774)	(366,322)
Present value of Obligations at the close of the year	<u>24,760,838</u>	<u>21,848,935</u>
<u>Changes in Fair Value of plan assets (Managed by LIC):</u>		
Fair value of plan assets at the beginning of the year	12,951,937	10,473,951
Expected return on Plan Assets	1,285,939	988,114
Contributions	2,326,346	1,856,194
Benefits Paid	(1,177,774)	(366,322)
Actuarial gain / (loss) on Plan Assets	-	-
Fair value of plan assets at the close of the year	<u>15,386,448</u>	<u>12,951,937</u>
<u>Reconciliation of present value of the obligation and the fair value of plan assets and amount recognised in the balance sheet:</u>		
Present value of Obligations at the close of the year	24,760,838	21,848,935
Fair value of plan assets at the close of the year	(15,386,448)	(12,951,937)
Net Liability / (Asset) recognised	<u>9,374,390</u>	<u>8,896,998</u>
<u>Amounts recognised in the Statement of Profit and Loss:</u>		
Current Service Cost	1,902,403	1,575,353
Interest Cost	1,857,159	1,396,043
Expected Return on plan assets	(1,285,939)	(988,114)
Actuarial Loss	330,115	1,793,332
Expenses recognised	<u>2,803,738</u>	<u>3,776,614</u>
<u>Actuarial Assumptions at the Balance Sheet date:</u>		
Discount Rate	8.25%	8.50%
Expected rate of return on Plan Assets	9.25%	9.25%
Salary Escalation rate*	5.25%	5.25%
Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

Particulars	2012-2013		2011-2012
	₹	₹	₹
24. FINANCE COSTS			
Interest Expense	63,527,327		55,259,060
Less: Interest on Trade Dues	25,039,373		-
		38,487,954	55,259,060
Other Borrowing Costs			
Loan Processing Charges		1,860,559	1,590,074
Total		40,348,513	56,849,134
25. OTHER EXPENSES			
Rent		11,606,315	10,502,262
Insurance		2,124,204	1,523,188
Repairs - Machinery	69,218		390,361
Repairs - Others	4,541,875		6,809,071
		4,611,093	7,199,432
Traveling and Conveyance		17,556,511	16,940,049
Auditor's Remuneration (Refer note 25.1)		790,163	746,888
Directors' Fees		220,000	220,000
Legal and Professional Charges		16,885,587	13,522,719
Loss on Assets Discarded / Sold		1,347,509	35,282
Service Tax and Works Contract Tax		3,620,639	2,524,246
Watch & Ward Expenses		7,233,487	8,066,688
Miscellaneous Expenses		20,055,613	17,967,101
Sundry Balances Written-off / Appropriated (Net)		1,591,259	13,729,776
Bad Debts Written-off	19,236,844		34,190,458
Less: Doubtful debts provided in earlier years	-		(11,619,814)
		19,236,844	22,570,644
Prior Period Adjustments (Net)			
Debits relating to earlier years		-	1,518,590
Total		106,879,224	117,066,865
25.1 AUDITOR'S REMUNERATION			
As Auditors		500,000	450,000
For Taxation Matters		50,000	50,000
For Other Services		225,000	225,000
For reimbursement of Expenses		15,163	21,888
Total		790,163	746,888
25.2 EXPENDITURE IN FOREIGN CURRENCY			
Foreign Travel Expenses		163,896	-
Total		163,896	-
26. EARNINGS PER SHARE (EPS)			
Net profit after tax as per Statement of profit and Loss attributable to Equity shareholders		36,158,883	32,894,521
Weighted Average number of equity shares used as denominator for calculating EPS		12,572,400	12,572,400
Basic and Diluted Earnings per share		2.88	2.62
Face value per equity share		10	10

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**
27. Contingent Liabilities not provided for:

	As at 31.3.2013 ₹	As at 31.3.2012 ₹
(i) Disputed Income Tax Dues	26,601,871	26,086,590
(ii) Disputed Works Contract Tax Dues	331,766	2,170,085
(iii) Corporate Guarantee given by the Company on behalf of a company	60,000,000	60,000,000
(iv) Counter Guarantees given by the Company on behalf of a company	-	40,000,000
(v) The Company has given performance guarantees and / or guarantees against advances received from the clients in the course of its business. Based on the past experience, Company is of the opinion that no liability would arise on this account and as such the liability, if any, can not be estimated.		

28.1 The Company has, as at 31st March, 2013 loans aggregating ₹ 103,400,000/- (Previous Year - ₹ 103,400,000/-) and interest recoverable thereon aggregating ₹ 49,548,194/- (Previous Year - ₹ 49,548,194/-) due from investment companies. The net worth of these companies has eroded. On the basis of undertaking by these companies to pay the principal amount along with interest, (accrued upto 31st March, 2003) the Company had agreed to waive interest on these loans with effect from 1st April, 2003. As a matter of prudence, the Company had already stopped accounting for interest income on these loans with effect from 1st April, 2003. The management, based on its assessment of the estimated realisable values of the financial assets of these companies, believes that the Company would still be able to recover the loans and interest as mentioned above.

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

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

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

30. During the year, the Company has changed its accounting policy in respect of threshold limits to be applied for Income recognition, from 15% to 5% / 10% / 15%, depending upon the value of the contract. This has resulted in increase in Income from Operations and Profit before tax by ₹ 107,735,676/- and ₹ 5,707,456 respectively.

31. Disclosures in respect of Finance Lease arrangements

Particular	Not later than one year	Later than one year and not later than five years	Later than five years
	₹	₹	₹
Minimum Instalments Payable (MIP)	7,729,125 (4,504,841)	16,081,312 (3,259,575)	- (-)
Present Value of Instalments Payable (PVIP)	6,784,681 (3,957,847)	14,543,186 (3,060,539)	- (-)

Previous year's figures are in brackets.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**
32. Related parties disclosures :
(i) Relationships :

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

1. Mukand Limited (Mukand)
2. Mukand Global Finance Limited (MGFL)
3. Mukand International Limited, UK
4. Mukand International FZE, UAE
5. Vidyavihar Containers Limited (VCL)
6. Mukand Vijaynagar Steel Limited
7. Bombay Forgings Limited
8. Stainless India Limited
9. Hospet Steels Limited
10. Kalyani Mukand Limited
11. Jamnalal Sons Private Limited
12. Mukand Vini Mineral Limited

13. Mukand Sumi Metal Processing Limited
14. Conquest Investments & Finance Limited (Conquest) *
15. Econium Investments & Finance Limited (Econium) *
16. Fusion Investments & Financial Services Limited (Fusion) *
17. Catalyst Finance Limited (Catalyst) *
18. Primus Investments & Finance Limited (Primus) *
19. Lineage Investments Limited (Lineage) *

* up to 28th March, 2013.

(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	2012-2013		2011-2012	
	Referred in (i)(a) above	Referred in (i)(b) above	Referred in (i)(a) above	Referred in (i)(b) above
Sales - Mukand				
• Contracts executed (including supply of materials)	114,417,883	-	216,429,431	-
• Infotech Services (Excluding Service Tax)	48,000,000	-	45,750,000	-
Purchases :				
Other Payments / Expenditure				
• Rent - Mukand	3,000,000	-	3,000,000	-
• Reimbursement of Expenses - Mukand	1,512,921	-	2,128,311	-
• Remuneration	-	3,525,756	-	3,461,730
• Legal and Professional Charges - MGFL	360,000	-	360,000	-
• Professional Charges (Design & Engineering) - Mukand	41,850,000	-	-	-
• Procurement of Assets - Mukand	-	-	1,811,250	-
• Irrecoverable Interest written off - Fusion	-	-	7,041,740	-
• Irrecoverable Loans Written off - Fusion	-	-	4,616,630	-
• Loan repayments received - Mukand	14,923,010	-	27,342,451	-
• Interest received / receivable - Mukand	37,144,250	-	14,089,150	-
Outstanding balances at the close of the year :				
• As Debtors - Mukand	163,829,212	-	237,228,275	-
• As Creditors - MGFL	60,674	-	29,781	-
• Advance Paid against Contract - Mukand	60,815,000	-	-	-
• Rent Deposits given - Mukand	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	-
Primus #	10,480,965	-	10,480,965	-
Mukand	964,327	-	-	-
• Loans receivable -				
Mukand	109,070,136	-	123,993,146	-
Catalyst #	10,350,000	-	10,350,000	-
Conquest #	33,300,000	-	33,300,000	-
Econium #	33,900,000	-	33,900,000	-
Primus #	25,850,000	-	25,850,000	-
• Counter Guarantees given by the Company - Mukand	-	-	40,000,000	-
• Guarantees given by Mukand for Credit Facilities	650,000,000	-	650,000,000	-
• Guarantees given by the Company - Mukand	60,000,000	-	60,000,000	-

upto 28th March 2013.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**
33. SEGMENT INFORMATION
A. BUSINESS SEGMENT - PRIMARY

(₹)

Particulars	Construction		Infotech		Total	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Segment Revenue						
External Revenue	712,190,026	605,505,573	48,000,000	45,750,000	760,190,026	651,255,573
Inter segment Revenue	-	-	-	-	-	-
Total Revenue	712,190,026	605,505,573	48,000,000	45,750,000	760,190,026	651,255,573
Segment Result before interest and tax	104,299,853	106,884,646	11,620,798	20,643,887	115,920,651	127,528,533
Add / (Less): Unallocated Income / (Expenses) (Net)					(22,370,640)	(17,256,089)
Interest and Finance charges (Net)					(40,348,513)	(56,849,134)
Deferred Tax Credit / (Charge)					(1,042,615)	(4,428,789)
Provision for Current Tax					(16,000,000)	(16,100,000)
Net Profit					36,158,883	32,894,521
Other Information						
Segment Assets	882,316,665	847,719,726	16,608,606	15,925,778	898,925,271	863,645,504
Unallocated Corporate assets					491,068,782	459,399,890
Total assets					1,389,994,053	1,323,045,394
Segment Liabilities	295,318,298	295,378,512	5,199,870	5,291,351	300,518,168	300,669,863
Unallocated Corporate liabilities					511,738,188	466,184,759
Total liabilities					812,256,356	766,854,622
Capital Expenditure						
Segment capital expenditure	32,438,745	9,211,973	1,095,500	1,091,008	33,534,245	10,302,981
Unallocated capital expenditure					49,550	165,130
Total capital expenditure					33,583,795	10,468,111
Depreciation						
Segment depreciation	4,562,748	4,553,974	1,984,215	1,534,692	6,546,963	6,088,666
Unallocated depreciation					2,805,842	2,609,428
Total depreciation					9,352,805	8,698,094
Significant Non Cash Expenditure					-	-

Notes

1. Unallocated income includes interest received / receivable ₹ 15,939,164/- (Previous Year ₹ 16,005,427/-).
2. 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

1. 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.
2. The Company has disclosed Business Segment as the primary segment.
3. Types of products and services in each business segment :

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

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

Name of the party	Outstanding Amount ₹		Maximum Balance Outstanding during the year ₹	
	As at 31.03.2013	As at 31.03.2012	2012-2013	2011-2012
<u>Associates</u>				
* Mukand Ltd.	109,070,136	123,993,146	123,993,146	151,335,597
Catalyst Finance Ltd. #	10,350,000	10,350,000	10,350,000	10,350,000
Conquest Investments & Finance Ltd. #	33,300,000	33,300,000	33,300,000	33,300,000
Econium Investments & Finance Ltd. #	33,900,000	33,900,000	33,900,000	33,900,000
Fusion Investments & Financial Services Ltd. #	NIL	NIL	NIL	16,275,000
Primus Investments & Finance Ltd. #	25,850,000	25,850,000	25,850,000	25,850,000

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

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

Name of the Loanee	No. of shares held by Loanee		Maximum no. of shares held by Loanee during the year	
	As at 31.03.2013	As at 31.03.2012	2012-2013	2011-2012
Mukand Ltd.	4,539,781	4,539,781	4,539,781	4,539,781
Primus Investments & Finance Ltd. #	141,600	141,600	141,600	141,600

upto 28th March 2013.

35. Disclosure regarding Contracts in progress

	Year Ended 31.03.2013 ₹	Year Ended 31.03.2012 ₹
Contract Costs incurred and recognized profits (less recognized losses)	2,985,811,000	2,463,717,000
Advances received	29,480,000	22,272,000
The amount of retention (Included in Trade Receivables)	139,904,000	129,911,000

36. Trade Payables includes ₹ NIL (Previous Year - ₹ NIL) due to Micro Small & Medium Enterprises registered under Micro Small & Medium Enterprises Development Act, 2006 (MSME Act). During the year, no amounts have been paid beyond the appointed day in terms of MSME Act and there are no amounts paid towards interest. Further, there is no interest accrued / payable under the said act at the close of the year.

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2013**

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

Signatures to Notes 1 to 39

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 23, 2013

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary
Mumbai, May 23, 2013

(₹ in Lacs)

FINANCIAL HIGHLIGHTS					
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I CAPITAL ACCOUNTS					
A. Share Capital	1258	1258	1258	1258	1258
B. Reserves	3089	3688	4121	4304	4519
C. Net Worth (A+B)	4347	4946	5379	5562	5777
D. Borrowings	1594	2899	3688	4152	4553
E. Capital Employed (C+D)	5941	7845	9067	9714	10330
F. Gross Block	2457	2605	2748	2875	3136
G. Net Block	610	725	808	856	1065
H. Debt-Equity Ratio (D/C)	0.37:1	0.59:1	0.69:1	0.75:1	0.79:1
II REVENUE ACCOUNTS					
A. Gross Revenue	5300	12774	7856	6866	7808
B. Profit before Taxes (PBT)	462	1235	950	534	532
C. Profit after Taxes (PAT)	399	819	652	329	362
D. Return on Shareholders' Fund %	9.19	16.56	12.12	5.91	6.27
III EQUITY SHAREHOLDERS' EARNINGS					
A. Equity Dividend	-	189	189	126	126
B. Earnings per Equity Share (in ₹)	3.18	6.52	5.19	2.62	2.88
C. Dividend per Equity Share (in ₹)	-	1.50	1.50	1.00	1.00
D. Networth per Equity Share (in ₹)	34.57	39.34	42.78	44.24	45.95

ATTENDANCE SLIP
MUKAND ENGINEERS LIMITED

Registered Office : Bajaj Bhavan, 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 27th Annual General Meeting of the Company on Monday, the 13th August, 2013 at 11.30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021.

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 Bhavan, 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 27th Annual General Meeting of the Company to be held on Monday, the 13th August, 2013 at 11.30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021.

Affix
Re. 1/-
Revenue
Stamp

Signed this _____ day of _____ 2013

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