



**32<sup>nd</sup> ANNUAL REPORT  
2017-2018**



**BOARD OF DIRECTORS***Rajesh V. Shah – Chairman**Niraj Bajaj – Director**Prakash V. Mehta – Independent Director**N. Ramanathan – Independent Director**R. Sankaran – Independent Director**Anna Usha Abraham – Director***KEY MANAGERIAL PERSONNEL**

K.P. Jotwani - Manager

R.G. Golatkar - Chief Financial Officer

Dhawal J. Vora - Company Secretary

**AUDITORS**M/s. K.K. Mankeshwar & Co,  
Chartered Accountants, Mumbai**REGISTERED OFFICE**Bajaj Bhawan, Jamnalal Bajaj Marg  
226, Nariman Point

Mumbai- 400021

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E-mail: [mel@mukand.com](mailto:mel@mukand.com)Website: [www.mukandengineers.com](http://www.mukandengineers.com)

CIN: L45200MH1987PLC042378

**BANKERS**

Central Bank of India

**REGISTRAR AND SHARE TRANSFER AGENTS****Bigshare Services Pvt. Ltd.**1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (E), Mumbai-400059

Tel: (022) 62638200. Fax : (022) 62638299

e-mail : [info@bigshareonline.com](mailto:info@bigshareonline.com)Website : [www.bigshareonline.com](http://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-** Supply, Erection, Testing and Commissioning of 2MVA, 11KV/0.433KV Outdoor Oil Filled Transformer installed at Compressor Service Switchgear Area. Laying of LV and Control Cables from DM Switchgear Area to DM Plant Area, work executed at NTPC- Super Thermal Power Project, Stage-I (2x800MW) Project, Darlipali, Odisha State

**32<sup>nd</sup> ANNUAL GENERAL MEETING**

On Monday, 13<sup>th</sup> August, 2018 at 11:30 a.m.  
at Kamalnayan Bajaj Hall, Bajaj Bhawan,  
Jamnalal Bajaj Marg, 226, Nariman Point,  
Mumbai – 400 021.

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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, in respect of electronic holdings with the Depository can register 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](mailto:mel@mukand.com) OR to the Registrar and Transfer Agents of the Company at [info@bigshareonline.com](mailto:info@bigshareonline.com) for registration of their e-mail address.

(₹ In Lakhs)

<b>FINANCIAL HIGHLIGHTS</b>					
	2017-18	2016-17	2015-16	2014-15	2013-14
<b>I CAPITAL ACCOUNTS</b>					
A. Share Capital	1,258	1,258	1,258	1,258	1,258
B. Reserves	2,678	4,119	3,962	4,631	4,554
C. Net Worth (A+B)	3,936	5,377	5,220	5,889	5,812
D. Borrowings	5,903	5,584	4,552	3,972	4,507
E. Net Block	622	744	752	871	993
F. Debt-Equity Ratio (D/C)	1.50:1	1.04:1	0.87:1	0.67:1	0.78:1
<b>II REVENUE ACCOUNTS</b>					
A. Gross Revenue	7,935	13,619	11,203	14,136	8,850
B. Profit / (Loss) before Taxes (PBT)	(1,109)	(307)	(693)	137	272
C. Profit / (Loss) after Taxes (PAT)	(1,085)	(260)	(668)	178	182
D. Return on Shareholder's Fund %	(27.57)	(4.83)	(12.80)	3.02	3.13
<b>III EQUITY SHAREHOLDERS' EARNINGS</b>					
A. Equity Dividend	-	-	-	-	126
B. Earnings per Equity Share (in ₹)	(8.63)	(2.07)	(5.31)	1.41	1.44
C. Dividend per Equity Share (in ₹)	-	-	-	-	1.00
D. Net Worth per Equity Share (in ₹)	31.31	42.77	41.53	46.84	46.23

Note : Figures for 2016-17 have been adjusted as per Ind AS.

## NOTICE

To,  
The Members ,

**NOTICE** is hereby given that the **32<sup>nd</sup> ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Monday, the 13<sup>th</sup> day of August, 2018 at 11:30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021**, to transact the following business:-

### **ORDINARY BUSINESS:**

- To consider and adopt the Audited Annual Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon;
- To appoint a Director in place of Mr. Niraj Bajaj (DIN: 00028261) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- To fix the remuneration of M/s K. K. Mankeshwar & Co., Chartered Accountants, Statutory Auditors of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Section 142 and all other applicable provisions of the Companies 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Resolution passed by the Members of the Company at the 29<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> August, 2015 in respect of the appointment of M/s K. K. Mankeshwar & Co, Chartered Accountants (Firm registration no. 106009W) till the conclusion of the 34<sup>th</sup> Annual General Meeting, the Board of Directors be and is hereby authorized to fix the remuneration of Statutory Auditors the period commencing from the financial year 2018-19, until the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company scheduled in the year 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committees thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary to give effect to this Resolution.”

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/approve all existing contracts/ arrangements/agreements entered into/to be entered by the Company with Mukand Limited and Mukand Global Finance Limited (a wholly owned subsidiary of Mukand Limited), Mukand Sumi Metal Processing Limited and Mukand Sumi Special Steel Limited (subsidiaries of

Mukand Limited) and hence a related party within the meaning of the aforesaid law, the value of which either singly or taken together may exceed ten percent of the annual turnover of the Company as per Audited Financial Statements for the financial year 2016-17 & 2017-18. The details of which are given in the tabular chart hereunder and explained in further detail in the Explanatory Statement annexed hereto;

Name of the Company	Description of Contract	Period of Contract	Total cumulative contract value with Related Parties (₹ in Lacs)
Mukand Limited Mukand Sumi Metal Processing Limited (subsidiary of Mukand Limited)	Contract Execution - Design, Erection, Commissioning & Transportation, Supplies of Traded Material, Training.	April 1, 2017 to March 31, 2018.	1,407.34
Mukand Ltd and Mukand Global Finance Limited (wholly owned subsidiary of Mukand Limited), Mukand Sumi Metal Processing Limited and Mukand Sumi Special Steel Limited (subsidiary of Mukand Limited)	Contract Execution - Design, Erection, Commissioning & Transportation, Consultancy Service – PMS, Contract Execution, Maintenance Service - Maintenance of EDP System- Commission on Corporate Guarantee- Supplies of Traded Material –Purchase of Cranes & Maintenance, Rent, and Management fees –fixed deposit –SAP up-gradation services – ICD with Interest.	April 1, 2018 to March 31, 2019.	5,694.45
Mukand Limited	Corporate Guarantee given by Mukand Limited on behalf of the Company for credit facilities	April 1, 2018 to March 31, 2019.	11,500.00

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

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

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

**“RESOLVED THAT** pursuant to provisions of Section 20 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the Act and relevant rules prescribed thereunder (including any amendment, statutory modification(s) or re-enactment thereof for the time being in force) or any other applicable laws, the consent of the Members be and is hereby accorded to authorize Mr. Rajesh Shah, Chairman/Director or Mr. Niraj Bajaj, Director or Mr. Rajan Golatkar, Chief Financial Officer or Mr. Dhawal Vora, Company Secretary of the Company to charge from the Members such amount as may be deemed fit as an advance amount in lump sum or



otherwise against any estimated or actual expenses incurred or to be incurred by the Company from time to time for delivery of the documents to the Members in a mode specified by the Members.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, Mr. Rajesh Shah, Chairman / Director, Mr. Niraj Bajaj, Director, Mr. Rajan Golatkar, Chief Financial Officer and Mr. Dhawal Vora, Company Secretary of the Company be and are hereby severally authorised to waive such fees from any Member(s) (not being related party of the Company) of the Company and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above Resolution.”

#### **NOTES FOR MEMBERS' ATTENTION:**

1. The Explanatory Statement setting out material facts pursuant to section 102 of the Companies Act, 2013 (“Act”) forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER.  
A person can act as a Proxy on behalf of Members upto and not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a Proxy and such person shall not act as a Proxy for any other persons or shareholders. The instrument appointing a Proxy must be deposited at the registered office of the company not less than 48 (forty-eight) hours before the commencement of the meeting. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on poll.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, 4<sup>th</sup> August, 2018 to Monday, 13<sup>th</sup> August, 2018** (both days inclusive).
4. As regards to the re-appointment of retiring Director Mr. Niraj Bajaj referred to in item No. 2 of the Notice, his brief resume, as per the requirements of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations, 2015) and Clause 1.2.5 of Secretarial Standards - 2 on General Meetings, is provided in Details of Directors seeking re-appointment at the Annual General Meeting is annexed herewith as **Annexure I**.
5. Members desiring any information with regards to Accounts / Reports are requested to write to the Company Secretary at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the Annual General Meeting.
6. In terms of section 124(5) of the Companies Act, 2013, dividend amount for the year ended 31<sup>st</sup> March, 2011 remaining unclaimed for a period of seven years shall become due for transfer in September, 2018 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account.

Members who have not claimed dividends/shares in respect of the financial years from 2010-11 onwards are requested to approach the Company/Bigshare Services Private Limited for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.

7. 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.
8. Electronic copy of the 32<sup>nd</sup> Annual Report along with proxy form and route map is being sent to all the Members whose e-mail IDs are registered with the Company / Depository Participants(s) for communication purpose and have given positive consent to receive the Annual Report in electronic form, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail IDs, physical copies of the 32<sup>nd</sup> Annual Report are being sent in the permitted mode. A route map showing directions to the venue of the 32<sup>nd</sup> AGM is given at the end of this Annual Report as per the requirement of the Secretarial Standards - 2 on “General Meetings”
9. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/ CDSL and that of the Members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Bigshare Services Pvt. Ltd). Members are requested to keep the same updated.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN 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 or Bigshare Services Pvt. Ltd.
11. With a view to help us to serve the Members better, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
12. Members, who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
13. Corporate Members are requested to send in advance, duly certified copy of the Board Resolution / Power of Attorney authorising their representative to attend the Annual General Meeting.
14. Please note that for security reasons, no article / baggage will be allowed at the venue of the meeting.

15. Documents referred to in the Notice and the Explanatory Statement shall be open for inspection by the Members at the registered office of the Company on all working days (Monday to Friday) from 10:00 a.m. to 1:30 p.m. except holidays, upto the date of Annual General Meeting.
16. As per the provisions of the Act, the facility for making / varying/cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the Share Department of the Company/ Registrar and Share Transfer Agent or from the Website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).
17. The Company has been maintaining, inter-alia, the following Statutory Registers at its Registered Office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by Members and others as specified below:
- Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 on all working days during the business hours. The said Registers shall also be produced at the commencement of the Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
  - Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 on all working days during the business hours. The said Registers shall also be produced at the commencement of the Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
18. Pursuant to the provisions of section 139 of the Companies Act, 2013, the Members at the 29<sup>th</sup> Annual General Meeting of the Company held on 12<sup>th</sup> August, 2015 appointed M/s K. K. Mankeshwar & Co, Chartered Accountants (Firm registration no. 106009W) as Statutory Auditors of the Company from the conclusion of the 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting, covering second term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.
- In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7<sup>th</sup> May 2018, ratification of auditors' appointment is no longer required. However pursuant to provision of section 142 of the Companies Act, 2013, a proposal is put up for approval of members for authorising the Board of Directors of the Company to fix Auditors remuneration for the year 2018-19. The members are requested to approve the same.
19. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company is offering Electronic Voting (e-voting) facility to its Members in respect of the business to be transacted at the Annual General Meeting (AGM) scheduled to be held on **Monday, 13<sup>th</sup> August, 2018 at 11:30 a.m.** with a

request to follow the instructions for voting electronically as under:

- A) The instructions for Members for voting electronically are as under:**
- The voting period begins on **Thursday, 9<sup>th</sup> August, 2018 at 9.00 a.m. (I.S.T) and ends on Sunday, 12<sup>th</sup> August, 2018 at 5.00 p.m. (I.S.T)** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e **6<sup>th</sup> August, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - Click on Shareholders
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/ Postal Ballot Form/mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **MUKAND ENGINEERS LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- B) In case of Members receiving the physical copy:**
- 1) Please follow all steps from sr. no. (i) to sr. no. (xix) above to cast vote.
  - 2) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- C) For Members who wish to vote using ballot form:**
- In addition to the remote e-voting facility as described above, the Company shall make voting facility available at the venue of the Annual General Meeting, through polling paper as provided in section 107 of the Companies Act, 2013 read with Rule 20 thereof and Members attending the meeting who have not already cast their votes by remote e- voting shall be able to exercise their right at the meeting.
  - Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.
- D) General instructions:**
- i. The Board of Directors have appointed M/s Ragini Chokshi & Co., Practising Company Secretary (CP No.1436) as the Scrutiniser to scrutinise the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.
  - ii. The Scrutiniser shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and shall make available, not later than forty eight hours from the conclusion of the meeting, a Consolidated Scrutiniser's Report of the total votes cast in favour of, or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting.
  - iii. The results declared along with the Scrutiniser's report shall be placed on the Company's website: [www.mukandengineers.com](http://www.mukandengineers.com) and on the website of CDSL and shall also be communicated to the stock exchanges where the Company's shares are listed. Subject to the receipt of the requisite number of votes, the Resolution shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on Monday, August 13, 2018.

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

**Dhawal J. Vora  
Company Secretary  
Mumbai, May 28, 2018**

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No. 4 of the Notice

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

However, pursuant to Regulation 23 of LODR Regulations, 2015, approval of the shareholders through Ordinary Resolution is required for all 'material' Related Party Transactions (RPT) even if they are entered into in the ordinary course of business on arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover of the Company as per the last Audited Financial Statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with Mukand Limited("ML") & Mukand Global Finance Limited(a wholly owned subsidiary of Mukand Limited), Mukand Sumi Metal Processing Limited and Mukand Sumi Special Steel Limited (subsidiaries of Mukand Limited) a Group Company and therefore a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual turnover of the Company as per the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2018.

<b>Related Parties Transactions where control / significant influence exists:- Financial Year 2017-2018</b>				
Sr. No.	Name of Party	Nature of Work	Total ₹ In Lacs	Basis for Pricing
1	Mukand Limited	Erection, Commissioning and Supplies of Traded Material, ICD with interest	1,407.34	As per Bills raised
<b>Related Parties Transactions where control / significant influence exists:- Financial Year 2018-2019</b>				
<b>A Operations – Income</b>				
1	Mukand Limited	Contract Execution - Design, Erection, Commissioning, Transportation, ERP Services, trading activities etc	4,130.00	As per contract.
2	Mukand Sumi Metal Processing Limited (subsidiary of Mukand Limited)	Maintenance Service – Infotech System	6.00	As per contract
3	Mukand Sumi Special Steel Limited (subsidiary of Mukand Limited)	Maintenance Service – Infotech System	130.00	As per contract
<b>Total</b>			<b>4,266.00</b>	
<b>B Operation – Expenses</b>				
1	Mukand Limited	Purchase of Cranes & Maintenance, Rent & Electricity for office space, CG commission etc	820.00	As per Contract
2	Mukand Global Finance Limited (a wholly owned subsidiary of Mukand Limited)	Management Fees – Fixed Deposit System Management	3.75	As per Contract
3	Mukand Sumi Metal Processing Limited (subsidiary of Mukand Limited)	SAP Upgradation Services	2.00	As per Contract
<b>Total</b>			<b>825.75</b>	
<b>C Loan - Mukand Limited</b>				
		ICD along with interest thereon	602.70	Interest as per prevailing market rate
<b>D Others- Corporate Guarantee</b>				
	Corporate Guarantee given by Mukand Limited on behalf of the Company for Credit facilities.		11,500.00	Corporate Guarantee given by Mukand Limited to Central Bank of India.

The other particulars of above transactions are as under:-

Sr. No.	Particulars	Particulars
a.	Name of the Related Party:	Mukand Limited and Mukand Global Finance Limited (wholly owned subsidiary of Mukand Limited), Mukand Sumi Metal Processing Limited and Mukand Sumi Special Steel Limited (subsidiaries of Mukand Limited).
b.	Name of the Director or Key Managerial Personnel who is related, if any:	Shri Rajesh V. Shah - Chairman, Shri Niraj Bajaj - Director, Shri Prakash V. Mehta - Director & Shri R. Sankaran - Director.
c.	Nature of Relationship:	Group Company.
d.	Nature, Material Terms, Monetary Value and Particulars of the contract or arrangement:	As per details above.
e.	Any other information relevant or important for the Members to take a decision on the proposed Resolution;	The transactions are in the ordinary course of business and on an arm's length basis.



Further, the Members of the Company had approved at the 31<sup>st</sup> Annual General Meeting held on July 24 , 2017 through an Ordinary Resolution that all the 'Material Related Party Transactions (RPT) even though these were entered into in the ordinary course of business and on arm's length basis with Mukand Limited("ML") a Group Company for the Financial Year 2017-18 to the extent of ₹ 2,208.32 lakhs for Contract execution – Design, Erection, Commissioning & Transportation and Trading . However, due to increase in trading transactions (material supplies) and ICD with Mukand Limited the 'material' Related Party Transactions (RPT) exceeded by ₹ 1,407.34 lakhs, for which approval is being sought from the shareholders.

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and LODR Regulations, 2015.

In view of the above, it is proposed to seek approval of the Members of the Company through an Ordinary Resolution for the above transactions and in pursuance of Regulation 23(7) of the LODR Regulations, 2015, all entities falling under the definition of "Related Party" shall not vote irrespective of whether the entity is a party to the particular transaction or not.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said Resolution except for their holdings in the shares of the Company if any, and to the extent of their Memberships and/or Directorships in the Subsidiaries and Associate Companies, if any.

Accordingly, your Directors recommend the Ordinary Resolution mentioned in Item 4 of the Notice for the approval of the Members.

#### **Item No. 5 of the Notice**

Pursuant to the provisions of Section 20 of the Companies Act, 2013 read with the rules made thereunder a Member may request for delivery of any documents through any particular mode as stated by the Member of the Company for which he or she shall pay such fees as may be determined by the Company with the consent of its Members at Annual General Meeting. In view of the same, it is considered proper to severally authorize Mr. Rajesh Shah, Chairman/Director, Mr. Niraj Bajaj, Director, Mr. Rajan Golatkar, Chief Financial Officer and Mr. Dhawal Vora, Company Secretary of the Company to determine such fee as may be deemed fit as an advance amount in lump sum or otherwise against any estimated or actual expenses incurred or to be incurred by the Company from time to time for delivery of the documents to the Members in a mode specified by the Members and also to waive off such fees from any Member(s) (not being related party of the Company) as they may deem fit.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said Resolution except for their holdings in the shares of the Company if any, and to the extent of their Memberships and/or Directorships in the Subsidiaries and Associate Companies, if any.

Accordingly, your Directors recommend the Ordinary Resolution mentioned in Item 5 of the Notice for the approval of the Members.

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

**Dhawal J. Vora  
Company Secretary  
Mumbai, May 28, 2018**

**ANNEXURE- I**
**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Shri. Niraj Bajaj													
DIN No	00028261													
Date of Birth & Age	10 <sup>th</sup> October, 1954 (63 years )													
Qualification	Shri Niraj Bajaj is a Commerce Graduate from Sydenham College of Commerce and Economics, Mumbai. He acquired his Masters in Business Administration from Harvard Business School, Boston, U.S.A.													
Date of appointment	27 <sup>th</sup> July, 1992													
Experience & Expertise in Specific Functional areas	<p>Shri. Niraj Bajaj was selected by World Economic Forum, as one of the 'Global Leaders for Tomorrow', in 1993. He was the President of the Indian Merchants' Chamber for the centenary year 2007-08. He was President of the Alloy Steel Producer's Association and Indian Stainless Steel Development Association. He represented India in table tennis for 7 years between 1970-1977 and was three times All-India Table Tennis Champion and ranked India No.1, four times.</p> <p>He is the Recipient of Arjuna Award, India's highest Sport's honour, Shiv Chhatrapati Award, Maharashtra's highest sport's honour and awarded the Maharashtra Gaurav Puraskar. He provides valuable inputs, advice, guidance on matters relating to strategic planning and performance, expansion, diversification, new business decisions in his position as Director of the Company subject to the superintendence, control and directions of the Board of Directors of the Company.</p>													
List of Directorship / Membership / Chairmanship of Committees of other Board.	<p><b>Directorship:</b></p> <p><b>Public Companies</b>  Bajaj Auto Limited  Bajaj Allianz Life Insurance Company Limited  Bajaj Allianz General Insurance Company Limited  Mukand Limited  Jeewan Limited</p> <p><b>Private Companies</b>  Bajaj Sevashram Private Limited  Sanraj Nayan Investments Private Limited  Kamalnayan Investment and Trading Private Limited  Niraj Holdings Private Limited  Jamnalal Sons Private Limited  Baroda Industries Private Limited  Bachhraj and Company Private Limited</p>													
Chairmanship of Committees:	<table border="0"> <thead> <tr> <th style="text-align: left;">Name of the Company</th> <th style="text-align: left;">Name of the Committee</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Mukand Limited</td> <td>CSR Committee</td> </tr> <tr> <td>Finance &amp; Investment Committee</td> </tr> <tr> <td>Share Transfer and Issue of Share Certificate Committee</td> </tr> <tr> <td>Alloy Steel Business Transfer Committee</td> </tr> <tr> <td rowspan="3">Jeewan Limited</td> <td>Audit Committee</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> </tr> <tr> <td>Risk Management Committee</td> </tr> <tr> <td></td> <td>Asset Liability Management Committee</td> </tr> </tbody> </table>	Name of the Company	Name of the Committee	Mukand Limited	CSR Committee	Finance & Investment Committee	Share Transfer and Issue of Share Certificate Committee	Alloy Steel Business Transfer Committee	Jeewan Limited	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee		Asset Liability Management Committee
Name of the Company	Name of the Committee													
Mukand Limited	CSR Committee													
	Finance & Investment Committee													
	Share Transfer and Issue of Share Certificate Committee													
	Alloy Steel Business Transfer Committee													
Jeewan Limited	Audit Committee													
	Nomination and Remuneration Committee													
	Risk Management Committee													
	Asset Liability Management Committee													
Shareholding of Director as on March 31, 2018	4,13,750													
Number of Meetings of the Board attended during the year	4 out of 4													
Relationship with other Directors, Manager and other Key Managerial Personal of the Company	None													

## DIRECTORS' REPORT

### TO THE MEMBERS,

- Your Directors are pleased to present the 32<sup>nd</sup> Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2018.
- Financial Results**

(₹ in Crores)

Description	Current Year	Previous Year
Revenue from operations and other Income	79.35	136.19
Profit / (Loss) for the year Before Tax	(11.09)	(3.07)
Add / (Less) : Provision for Tax (including Deferred Tax)	(0.24)	(0.47)
Profit / (Loss) After Tax	(10.85)	(2.60)
Other Comprehensive Income	(3.56)	7.18
Total Comprehensive Income / (Loss)	(14.41)	4.58
Earnings Per Share in ₹	(8.63)	(2.07)

(Previous year figures re-grouped in line with Ind AS)

The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2017. the transitional date for adoption of Ind AS for your Company is April 1, 2016. The annual financial statements are the first financial statement of the Company under Ind AS. Impact of such first-time adoption of Ind AS as compared to previous GAAP is given in the annexed Financial Statements.

### 3. Dividend

The Directors do not recommend any dividend on equity shares on account of loss incurred during the financial year ended March 31, 2018.

### 4. Transfers to Reserves

In view of losses for the year under review, no amount has been transferred to the Reserves.

### 5. Operations

#### 5.1. General -

The income from operations and other income during the year was at ₹ 79.35 Cr as compared to ₹ 136.19 Cr in the previous year.

#### 5.2 Engineering –

The Revenue from engineering operation during the year was ₹ 70 Cr as against ₹ 127 Cr in previous year. During the year, execution of many projects particularly Electrical Projects of BHEL and NTPC were prolonged as synchronization of power plants was delayed due to reasons attributable to clients. Further due to delay in completion cost has increased. The Company has lodged claims for cost and time overruns which are under active consideration. As per the policy of the Company, these will be considered for revenue recognition only on acceptance by client.

The Company has lodged claims for establishment cost and time overruns which are under active

consideration. As per the policy of the Company these will be considered only on acceptance by client. The Management expects to close these projects in all respects by first half of the current financial year i.e. F.Y. 2018-19 and to expedite the escalation claims which on realization will reflect the positive results.

#### 5.3 Infotech -

Revenue from Infotech Segment during the year was ₹ 5.88 Cr as compared to ₹ 5.40 Cr. in the previous year.

### 6. Fixed Deposits

The Company is authorized to accept Fixed Deposits up to 35% of aggregate of the paid up share capital, free reserves and securities premium account in terms of Companies (Acceptance of Deposits) Rules, 2014 only from its Members. Deposits accepted during the year amounted to ₹ 1.62 Crs, re-paid during the year amounted to ₹ 1.75 Crs and matured & unclaimed deposits as at the end of the year were ₹ 0.18 Crs. The Company had ₹ 17.53 Crs as outstanding Fixed Deposit as of March 31, 2018. There has been no default in repayment of deposits or payment of interest thereon during the year. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### 7. Corporate Governance Report

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosures Requirement), Regulations 2015 ("LODR Regulations, 2015") a report on Corporate Governance **Annexure-IV** along with Auditor's Certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis is separately given in this Report as **Annexure- I**.

### 8. Statutory Auditor

Pursuant to the provisions of section 139 of the Companies Act, 2013, the Members at the Annual General Meeting of the Company held on 12<sup>th</sup> August, 2015 appointed M/s K.K. Mankeshwar & Co, Chartered Accountants, Auditor, Mumbai (Firm Registration No. 106009W) as Statutory Auditors of the Company from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting, for five consecutive years, subject to ratification by the Members at each intervening Annual General Meeting.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7<sup>th</sup> May, 2018 ratification of Auditors' appointment is no longer required. However, under Section 142 of the Companies Act, 2013 a proposal is put up for approval of Members for authorizing the Directors of the Company to fix Auditors' remuneration for the financial year 2018-19 and thereafter. The Members are requested to approve the same.

### 9. Extract of Annual Return

An extract of the Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in the prescribed Form MGT – 9 is annexed to this report as **Annexure – II** and forms integral part of the Report.

## 10. Meetings of the Board and its Committees

During the year under review, 4 (four) Board Meetings of the Board of Directors of the Company were convened and held. Detailed information is given in the Corporate Governance Report. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 11. Details in respect of frauds reported by auditors under section 143(12) of the Companies Act, 2013.

During the year under review, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

## 12. Disclosure Regarding Company's policies under Companies Act, 2013 and (LODR) Regulations, 2015

The Company has framed various policies as per LODR Regulations, 2015 & Companies Act, 2013; viz i) Remuneration ii) Determining material subsidiary iii) Performance evaluation of the Board, Committees and Directors, iv) Materiality of Related Party Transactions, v) Whistle Blower/Vigil Mechanism vi) Archival Policy for disclosure vii) Board diversity and viii) Code of Conduct for Directors are displayed on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com). The brief about the policies are given in **Annexure-VI**.

## 13. Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantee or investments given or made by the Company under section 186 of the Companies Act, 2013 are disclosed in the financial statements.

## 14. Vigil Mechanism

The purpose of the policy is to provide a framework to promote responsible and secure Whistle Blowers and to protect Directors/Employees wishing to raise a concern about serious irregularities within the Company. During the year under review, no reporting under Vigil Mechanism was made by any Employee or Director of the Company.

## 15. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and LODR 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and Stakeholders Relationship Committee of the Board. The Independent Directors met separately on February 14, 2018 to discuss the following:

- i) review the performance of Non-Independent Directors and the Board as a whole;
- ii) review the performance of the Chairman of the Company, taking into account the views of Non-Executive Directors;
- iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting and discussed the above and expressed their satisfaction.

## 16. Other Information

16.1 As the Company does not own an undertaking where manufacturing operations are carried out, the requirement of information to be furnished under Section 134(3) (m) of the Companies Act, 2013 is not applicable.

16.2. During the year, under review there were no foreign exchange earnings but expenditure incurred in foreign currency amounted to ₹ 14.71 Cr.

16.3 There are no employees covered under Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

16.4 None of the Directors is paid any Remuneration other than sitting fees for attending Board /other Committee meetings of the Company.

16.5 Details relating to remuneration of Key Managerial Personnel (KMP) is available in MGT-9 **Annexure-II**. As per provision of Section 136(1) of the Companies Act, 2013 these particulars will be made available to a Shareholder on request.

16.6 The paid-up equity share capital as on March 31, 2018 is ₹ 12.58 Cr. During the year under review, the Company has neither issued Shares with differential voting rights nor has granted stock options/sweat equity.

16.7 There were no significant and material orders passed by the regulators or courts or tribunal during the year under review which would impact the going concern status of the Company and its future operations.

16.8 During the year under review, no case was reported to the Committee formed under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

16.9 There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and up to the date of this report

## 17. Risk Management

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and Audit Committee.

## 18. Directors' Responsibility Statement

As required by Section 134 (3) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:



- a) in the preparation of the annual accounts for the year ending March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. Directors and Key Managerial Personnel

### (a) Directors retiring by Rotation

In accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Niraj Bajaj (DIN: 00028261), Director of the Company, will retire in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

### (b) Independent Directors

The Independent Directors have submitted their Declaration of Independence, for the current year as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section 149 (6) of the Companies Act, 2013.

### (c) Key Managerial Personnel (KMP)

During the year under review, the Company has complied with the provisions of Section 203 of the Companies Act, 2013 and the information of the KMP is available on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

## 20. Related Party Transactions

There were no Related Party Transactions (RPT) entered into by the company during the financial year, which attracted the provisions of section 188 of Companies Act, 2013. However, there were material RPT, which got covered as material RPT's under Regulation 23 of LODR, 2015.

During the year 2017-18, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23(3) of LODR, 2015 all RPT's were placed before Audit Committee for

its prior / omnibus approval. The disclosure regarding the same in Form AOC-2 is furnished in **Annexure III**.

The Related Party Transaction Policy as approved by Board is available on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

## 21. Details in respect of Internal Financial Controls with reference to financial statements

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliance, appropriate authorization, reporting and recording of transactions. The scope of the audit activity is broadly guided by the annual audit plan approved by the top management and audit committee. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

## 22. Familiarisation Programme for Independent Directors

The Company has held familiarization programme for the Independent Directors by way of presentations on various aspects of business and deliberations held on major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 7 of the LODR, 2015. The particulars of familiarization programme for Independent Director can be accessed through the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

## 23. Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

## 24. Auditors' Report

The Auditors report do not contain any qualification, adverse remark or reservation which requires any explanation / comments by the Board.

## 25. Secretarial Auditors and Secretarial Audit Report

The Board has appointed M/s. Ragini Chokshi & Co, (C.P.No1436) Company Secretaries in whole-time practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18. The report of the Secretarial Auditors is annexed to this Report as **Annexure-V**. The report does not contain any qualification, adverse remark or reservation which requires any explanation / comments by the Board.

## 26. Acknowledgement

The Board of Directors thank the Banks, Financial Institutions, Central and State Government Authorities, Shareholders, Customers, Suppliers, Employees and Business Associates for their continued co-operation and support to the Company.

**For and on behalf of the Board of Directors**

**Rajesh V. Shah**  
Chairman

**DIN: 00033371**

Mumbai, May 28, 2018

## Management Discussion and Analysis

### 1.1 Industry Structure and Developments

The Capital Goods industry forms the backbone of the Manufacturing sector as it supplies the industrial machinery required for carrying out the manufacturing activities. It can be said that the capital goods industry has a significant multiplier effect on the overall economic growth as it forms the basic building blocks for a large number of user industries by providing critical inputs, such as machinery and equipment, necessary for manufacturing.

Your company is involved in offering engineering, procurement, construction, and allied services in the areas of capital intensive projects which include feasibility studies, planning, procurement, construction, installation and commissioning of projects across industries such as energy, oil and gas, power, metallurgical, heavy industry sectors.

The target sectors of business of the Company continue to be in power and metallurgical sectors, mainly in the areas of Supply and Installation of equipments for Power Generation Plants & Integrated Steel Plants. The contracts cover erection of Mechanical Plant, Structural Works, Piping Works and Electrical Works. The Company also undertakes Engineering and Project Management jobs for Steel Plants and Electrical works at Power Plants.

### 1.2 Opportunity and Threats

#### Opportunity

Growing Economy - There is some movement in expansion of steel plants and improvising power plants.

The company has an order book of ₹ 88 crores executable mostly in F.Y. 2018-2019 and partly in F.Y. 2019-2020. The emphasis for the coming year is therefore to book fresh orders during the year and to have a healthy order book at the end of the year.

#### Threats

Delays in project completion because of delays by Customers being in the Public Sector.

### 1.3 Future Outlook

The outstanding order position as on 31.03.2018 is ₹ 88 Cr to be executed progressively during 2018-19 and 2019-20 consisting supply and erection of steel plants and power projects. Due to slow down in the economy, expansion and new capacities were given less priority resulting in delays in new orders inflow and execution. The management perceives that with the economy showing signs of revival in the current fiscal, the capital investments in the economic sectors of interest to the Company can be reasonably expected. The Company has tendered for jobs in Power, Steel, Cement, Lime Calcinations Plants, which are in various stages of finalization.

### 1.4 Risk Management

As the contracts undertaken by the Company are generally in the Public Sector and in reputed Private Sector Companies, the risk of payment defaults by the clients is negligible. The Company evaluates project location environment risks while bidding and before accepting contracts. The provision for escalation in cost due to delays in execution of project is considered while quoting tenders. There are also escalation clauses in the major value contracts from Public Sector.

### 2 Internal Control System

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

### 3 Human Resource Management Initiatives

The Company has adequate supervisory and managerial staff for execution of the present orders. Further recruitments shall be considered based on the skill set and volume of work that would arise out of fresh orders. Systematic training in site operational control and management are imparted regularly to ensure efficient execution.

### 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.

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on Financial Year ended on 31<sup>st</sup> March, 2018**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company**  
**(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

<b>1</b>	<b>CIN</b>	L45200MH1987PLC042378
<b>2</b>	<b>Registration Date</b>	30 <sup>th</sup> January, 1987
<b>3</b>	<b>Name of the Company</b>	MUKAND ENGINEERS LIMITED
<b>4</b>	<b>Category/Sub-category of the Company</b>	Public Company / Limited by shares
<b>5</b>	<b>Address of the Registered office &amp; contact details</b>	Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021. Tel: (022) 61216666/6626 Fax: (022) 22886663 E-mail: mel@mukand.com Website: www.mukandengineers.com
<b>6</b>	<b>Whether Listed Company</b>	Yes (Listed on NSE & BSE)
<b>7</b>	<b>Name, Address &amp; contact details of the Registrar &amp; Share Transfer Agent, if any.</b>	Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andher i(E), Mumbai-400059 Tel: (022) 62638200 Fax : (022) 62638299 E-Mail : info@bigshareonline.com Website : www.bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)**

Sr. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Engineering & Construction	995-42909	92

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year as on 1 <sup>st</sup> April, 2017			No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2018			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>A. Promoters</b>							
(i) Indian							
a) Individual/ HUF	652303	0	652303	558007	0	558007	4.42
b) Central Govt	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0
d) Bodies Corp.	6103076	0	6103076	6108926	0	6108926	48.59
e) Banks / FI	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>6755379</b>	<b>0</b>	<b>6755379</b>	<b>6664933</b>	<b>0</b>	<b>6664933</b>	<b>53.01</b>
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	0	0	0	0	0	0	0
b) Banks / FI	65	2318	2383	465	393	858	0.006
c) Central Govt.	0	0	0	63950	0	63950	0.51
d) State Govt(s)	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0
g) FIs	0	65	65	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>65</b>	<b>3083</b>	<b>3148</b>	<b>64415</b>	<b>793</b>	<b>65208</b>	<b>0.51</b>
<b>2. Non-Institutions</b>							
a) Bodies Corp.	866555	40462	907017	686110	39222	725332	5.77
i) Indian	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0
j) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2797280	331297	3128577	3468658	260805	3729463	29.66
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1322392	0	1322392	1104692	0	1104692	8.79
c) Others (specify)	0	0	0	0	0	0	0
(Non Resident Indians	275563	0	275563	143351	284	143635	1.14
Overseas Corporate Bodies	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0
Clearing Members	90626	0	90626	49439	0	49439	0.39
Trusts	88948	750	89698	88948	750	89698	0.71
Foreign Bodies - D R	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>5441364</b>	<b>372509</b>	<b>5813873</b>	<b>5541198</b>	<b>301061</b>	<b>5842259</b>	<b>46.47</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>5441429</b>	<b>375592</b>	<b>5817021</b>	<b>5605613</b>	<b>301854</b>	<b>5907467</b>	<b>46.99</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>12196808</b>	<b>375592</b>	<b>12572400</b>	<b>12270546</b>	<b>301854</b>	<b>12572400</b>	<b>100</b>



**b) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 1 <sup>st</sup> April ,2017			Shareholding at the end of the year as on 31 <sup>st</sup> March,2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	Shares Pledged / encumbered to total shares	
1	Anant Bajaj	2,550	0.02	0	2,550	0.02	0	0.00
2	Bajaj Sevashram Private Ltd	94,800	0.75	0	94,800	0.75	0	0.00
3	Bansri Rajesh Shah	5,838*	0.05	0.05	0	0	0	(0.05)
4	Baroda Industries Private Limited	2,400	0.02	0	2,400	0.02	0	0.00
5	Czaee Suketu Shah	185	0.00	0	185	0.00	0	0.00
6	Jamnalal Sons Private Limited	13,86,395	11.03	0	13,92,245	11.07	0	0.05
7	Jeewan Limited	14,000	0.11	0	14,000	0.11	0	0.00
8	Jyoti Shah	99,043	0.79	0	99,043	0.79	0	0.00
9	Kaustubh Rajesh Shah	3,000*	0.02	0.02	0	0	0	(0.02)
10	Minal Bajaj	19,250	0.15	0	19,250	0.15	0	0.00
11	Mukand Limited	45,39,781	36.11	0	45,39,781	36.11	0	0.00
12	Niraj Bajaj	1,050	0.01	0	1,050	0.01	0	0.00
13	Niraj Bajaj	4,12,700	3.28	0	4,12,700	3.28	0	0.00
14	Niravnayan Bajaj	3,000	0.02	0	3,000	0.02	0	0.00
15	Priyarthika Rajesh Shah	19,500*	0.16	0.16	500	0.00	0	(0.14)
16	Rahulkumar Bajaj	12,675	0.10	0	12,675	0.10	0	0.00
17	Rajesh Virendrakumar Shah	64,220*	0.51	0.51	1,612	0.01	0	(0.50)
18	Shekhar Bajaj	7,050	0.06	0	1,200	0.01	0	(0.05)
19	Shri Sanjivnayan Bajaj	19	0.00	0	19	0.00	0	0.00
20	Sidya Investments Limited	17,400	0.14	0	17,400	0.14	0	0.00
21	Suketu Viren Shah	158	0.00	0	158	0.00	0	0.00
22	Suman Jain	846	0.01	0	846	0.01	0	0.00
23	Sunaina Kejriwal	19	0.00	0	19	0.00	0	0.00
24	Madhur Bajaj	1,200	0.00	0	1,200	0.00	0	0.00
25	Isaman Steel And Minerals Pvt. Ltd.	48,300	0.38	0	48,300	0.38	0	0.00
<b>TOTAL</b>		<b>67,55,379</b>	<b>53.73</b>	<b>0.74</b>	<b>66,64,933</b>	<b>53.01</b>	<b>0</b>	<b>(0.72)</b>

\*92,558 Equity Share Pledged by Promoters were depleted by Shri Suketu Shah on 6<sup>th</sup> September, 2017.

**c) Change in Promoters' Shareholding**

Sr. No.	Particulars		Shareholding at the beginning of the year (1 <sup>st</sup> April , 2017) / at the end of the year (31 <sup>st</sup> March, 2018)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year</b>		<b>67,55,379</b>	<b>53.73</b>		
1	Bansri Shah					
	27.09.2017	Market Sale	5,838	0.05	67,49,541	53.69
2	Kaustubh Shah					
	03.10.2017	Market Sale	3,000	0.02	67,46,541	53.66
3	Rajesh Shah C/o Kaustubh Shah					
	05.10.2017	Market Sale	10,000	0.08	67,36,541	53.58
4	Rajesh Shah C/o Priyarthika Shah					
	11.12.2017	Market Sale	12,800	0.10	67,23,741	53.48
	12.12.2017	Market Sale	13,275	0.11	67,10,466	53.37

Sr. No.	Particulars		Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017) / at the end of the year (31 <sup>st</sup> March, 2018)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	Priyadarshika Shah					
	12.12.2017	Market Sale	10,000	0.08	67,00,466	53.30
	13.12.2017	Market Sale	9,000	0.07	66,91,466	53.22
6	Rajesh Shah					
	05.01.2018	Market Sale	17,758	0.14	66,73,708	53.08
7	Rajesh Shah (HUF)					
	05.01.2018	Market Sale	8,775	0.07	66,64,933	53.01
8	Shekhar Bajaj C/o Bajaj Trading Company					
	13.03.2018	Market Sale	5,850	0.05	66,59,083	52.97
9	Jamnalal Sons Pvt. Ltd.					
	13.03.2018	Market Purchase	5,850	0.05	66,64,933	53.01
	<b>At the end of the year</b>		<b>66,64,933</b>	<b>53.01</b>		

d) **Shareholding Pattern of top ten Shareholders:**  
(Other than Directors, Promoters and Holders of GDR and ADR:

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>RAKESH SAJJAN GUPTA</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>2,05,270</b>	<b>1.63</b>		
	Date-wise Increase / (Decrease)				
	22/09/2017 - Sale	(13,785)	(0.11)	1,91,485	1.52
	05/01/2018 - Sale	(25,000)	(0.20)	1,66,485	1.32
	19/01/2018 - Sale	(25,000)	(0.20)	1,41,485	1.13
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>1,41,485</b>	<b>1.13</b>		
<b>2</b>	<b>SURENDRA BHAICHAND JHAVERI</b>				
	At the beginning and at the end of the year No change for the year ended 31 <sup>st</sup> March, 2018	1,87,695	1.49		
<b>3</b>	<b>PRIMUS INVESTMENTS AND FINANCE PRIVATE LIMITED</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>1,41,600</b>	<b>1.13</b>		
	Date-wise Increase / (Decrease)				
	24/11/2017 - Sale	(1,41,600)	1.13		
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>0</b>			
<b>4</b>	<b>SASI STAR FINANCE PVT. LTD.</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>1,39,596</b>	<b>1.11</b>		
	Date-wise Increase / (Decrease)				
	07/04/2017 - Sale	(1,000)	(0.01)	1,38,596	1.10
	28/04/2017 - Sale	(14,500)	(0.11)	1,24,096	0.99
	19/05/2017 - Sale	(6,200)	(0.05)	1,17,896	0.94
	26/05/2017 - Purchase	1,000	0.01	1,18,896	0.95
	02/06/2017 - Purchase	3,000	0.02	1,21,896	0.97
	09/06/2017 - Sale	(1,000)	(0.01)	1,20,896	0.96
	23/06/2017 - Sale	(1,500)	(0.01)	1,19,396	0.95
	14/07/2017 - Sale	(2,750)	(0.02)	1,16,646	0.93
	11/08/2017 - Purchase	1,000	0.01	1,17,646	0.94
	12/01/2018 - Sale	(1,970)	(0.02)	1,15,676	0.92
	19/01/2018 - Purchase	2,000	0.02	1,17,676	0.94
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>1,17,676</b>	<b>0.94</b>		

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>5</b>	<b>SUJAY AMITKUMAR HAMLAI</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>1,51,000</b>	<b>1.20</b>		
	Date-wise Increase / (Decrease)				
	28/04/2017 - Sale	(31,000)	(0.25)	1,20,000	0.95
	19/05/2017 - Sale	(20,000)	(0.16)	1,00,000	0.80
	14/07/2017 - Sale	(30,000)	(0.24)	70,000	0.56
	01/09/2017 - Sale	(20,000)	(0.16)	50,000	0.40
	08/09/2017 - Sale	(15,956)	(0.13)	34,044	0.27
	15/09/2017 - Sale	(34,044)	(0.27)		
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>0</b>			
<b>6</b>	<b>RAKESH SAJJAN GUPTA</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>80,000</b>	<b>0.64</b>		
	Date-wise Increase / (Decrease)				
	18/08/2017 - Sale	(1,460)	(0.01)	78,540	0.62
	25/08/2017 - Purchase	1,460	0.01	80,000	0.64
	05/01/2018 - Sale	(35,000)	(0.28)	45,000	0.36
	12/01/2018 - Sale	(15,000)	(0.12)	30,000	0.24
	19/01/2018 - Sale	(25,000)	(0.20)	5,000	0.04
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>5,000</b>	<b>0.04</b>		
<b>7</b>	<b>JYOTI RAKESH GUPTA</b>				
	At the beginning and at the end of the year No change for the year ended 31 <sup>st</sup> March, 2018	73,409	0.58		
<b>8</b>	<b>IEPF</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>0</b>			
	Date-wise Increase / (Decrease)				
	08/12/2017 - Purchase	313	0.0	0	0.0
	29/12/2017 - Purchase	63,637	0.51	63,950	0.51
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>63,950</b>	<b>0.51</b>		
<b>9</b>	<b>RUPAN MEHTA</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>59,800</b>	<b>0.48</b>		
	Date-wise Increase / (Decrease)				
	01/09/2017 - Purchase	3,000	0.02	62,800	0.50
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>62,800</b>	<b>0.50</b>		
<b>10</b>	<b>G S FAMILY TRUST</b>				
	At the beginning and at the end of the year No change for the year ended 31 <sup>st</sup> March, 2018	60,098	0.48		
<b>11</b>	<b>PANKAJ KUMAR RANAWAT</b>				
	<b>At the beginning of the year 1<sup>st</sup> April, 2017</b>	<b>55,051</b>	<b>0.44</b>		
	Date-wise Increase / (Decrease)				
	26/05/2017 - Sale	(9,691)	(0.08)	45,360	0.36
	09/06/2017 - Sale	(3,487)	(0.03)	41,873	0.33
	16/06/2017 - Sale	(1,873)	(0.01)	40,000	0.32
	27/10/2017 - Purchase	12,840	0.10	52,840	0.42
	31/10/2017 - Purchase	2,211	0.02	55,051	0.44
	<b>At the end of the year 31<sup>st</sup> March, 2018</b>	<b>55,051</b>	<b>0.44</b>		

**V Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (1 <sup>st</sup> April , 2017)		Shareholding at the end of the year( 31 <sup>st</sup> March , 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajesh V. Shah – Chairman/Director	64,220	0.511	1,612	0.013
2.	Niraj Bajaj – Director	4,13,750	3.290	4,13,750	3.290
3.	N. Ramanathan – Director	200	0.002	200	0.002
4.	R. Sankaran – Director	438	0.003	438	0.003

(a) Shareholding of all the other Directors - NIL.

(b) Shri K. P. Jotwani ('Manager' under Companies Act, 2013), Shri Rajan Golatkar (Chief Financial Officer) & Shri Dhawal J. Vora (Company Secretary), Key Managerial Personnel (KMP) of the Company do not hold any shares in the Company.

**VI INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(₹ in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	3012.88	1270.00	1766.48	6049.36
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.06	0.00	64.86	64.93
<b>Total (i+ii+iii)</b>	<b>3012.94</b>	<b>1270.00</b>	<b>1831.34</b>	<b>6114.29</b>
<b>Change in Indebtedness during the Financial Year</b>				
* Addition	0.00	775.00	162.14	937.14
* Reduction	15.96	425.00	174.71	615.67
<b>Net Change</b>	<b>15.96</b>	<b>350.00</b>	<b>-12.57</b>	<b>321.47</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	2996.98	1620.00	1818.77	6435.75
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	14.93	39.61	54.54
<b>Total (i+ii+iii)</b>	<b>2996.98</b>	<b>1634.93</b>	<b>1858.38</b>	<b>6490.29</b>

**VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Name of the Manager
		K. P. Jotwani
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission - as % of profit - others, specify...	Nil
5	Others, please specify	4.30
	<b>Total (A)</b>	50.84
	<b>Ceiling as per the Companies Act, 2013</b>	84.00

The Company does not have any Managing Director nor Whole time Director.



**B. Remuneration to other Directors –**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Prakash V. Mehta	N. Ramanathan	R. Sankaran	
1	<b>Independent Directors</b>				
	Fee for attending Board Meetings	0.80	0.80	0.80	2.40
	Fee for attending Audit Committee Meetings	0.80	0.80	0.80	2.40
	Fee for attending Other Committee Meetings	Nil	0.20	0.20	0.40
	Commission	Nil	Nil	Nil	Nil
	Others – Independent Directors Meeting	0.10	0.10	0.10	0.30
	<b>Total (1)</b>	<b>1.70</b>	<b>1.90</b>	<b>1.90</b>	<b>5.50</b>
2	<b>Other Non-Executive Directors</b>				
	Fee for attending Board Committee Meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil
	<b>Total (1+2)</b>	<b>1.70</b>	<b>1.90</b>	<b>1.90</b>	<b>5.50</b>
	<b>Total Managerial Remuneration</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Overall Ceiling as per the Companies Act, 2013.</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	13.14	17.82	30.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	0.78	0.22	1.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- Others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	2.96	3.33	6.29
	<b>Total</b>	<b>Nil</b>	<b>16.88</b>	<b>21.37</b>	<b>38.25</b>

\* The Company does not have CEO

**VIII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

During the year, there were no penalties, punishment and compounding of offences under the Companies Act, 2013.

**For and on behalf of the Board of Directors**
**Rajesh V. Shah**  
 Chairman  
 DIN: 00033371

Mumbai, May 28, 2018

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provision thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship:	NIL
(b)	Nature of contracts/arrangements/transactions:	NIL
(c)	Duration of the contracts / arrangements/transactions:	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	Date(s) of approval by the Board:	NIL
(g)	Amount paid as advances, if any:	NIL
(h)	Date on which the Special Resolution was passed in General Meeting as required under first provision to section 188	NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship:	Mukand Limited, Mukand Global Finance Limited (wholly owned subsidiary of Mukand Limited), Mukand Sumi Metal Processing Limited and Mukand Sumi Special Steel Limited (subsidiaries of Mukand Limited)
(b)	Nature of contracts/arrangements transactions:	Contract Execution - Design, Erection, Commissioning & Transportation, Consultancy Service – PMS, Contract Execution, Maintenance Service - Maintenance of EDP System- Commission on Corporate Guarantee - Supplies of Traded Material – Purchase of Cranes & Maintenance, Rent, and Management fees – Fixed Deposit – SAP up-gradation services - ICD with Interest - Commission on Bank Guarantee.
(c)	Duration of the contracts / arrangements/ transactions:	As per Contract entered into for each transaction.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Arm's length basis and credit period as per terms of contracts.
(e)	Date(s) of approval by the Board, if any:	Omnibus Approval and In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	Nil

**For and on behalf of the Board of Directors**

**Rajesh V. Shah**  
Chairman  
(Din – 00033371)  
Mumbai, May 28, 2018

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations/ LODR Regulations").

### 1. Company's Philosophy on Code of Corporate Governance:

The Company's philosophy on Corporate Governance practices is built on core values, beliefs, and ethics derived through sustained efforts and commitment to the highest standards of Corporate Conduct. The Company believes sound Corporate Governance is critical for enhancing long-term economic value of the Company and sustainable return to its stakeholders by adopting best corporate practices in a fair and transparent manner. Your Company is in full compliance with the norms and disclosures that have to be made from time to time with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations / "LODR Regulations").

### 2. Governance Structure:

The Corporate Governance structure at Mukand Engineers Limited is as follows:

- Board of Directors** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- Committees of the Board** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

#### (a) Composition and size of the Board

The Board of Directors of the Company consists of six Directors including the Non-Executive Chairman. All these six Directors are Non-Executive Directors out of which three Directors are Independent Directors and a Non-Executive Woman Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as section 149 of the Companies Act, 2013 read with the Rules issued thereunder. The Company did not have any material pecuniary relation or transaction with Non-Executive Directors during the year under review. The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to the Senior Management.

#### (b) Board Meetings

During the year under review, 4 (four) Board Meetings were held on May 24, 2017, August 22, 2017, November 16, 2017 and February 14, 2018. The Board was

## Directors Report- Annexure-IV

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 / she is a Director. The attendance at the Board Meetings during the year under review and at the last Annual General Meeting and also number of other Directorships is given herein below:

Name of the Director / DIN	Category **	Attendance Particulars		Number of positions held in other Public Limited Companies			No of shares held as on 31.03.2018
		Board Meetings	Last AGM Held on 24/7/17	Directorships	Committee Memberships	Committee Chairmanships	
Shri Rajesh V. Shah DIN -00033371	C/NED	4/4	Yes	5	1	-	1,612
Shri Niraj Bajaj DIN -00028261	NED	4/4	Yes	5	1	1	4,13,750
Shri Prakash V. Mehta DIN -00001366	NED/ID	4/4	Yes	5	7	2	Nil
Shri N. Ramanathan DIN -01566914	NED/ID	4/4	Yes	1	1	-	200
Shri R. Sankaran DIN-00381139	NED/ID	4/4	Yes	5	3	1	438
Smt. Anna Usha Abraham DIN-07072268	NED	4/4	Yes	1	-	-	Nil

\*\* C: Chairman, NED: Non-Executive Director, NED ID: Non-Executive Independent Director  
Notes;

- Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
- Included Membership / Chairmanship of Audit Committee and Stakeholder Relationship Committee.
- All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Boards of other Companies.
- As per Declarations received, none of the directors serves as an Independent Director in more than 7 listed Companies.
- None of the Director is related to any other Director or KMP of the Company.
- Brief profiles of each of the above Directors are available on the Company's website [www.mukandengineers.com](http://www.mukandengineers.com).

#### (c) Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. In addition to the items which are required to be placed before the Board for its noting and /or approval, information is provided on all the significant items related to the Company. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17(7) of the Listing Regulations. Regular updates provided to the Board of Directors by the Management.

#### Post Meeting Mechanism

The important decisions taken at the Board / Board Committee Meetings are communicated to the concerned departments.

#### (d) Orderly succession to the Board and Senior Management

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to the Senior Management.

**(e) Review of legal compliance reports**

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

**(f) Maximum tenure of Independent Directors**

The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and Regulation 25 (7) of the Listing Regulations.

**(g) Formal Letter of Appointment to Independent Directors**

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

**(h) Re-appointment of Directors (liable to retire by rotation)**

Mr. Niraj Bajaj is liable to retire by rotation and being eligible offer himself for re-appointment. Information as required under Regulation 36 of LODR Regulations has been given in the notice convening the Annual General Meeting.

**GOVERNANCE CODES**

**Code of Business Conduct & Ethics**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the Members of Senior Management Team (one level below the Board of Directors) of the Company are required to affirm annually Compliance of this Code. A declaration signed by the Chairman of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

**Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes took place during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

**Insider Trading Code**

The Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). The Code is applicable to Promoters and

Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website [www.mukandengineers.com](http://www.mukandengineers.com).

**3. Committees of the Board**

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has three Board Level Committees:

- A) Audit Committee,
- B) Nomination and Remuneration Committee and
- C) Stakeholder's Relationship Committee.

**3(A) 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 in accordance with section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

All Members of the Audit Committee are Independent, Non-Executive Directors except Shri Rajesh V. Shah and are 'financially literate' as required under the provisions of the Companies Act, 2013 and Regulation 18(1)(c) of the Listing Regulations. Moreover, the Chairman and Members of the Audit Committee have 'accounting or related financial management expertise'.

During the year under review, the Audit Committee met 4 (four) times on May 24, 2017, August 22, 2017, November 16, 2017 and February 14, 2018. The requisite quorum was present at all the Meetings. The maximum gap between two Meetings was not more than 120 days. These meetings were also attended by the Statutory Auditors, Internal Auditors, Shri Niraj Bajaj, Director, Smt. Anna Usha Abraham, Director, Shri K.P. Jotwani, "Manager" and Shri R. G. Golatkar, Chief Financial Officer as invitees whenever required. Shri Dhawal J. Vora, Company Secretary acts as Secretary to the Audit Committee as required by Regulation 18(1)(e) of the LODR Regulations.

Apart from considering unaudited and/or audited financial results for the relevant quarter 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 the progress at current site, approval or any subsequent modification of transactions of the Company with related parties, etc.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's Financial Statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls. The Audit Committee reviews and ensures compliance with the applicable Accounting Standards as per section 133 of the Companies Act, 2013 along with the review of the Annual Financial Statements.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company to answer shareholders' queries.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2017-18 is detailed below;

Name of the Director	Category **	Number of Meetings held during F.Y. 2017-18	Number of Meetings Attended
Shri Prakash V. Mehta	C/ID/ NED	4	4
Shri Rajesh V. Shah	NED	4	4
Shri N. Ramanathan	ID/ NED	4	4
Shri R. Sankaran	ID / NED	4	4

\*\*C: Chairman, NED: Non-Executive Director, ID-Independent Director

### 3(B) Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee consisting of Shri R. Sankaran (Chairman of Nomination and Remuneration Committee), Shri N. Ramanathan and Shri Rajesh V. Shah as Members, all of whom are Independent Directors except Shri Rajesh V. Shah. The Composition of Remuneration and Nomination Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. During the year under review, the Nomination and Remuneration Committee met 2 (two) times on May 24, 2017 and February 14, 2018.

The requisite quorum was present at the Meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the Members of the Committee during the financial year 2017-18 is detailed below:

Name of the Director	Category **	Number of Meetings held during F.Y. 2017-18	Number of Meetings Attended
Shri R. Sankaran	C/ID/ NED	2	2
Shri Rajesh V. Shah	NED	2	2
Shri N. Ramanathan	ID / NED	2	2

\*\*C: Chairman, NED: Non-Executive Director, ID-Independent Director

The decision regarding remuneration of the "Manager" under the Companies Act, 2013 and of the Key Managerial Personnel is recommended by the Committee to the Board subject to such other approvals, if any. The Company does not pay any remuneration to the Non-Executive Directors except payment of sitting fees for attending the Board / Other Committee Meetings etc. details of which are given below. However, Shri Rajesh V. Shah, Chairman Shri Niraj Bajaj, Director and Smt. Anna Usha Abraham, Director of the Company have waived their sitting fees.

Sitting fees (Gross) paid to the Directors for the year ended March 31, 2018 is as under:

Sr. No.	Name of the Director	Amount (₹ in Lakhs)
1.	Shri Prakash V. Mehta	1.70
2.	Shri N. Ramanathan	1.90
3.	Shri R. Sankaran	1.90
<b>TOTAL</b>		<b>5.50</b>

Remuneration paid to the following Key Managerial Personnel's (KMPs) for the year ended March 31, 2018.

(₹ in Lakhs)

Name	Shri K. P. Jotwani	Shri Rajan Golatkar	Shri Dhawal J. Vora
<b>Designation</b>	<b>'Manager' under Companies Act, 2013</b>	<b>Chief Financial Officer</b>	<b>Company Secretary</b>
Salary and allowances	49.53	20.51	15.57
Contribution to Provident Fund and Other Funds	0.99	0.64	0.53
Perquisites (including approx. money value)	0.32	0.22	0.78
<b>TOTAL</b>	<b>50.84</b>	<b>21.37</b>	<b>16.88</b>

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

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

### Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee, has framed a Remuneration Policy providing (a) criteria for determining qualifications, positive attributes and independence of Directors, and (b) a policy on remuneration for Directors, Key Managerial Personnel and other Employees. The same is placed on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

### 3(C) Stakeholders Relationship Committee:

Stakeholders Relationship Committee consists of Shri R. Sankaran as the Chairman, Shri Rajesh V. Shah and Shri N. Ramanathan as Members, all of whom are Independent Directors except Shri Rajesh V. Shah.

Shri Dhawal J. Vora is the Compliance Officer for complying with the requirements of Securities Law and also acts as Secretary to the Committee.

The meeting of the said Committee was held on May 24, 2017 which was attended by all the Members.

There were no major complaints from the Stakeholders during the year under review.

The functions of Stakeholders Relationship Committee are to review and redress Stakeholders / 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 the 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. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

#### **Investor Services (Complaints received during the Financial Year)**

Nature of Complaints / Queries	2017-2018		2016-2017	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Demat & Remat, Change of address and others	213	213	158	158

There were no complaints / queries pending reply as on March 31, 2018

#### **4. Evaluation of Board's Performance:**

During the year, the Board has adopted a formal mechanism for evaluating the performance of its Directors as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out by the Independent Directors of the Company through a structured evaluation

#### **7. Annual General Meetings:**

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

Financial Year	Date	Time	Venue
2016-2017	July 24, 2017	11.30 a.m.	Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.
2015-2016	August 8, 2016	11.30 a.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.
2014-2015	August 12, 2015	11.30 a.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.

process covering several aspects of functioning of the Board i.e. attendance, contribution at the meetings and otherwise, independent judgments, safeguarding interest of the minority stakeholders, composition of Board / Committees, performance of specific duties and obligations by Members of the Board, etc. The Board of Directors expressed its satisfaction with the evaluation process.

#### **5. Board Diversity Policy:**

In compliance with the provisions of the Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board comprises adequate number of Members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition at present meets with the above objective. The same is placed on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

#### **6. Independent Directors' Meeting:**

In compliance with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, the Independent Directors held their separate meeting on February 14, 2018 without the attendance of Non-Independent Directors and Members of the Management, inter alia to discuss the following:

- i) Noting of the report of performance evaluation for 2017-18 from Chairman of the Board;
- ii) Review of the performance of Non-Independent Directors and the Board;
- iii) Review of the performance of the Chairman of the Company; and
- iv) Assessment of the quality, quantity and timeliness of flow of information to the board;

All Independent Directors were present at the meeting, deliberated on the above and expressed their satisfaction on each matter.



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

Financial Year	Date of Annual General Meeting	Details of Special Resolution Passed
2016-2017	July 24, 2017	Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(53) of the Companies Act, 2013, for a further period of twenty seven months with effect from 1 <sup>st</sup> June, 2017.
2015-2016	August 08, 2016	Approval of Related Party Transactions pursuant to the provisions of the Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with the Stock Exchanges and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014.
2014-2015	August 12, 2015	<ol style="list-style-type: none"> <li>1) Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(53) of the Companies Act, 2013 for a further period of two years with effect from 1<sup>st</sup> June, 2015.</li> <li>2) Adoption of Articles of Association as per the provisions of Section 14 and other applicable provisions if any, of the Companies Act, 2013.</li> <li>3) Approval of Related Party Transactions pursuant to the provisions of the revised Clause 49 (VII) of the Equity Listing Agreement with the Stock Exchanges and section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its powers) Rules, 2014.</li> </ol>

(c) **Postal Ballot:**

There were no Resolutions passed through Postal Ballot during the financial year 2017-2018.

**8. Familiarisation Programme:**

The Company familiarizes not only the Independent Directors but also any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, operations of the Company, etc. They are also informed of the important policies of the Company, including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading in securities by Insiders, etc. The particulars of familiarization programme for Independent Director can be accessed through the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).

**9. Related Party Transactions:**

There were no materially significant Related Party Transactions made by the Company with its Promoters, Directors or their Relatives during the year, which may have potential conflict with the interest of the Company at large. The committee granted omnibus approval for the repetitive Related Party Transactions proposed to be entered into by the Company. On a periodic basis, the Audit Committee reviewed and approved Related Party Transactions. The details of the transactions with related parties are disclosed in the financial statements. The Policy on Materiality of Related Party Transactions in terms of provisions of Listing Regulations is uploaded on the website of the Company. [www.mukandengineers.com](http://www.mukandengineers.com).

**10. Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**11. Vigil Mechanism / Whistle Blower Policy:**

Pursuant to Section 177 of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website [www.mukandengineers.com](http://www.mukandengineers.com).

## 12. Other Disclosures:

- (a) The Company has complied with the requirements of specified in Regulations 17 to 27 and clause (b) to (i) of Sub Regulations (2) of Regulation 46 of the Listing Regulations, SEBI and other statutory authorities on all the matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities relating to the above.
- (b) 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 aforesaid Director.
- (c) 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.
- (d) All Directors and Senior Management personnel have affirmed compliance with the code of conduct for Financial Year 2017-18 as required under Regulation 26 (3) of Listing Regulations. A declaration to this effect signed by the Chairman is given in this Annual Report.
- (e) The Policy on determining "Material" Subsidiaries terms of provisions of Listing Regulations is uploaded on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com)
- (f) The Company has also instituted a Code of Conduct for Prevention of Insider Trading in the securities of the Company for its Directors and Key Managerial Personnel as required by SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. Further, the other policies / rules framed by the Company as required under Companies Act, 2013 and Listing Regulations also available of the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com).
- (g) Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

## 13. Means of Communication:

The quarterly Un-Audited and yearly Audited Financial Results are published in English and regional language newspapers. The Financial Results, Shareholding Pattern and other Corporate Communication to Stock Exchanges are filed in compliance with Regulation 30 of LODR Regulations and also available on the website of the Company [www.mukandengineers.com](http://www.mukandengineers.com). Likewise, the said information is also filed electronically with NSE through NEAPS portal. The Company has complied with filing submissions through BSE's Online Portal. 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 where the Company's shares are listed. No Presentation were made to Institutional Investors or to the analysts.

## 14. General Information for Shareholders:

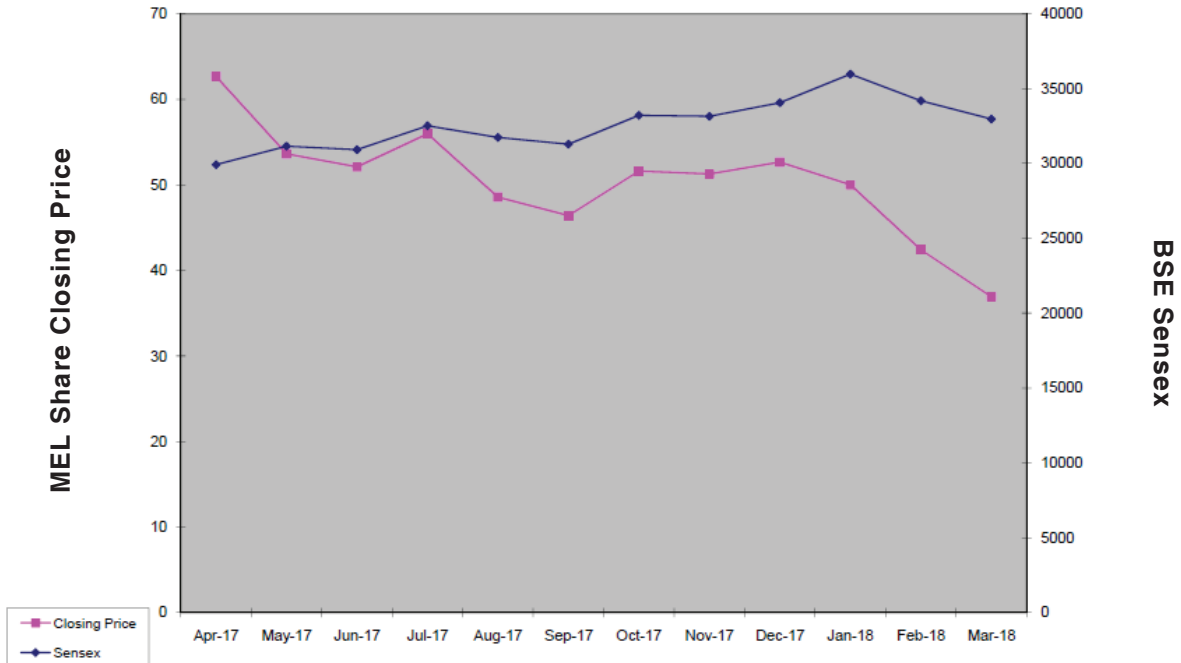
a.	Registered Office	Bajaj Bhawan, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021.
b.	Date, Time and Venue of Annual General Meeting	Monday, 13 <sup>th</sup> August, 2018 at 11.30 a.m. Kamalnayan Bajaj Hall, Bajaj Bhawan, 226, Jammalal Bajaj Marg, Nariman, Point, Mumbai -400021.
c.	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Reporting in the Financial Calendar 2018-19:</b>		
i.	Approval of audited annual results for the year ending 31 <sup>st</sup> March, 2018	May, 2018
ii.	Annual General Meeting	13 <sup>th</sup> August, 2018
iii.	Unaudited first quarter financial results	August, 2018
iv.	Unaudited second quarter financial results	November, 2018
v.	Unaudited third quarter financial results	February, 2019
vi.	Approval of audited annual results for the year ending 31 <sup>st</sup> March, 2019	May, 2019
d.	Dates of Book Closure	4 <sup>th</sup> August, 2018 to 13 <sup>th</sup> August, 2018. (Both days inclusive)
e.	Listing Details	For the year 2017-18, the listing fees payable to BSE & NSE have been paid in full.
f.	Stock code	
1.	BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai – 400 001.	532097
2.	National Stock Exchange of India Limited(NSE) Exchange Plaza, 5 <sup>th</sup> Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	MUKANDENGG
3.	ISIN	INE 022B01014
4.	Corporate Identity Number (CIN)	L45200MH1987PLC042378

**g. Stock Market Data**

Month	Bombay Stock Exchange Ltd. (BSE) (in ₹)		National Stock Exchange of India Ltd. (NSE) (in ₹)	
	High Price	Low Price	High Price	Low Price
Apr-2017	64.45	44.65	64.15	44.40
May-2017	70.20	51.30	70.40	51.40
June-2017	62.70	51.00	62.00	50.20
July-2017	64.30	51.55	64.50	52.50
Aug-2017	56.25	45.55	56.20	45.65
Sep-2017	56.00	44.15	56.45	44.20
Oct-2017	54.40	45.10	54.75	45.15
Nov-2017	56.70	46.85	57.00	47.00
Dec-2017	56.00	44.40	56.50	44.70
Jan-2018	64.90	49.95	64.70	50.00
Feb-2018	50.80	40.00	50.85	40.20
Mar-2018	43.90	34.00	44.40	34.10

**Comparative Stock Price Performance:**

The Equity share prices of the Company on Bombay Stock Exchange in comparison with the Bombay Stock Exchange Sensex for the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 are given in the following graph:


**h. Registrar and Share Transfer Agents**

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

**Bigshare Services Pvt. Ltd.**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (E), Mumbai-400059  
Tel: (022) 62638200. Fax : (022) 62638299  
e-mail : [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Website : [www.bigshareonline.com](http://www.bigshareonline.com)

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

**i. Unclaimed Dividend / Shares**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Companies Act, 2013. The details of unclaimed/unpaid dividend are available on Company's website viz. [www.mukandengineers.com](http://www.mukandengineers.com)

**j. Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/unclaimed dividend on shares for a consecutive period of seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

**k. Details of Unclaimed Dividend as on March 31, 2018 and due dates for transfer to IEPF are as follows:**

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (₹)	Due Date for transfer to IEPF Account
1.	2010-11	July 28, 2011	2,63,412	September 02 , 2018
2.	2011-12	August 13, 2012	1,97,956	September 18, 2019
3.	2012-13	August 13, 2013	1,90,942	September 18. 2020
4.	2013-14	August 13, 2014	2,14,633	September 18,2021
5.	2014-15	No Dividend Declared	N.A.	N.A.
6.	2015-16	No Dividend Declared	N.A.	N.A.
7.	2016-17	No Dividend Declared	N.A.	N.A.

**l. Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

**m. Share Transfer System**

The Share Transfers are approved by a Committee of Directors and are registered within a period of 15 days from the date of receipt, provided the documents are complete in all respect. During the year under review, the Company has followed the guidelines issued by SEBI for dematerialization of shares sent for transfer by the investors.

Total number of Shares transferred in physical category (non-dematerialized) during 2017-2018 were 2,954 shares versus 379 shares during 2016-17. There were no transfers which remained unattended as of March 31, 2018. The Board in their respective Board Meetings duly takes note of the transfers.

**n. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye- laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**o. Distribution of Shareholding as on:**

No. of Equity shares held	31 <sup>st</sup> March, 2018				31 <sup>st</sup> March, 2017			
	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
1-500	19,554	92.70	13,72,230	10.91	21,873	94.23	13,08,106	10.40
501-1000	764	3.62	6,43,931	5.12	669	2.88	5,63,291	4.48
1001-2000	366	1.73	5,72,211	4.56	302	1.30	4,77,983	3.80
2001-3000	121	0.57	3,07,670	2.45	115	0.50	2,91,968	2.32
3001-4000	69	0.33	2,46,486	1.96	55	0.24	1,94,902	1.55
4001 – 5000	56	0.27	2,66,991	2.12	46	0.20	2,18,216	1.74
5001-10000	97	0.46	6,95,841	5.53	71	0.31	5,10,445	4.06
10001-above	68	0.32	84,67,040	67.35	80	0.34	90,07,489	71.65
<b>Total</b>	<b>21,095</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>	<b>23,211</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>

**p. Categories of Shareholding as on:**

Categories of Shareholder	31 <sup>st</sup> March, 2018				31 <sup>st</sup> March, 2017			
	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	20,699	98.12	48,83,594	38.84	22,818	98.32	45,41,595	36.12
Corporate	226	1.07	7,25,332	5.77	239	1.03	9,07,017	7.21
(IEPF) Central Government	1	0.01	63,950	0.51	0	0.00	0	0.00
Financial Institutions	2	0.01	70	0.01	5	0.02	1,335	0.01
FIs	0	0.00	0	0.00	1	0.00	65	0.00
NRIs/OCBs	121	0.57	1,43,635	1.14	94	0.40	2,75,563	2.19
Banks	6	0.03	788	0.01	10	0.04	1,048	0.01
Mutual Funds	1	0.01	400	0.00	2	0.01	700	0.01
Trusts	11	0.05	89,698	0.71	11	0.05	89,698	0.71
Promoters	28	0.13	66,64,933	53.01	31	0.13	67,55,379	53.74
<b>Total</b>	<b>21,095</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>	<b>23,211</b>	<b>100.00</b>	<b>1,25,72,400</b>	<b>100.00</b>

<b>q. Dematerialisation of Shares and Liquidity</b>	97.60% of outstanding equity shares have been dematerialised up to March 31, 2018. 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.
<b>r. Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity</b>	Your Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2018.
<b>s. Commodity price risk or Foreign exchange risk and hedging activities.</b>	The Company is exposed to the risk of price fluctuations of Stores and Spares. The Company proactively manages these risks through inventory management and proactive vendor development practices The Company does not indulge in commodity hedging activities.
<b>t. Plant Locations</b>	The Company has no plants but carries out jobs at various sites of customers.
<b>u. Investor Correspondence</b>	For any queries, investors are requested to get in touch with the Company's Registrar and Transfer Agents: <b>Bigshare Services Pvt. Ltd.</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059. or <b>Registered Office of the Company:</b> Bajaj Bhawan, Jammalal Bajaj Marg, 226 Nariman Point, Mumbai-400021.
<b>v. Auditors Certificate of Corporate Governance</b>	The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in the LODR Regulations with Stock Exchanges. This is annexed to the Directors' Report.

**For and on behalf of the Board of Directors**

**Rajesh V. Shah**  
Chairman  
DIN: 00033371

Mumbai, May 28, 2018

## DECLARATION

### Code of Conduct Certificate

This is to confirm that for the Financial Year 2017-18 all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

For and on behalf of the Board of Directors

**Rajesh V.Shah**

**Chairman**

**DIN - 00033371**

Mumbai, May 28, 2018

### Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,  
**The Members**  
**Mukand Engineers Limited**

We have examined the compliance of conditions of Corporate Governance by Mukand Engineers Limited('the Company'),for the year ended 31<sup>st</sup> March 2018, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance 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 information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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 and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

Mumbai, May 28, 2018

### Certificate by 'Manager' as per Companies Act, 2013 and Chief Financial Officer

We, the undersigned, in our respective capacities as Manager (under the Companies Act,2013 and Chief Financial Officer of **Mukand Engineers Limited**("the Company"), to the best of our knowledge and belief certify that ;

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2018 and that to the best of knowledge and belief, we state that:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and Regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Statutory Auditors and Audit Committee:
- i. Significant changes, if any, in the internal control over financial reporting during the year;
  - ii. Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**K. P. Jotwani**  
Manager  
Mumbai, May 28, 2018

**R. G. Golatkar**  
Chief Financial Officer



**SECRETARIAL AUDIT REPORT**
**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH, 31 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**MUKAND ENGINEERS LIMITED**  
Bajaj Bhawan, 3<sup>rd</sup> Floor, 226 Nariman Point,  
Mumbai-400 021.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mukand Engineers Limited (CIN L45200MH1987PLC042378)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings-**Not applicable to the Company during the Audit Period.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

**Directors Report- Annexure-V**

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company during the audit period.**
  - d. The Securities and Exchange Board of India (Employee Stock option Scheme and Employee Stock purchase Scheme) Guidelines, 2014- **Not applicable to the Company during the audit period.**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the audit period.**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its equity shares from any stock exchange during the period under review; and**
  - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the period under review.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, Regulations and other legal requirements of the Central, State and other Government and Legal Authorities concerning the business and affairs of the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. Industries (Development & Regulation) Act, 1951;
2. Labour Laws and other incidental laws;
3. Environment Protection Act, 1986 and other Environmental Laws;
4. Employees State Insurance Act, 1948;
5. Bombay Stamp Act, 1958;
6. Indian Contract Act, 1872;
7. Minimum Wages Act, 1948;
8. Negotiable Instruments Act, 1881;
9. The Trade Marks Act 1999;
10. The Legal metrology Act, 2009;
11. Acts as prescribed under Shop and Establishments act of various local authorities.

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, Regulations and guidelines.

**For Ragini Chokshi & Co.**

**Ragini Chokshi  
(Partner)  
C.P.NO. 1436  
FCS NO. 2390**

Mumbai, May 23, 2018

## Company's Policies

Company's policies on I) Directors Appointment and Remuneration, determining criteria for qualification/independence, II) Remuneration for Directors and Key Managerial Personnel, III) performance evaluation of the Board, Committees and Directors, IV) Materiality of Related Party Transactions, V) Risk Management, VI) for Determining Material Subsidiaries and VII) Whistle Blower/Vigil Mechanism.

### I) Policy on Directors appointment and Remuneration, determining criteria for qualification/independence, etc.

- i) The 'Policy on the Board Diversity' is formulated by the Nomination & Remuneration Committee of the Board of Directors of the Company,
- ii) The Committee, while recommending the appointment of Directors, is required to keep in view that the persons being recommended are persons of eminence having diverse experience and skills in areas such as profession, business, industry, finance, law, administration, research etc., add value to the strategic needs of the Company and serve the governance.
- iii) Independence of Independent Directors: An Independent Director to meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) concerning independence of Directors.

### II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

#### i) Independent Directors (IDs)

IDs are paid –

- a) a sitting fee of ₹ 20,000 for every meeting of the Board or Audit Committee thereof attended by them as a Member; and
- b) a sitting fee of ₹ 10,000 for attending every meeting of Committee of the Board other than that of Audit Committee Meeting.

#### ii) Key Managerial Personnel & Other Employees

The objective of the Remuneration Policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Company does not have stock option plans and hence such instruments do not form part of the remuneration package.

Remuneration to Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

## Directors Report- Annexure-VI

### III) Performance Evaluation

The criteria for evaluation of performance of the Board, its Directors and Committees are formulated by the Nomination & Remuneration Committee of the Board of Directors of the Company are as under:

For Board & Committees of the Board;

- a. The Board will have requisite number of Independent Directors including a Woman Director as required under Companies Act, 2013;
- b. Frequency and Quality of Meetings and attendance thereat;
- c. Discharge of the key functions and other responsibilities prescribed under Law;
- d. Monitoring the effectiveness of corporate governance practices;
- e. Ensuring the integrity of the company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (for Board and Audit Committee);
- f. Reviewing Management's Performance

For Directors;

- a. Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition;
- b. Acting in good faith and in the interests of the Company as whole;
- c. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

### IV) Policy on Materiality of Related Party Transactions

All Related Party Transactions (RPT's) of the Company covered under the Companies Act, 2013 and Regulation 23 of LODR, 2015 are to be approved by the Audit Committee of the Board from time to time.

Consent of the Board and the Shareholders would be taken in respect of all RPT's, except in following cases:

- a. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules framed thereunder or the LODR, 2015 as may be applicable; or
- b. Where the transactions are entered into by the Company in its ordinary course of business and are on an arms' length basis; or
- c. Where the transactions to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 and Rules thereunder, LODR, 2015 and other applicable provisions for the time being in force. The weblink for the policy is as mentioned below <http://www.mukandengineers.com/report/Untitled%20attachment%2000136.pdf>

**V) Risk Management Policy of the Company.**

The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and/or mitigation of the same are dealt with by the concerned operational heads under the overall supervision of the Chairman of the Company. The Audit Committee/Board periodically reviews the adequacy and efficiency of the overall risk management system.

**VI) Policy for determining Material Subsidiaries**

“Material non listed Indian subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. The Company does not have any Material Subsidiary. The web link for the policy is as mentioned below [http://www.mukandengineers.com/report/MEL\\_Policy\\_on\\_Determining\\_\\_Material\\_Subsiadiary\\_\\_11.02.2016.pdf](http://www.mukandengineers.com/report/MEL_Policy_on_Determining__Material_Subsiadiary__11.02.2016.pdf)

**VII) Whistle Blower Policy/Vigil Mechanism**

The Director/Employee to address the complaint to any Member of the Enforcement Committee along with the available details and evidence to the extent possible. In case, the complaint is received by a person, other than an enforcement committee Member, the same is required to be forwarded by him to the Enforcement Committee.

The Whistle Blower is to be protected from any kind of discrimination, harassment, victimization or any other unfair employment practice.

The Enforcement Committee to investigate and decide the case and recommend action within four weeks to the Chairman. The final action to be taken will be decided by the Chairman.

The Director in all cases and employee in appropriate or exceptional cases to have direct access with the Chairman of the Audit Committee of the Board of Directors of the Company.

The Enforcement Committee to report to the Chairman.

**For and on behalf of the Board of Directors**

**Rajesh V. Shah**  
**Chairman**  
**DIN: 00033371**

Mumbai, May 28, 2018

## INDEPENDENT AUDITORS' 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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and Statement of Changes in Equity 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under including the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered

Accountants of India. Those standards and pronouncements 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 auditors' 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 the Company's Directors, 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 on the financial statements.

#### 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, of the state of affairs of the Company as at March 31, 2018 and its Loss (after adjusting other comprehensive income) and its cash flows for the year ended on that date.

#### Other Matter

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 24, 2017 and May 20, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition have been audited by us.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of

India in terms of sub-section (11) of the section 143 of the Act (hereinafter referred to as “the Order”), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the “Annexure A”, a statement on the matters specified in paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a Director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements.
  - ii. The Company has made provision as at March 31, 2018 as required under the

applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company has not entered into any Derivative Contracts during the financial year.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

**GIRISH M. PATHAK**

*Partner*

Membership No. 102016

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

Mumbai, 28<sup>th</sup> May, 2018



**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

(The Annexure referred to in our report to the members of **Mukand Engineers Limited** for the year ended March 31, 2018.)

- (i) In respect of its Fixed Assets:
- (a) The Company is maintaining 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 program, the management during the year has physically verified a portion of the fixed assets and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties in its name.
- (ii) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (iii) In our opinion, and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Act during the year. Consequently, clauses (iii) (a), (iii) (b) and (iii) c of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under Section 185 and 186 of the Act. The Company has complied with the provisions of Section 186 of the Act, in respect of investments made in body corporate.
- (v) In our opinion and according to the information and explanations given to us, the Company has generally complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 to the extent notified, with regard to deposits accepted from the public. The Company not being an "Eligible Company" as defined in Companies (Acceptance of Deposits) Rules, 2014, sought and obtained the approval from the Company Law Board for extension in time limit for repayment of Public Deposits outstanding as on March 31 2015 on the respective due dates of maturity.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) In respect of Statutory Dues:
- (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 and other material statutory dues as applicable to it with the appropriate authorities. Some delays have been observed in the payment of Income Tax, Sales Tax including Value Added Tax, Service Tax, Goods and Service Tax, Entry Tax and Cess. As explained to us, there were no dues towards Custom Duty, Wealth Tax and Excise Duty during the year.  
According to information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Service Tax, Entry Tax, Value Added Tax, Cess and other material statutory dues in arrears as on 31st March, 2018 for a period of more than six months from the date they become payable.
  - (b) According to information and explanations given to us upon our enquiries in this regard and records of the Company, the following statutory dues in respect of Income Tax, Works Contract Tax, Entry Tax and Goods & Service Tax as at 31<sup>st</sup> March, 2018 have not been deposited by the Company on account of disputes:

Nature of dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Income Tax	86,22,250	2000-2001, 2001-2002	High Court of Bombay
Income Tax	84,55,448	1999-2000 2005-2006	Income Tax Appellate Tribunal
Income Tax	1,82,88,378	2013-2014	Commissioner of Income Tax
Income Tax	98,95,634	2002-2003 to 2012-2013	Income Tax Department Authorities
Works Contracts Tax	75,83,974	2001-2002 and 2002-2003	High Court
Works Contracts Tax	2,20,76,799	2001-2002 to 2004-2005, 2011-12, 2012-13, 2014-15	Sales Tax Department Authorities
Entry Tax	8,11,173	1999-2000 to 2002-2003	High Court, Odisha
Entry Tax	1,27,835	2003-2004 and 1999-2000	Asst. Commissioner (Sales Tax)

- (viii) 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 holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
- (x) 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.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of clause (xvi) of paragraph 3 of the Order are 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, 28<sup>th</sup> May, 2018

## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Mukand Engineers Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**GIRISH M. PATHAK**

*Partner*

Membership No. 102016

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

Mumbai, 28<sup>th</sup> May, 2018

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018**

Particulars	Notes	(₹ in lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>I ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	2	620.85	736.50	856.83
(b) Intangible assets	3	1.35	7.42	14.35
(c) Financial Assets				
i) Investments	4	801.39	1,160.02	441.03
ii) Trade receivables	5	182.28	26.95	120.02
iii) Loans	6	4.98	365.94	451.19
iv) Others	7	433.00	414.42	525.14
(d) Deferred tax assets(net)	8	364.75	342.49	295.09
(e) Other non-current assets	9	2,299.11	2,199.59	1,759.55
<b>Total Non - Current Assets</b>		<b>4,707.71</b>	<b>5,253.33</b>	<b>4,463.20</b>
<b>2 Current Assets</b>				
(a) Inventories	10	4,543.02	3,918.03	4,982.36
(b) Financial Assets				
i) Trade receivables	5	5,857.15	5,461.47	4,849.33
ii) Cash and cash equivalents	11	14.61	37.56	23.26
iii) Bank balances other than (ii) above	12	78.50	75.82	15.28
iv) Loans	6	35.51	45.26	25.96
v) Others	7	2,477.43	3,496.92	1,932.99
(c) Other current assets	13	170.27	233.66	170.40
<b>Total Current Assets</b>		<b>13,176.49</b>	<b>13,268.72</b>	<b>11,999.58</b>
<b>Total Assets</b>		<b>17,884.20</b>	<b>18,522.05</b>	<b>16,462.78</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	14	1,257.98	1,257.98	1,257.98
(b) Other equity	15	2,678.07	4,118.70	3,660.96
<b>Total Equity</b>		<b>3,936.05</b>	<b>5,376.68</b>	<b>4,918.94</b>
<b>LIABILITIES</b>				
<b>1 Non-Current Liabilities</b>				
(a) Financial liabilities				
i) Borrowings	16	1,311.58	1,345.26	887.39
ii) Trade payables	19	242.80	184.56	272.10
(b) Provisions	17	293.53	268.42	240.28
<b>Total Non -Current Liabilities</b>		<b>1,847.91</b>	<b>1,798.24</b>	<b>1,399.77</b>
<b>2 Current liabilities</b>				
(a) Financial liabilities				
i) Borrowings	18	4,591.90	4,238.92	3,111.89
ii) Trade payables	19	5,025.96	4,741.15	3,950.27
iii) Other financial liabilities	20	1,079.93	1,185.98	1,730.73
(b) Other current liabilities	21	485.74	767.12	923.28
(c) Provisions	17	49.21	74.00	111.14
(d) Current tax liabilities(Net)	22	867.50	339.96	316.76
<b>Total Current Liabilities</b>		<b>12,100.24</b>	<b>11,347.13</b>	<b>10,144.07</b>
<b>Total Equity and Liabilities</b>		<b>17,884.20</b>	<b>18,522.05</b>	<b>16,462.78</b>

Notes 1 to 46 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 28,2018

**RAJESH V SHAH**

Chairman

DIN : 00033371

**R.SANKARAN**

Director

DIN : 00381139

**D.J. VORA**

Company Secretary

**K. P. JOTWANI**

Manager

**R. G. GOLATKAR**

Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

		(₹ in lakhs)	
Particulars	Notes	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
I. Revenue from operations	23	7,591.98	13,226.58
II. Other income	24	342.56	392.46
III. <b>Total Income (I + II)</b>		<b>7,934.54</b>	<b>13,619.04</b>
IV. <b>Expenses:</b>			
Contract Execution Costs	25	5,762.89	8,515.45
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(578.63)	959.58
Employee benefits expense	27	1,633.69	1,921.53
Finance costs	28	893.92	837.14
Depreciation and amortization expense	29	117.48	231.45
Other Expenses	30	1,214.26	1,461.38
<b>Total expenses (IV)</b>		<b>9,043.61</b>	<b>13,926.54</b>
V. <b>Loss before tax (III- IV)</b>		<b>(1,109.07)</b>	<b>(307.49)</b>
VI. <b>Tax expense:</b>	31		
Current tax		-	-
Deferred tax		(23.86)	(47.14)
VII. <b>Loss for the year after tax (V-VI)</b>		<b>(1,085.21)</b>	<b>(260.35)</b>
VIII. <b>Other Comprehensive Income</b>			
(i) <b>Items that will not be reclassified to profit or loss</b>			
(a) I. Remeasurement of Defined Benefit scheme	43	5.17	(0.83)
II. Income tax effect		(1.60)	0.26
(b) I. Equity instruments designated at fair value through other comprehensive income	44	(358.99)	718.67
II. Income tax effect		-	-
(ii) <b>Items that will be reclassified to profit or loss</b>		-	-
<b>Other Comprehensive Income for the year (net of tax) (VIII)</b>		<b>(355.42)</b>	<b>718.09</b>
IX. <b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>(1,440.63)</b>	<b>457.74</b>
X. <b>Earnings per Equity Share of ₹ 10 each</b>	32		
<b>Basic (in Rupees)</b>		<b>(8.63)</b>	<b>(2.07)</b>
<b>Diluted (in Rupees)</b>		<b>(8.63)</b>	<b>(2.07)</b>

Notes 1 to 46 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

**RAJESH V SHAH**

Chairman

DIN : 00033371

**R.SANKARAN**

Director

DIN : 00381139

**D.J. VORA**

Company Secretary

**K. P. JOTWANI**

Manager

**R. G. GOLATKAR**

Chief Financial Officer

Mumbai, May 28, 2018



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

Particulars	(₹ in lakhs)	
	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(loss) before tax</b>	<b>(1,109.07)</b>	<b>(307.49)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	117.48	231.45
Finance Cost	893.92	837.14
Loss on sale / discard of assets	2.92	5.58
Interest Income	(64.84)	(86.92)
Profit on sale of asset	(0.21)	(0.02)
Net gain on fair value changes of Preference shares	(0.36)	(0.32)
<b>Operating profit before working capital changes</b>	<b>(160.16)</b>	<b>679.42</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in trade receivables	(551.01)	(519.07)
(Increase)/Decrease in inventories	(624.99)	1,064.33
(Increase)/Decrease in loans/bank	(2.68)	(60.55)
(Increase)/Decrease in other financial asset	774.54	(1,570.27)
(Increase)/Decrease in other current asset	(36.13)	(503.30)
Increase/(Decrease) in trade payables	343.05	703.34
Increase/(Decrease) in other financial liabilities	(170.09)	(395.23)
Increase/(Decrease) in provisions	0.33	(8.99)
Increase/(Decrease) in other current liabilities & others	251.32	(133.79)
<b>Cash generated from operations</b>	<b>(175.82)</b>	<b>(744.12)</b>
Income Tax paid	-	-
<b>Net cash inflow from operating activities</b>	<b>(175.82)</b>	<b>(744.12)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018 (Contd.)**

Particulars	(₹ in lakhs)	
	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflows</b>		
Sale proceeds of property, plant and equipment	9.47	1.35
Loans / deposits realised	370.71	65.96
Interest received	291.21	203.98
	<b>671.39</b>	<b>271.29</b>
<b>Outflows</b>		
Purchase of property, plant and equipment	(6.58)	(91.28)
Additions to Facilities at Customers Sites	(1.35)	(19.83)
	<b>(7.93)</b>	<b>(111.11)</b>
<b>Net cash outflow from investing activities</b>	<b>663.46</b>	<b>160.18</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Inflows</b>		
Proceeds from long-term borrowings	162.14	887.57
Proceeds from short-term borrowings(net)	364.11	990.48
	<b>526.25</b>	<b>1,878.05</b>
<b>Outflows</b>		
Repayment of long-term borrowings	(195.82)	(429.70)
Interest paid	(841.01)	(850.11)
	<b>(1,036.83)</b>	<b>(1,279.81)</b>
<b>Net cash inflow (used in) financing activities</b>	<b>(510.58)</b>	<b>598.24</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(22.95)</b>	<b>14.30</b>
Cash and cash equivalents at the beginning of the financial year	37.56	23.26
<b>Cash and cash equivalents at end of the year</b>	<b>14.61</b>	<b>37.56</b>

The accompanying notes are an integral part of these financial statements.

**Notes:**

The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS 7) statement of cash flows.

This is the Cash Flow Statement referred to in our 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 28,2018

**RAJESH V SHAH**

Chairman

DIN : 00033371

**K. P. JOTWANI**

Manager

**R.SANKARAN**

Director

DIN : 00381139

**D.J. VORA**

Company Secretary

**R. G. GOLATKAR**

Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**
**A. Equity share capital**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Balance at the beginning of the reporting year	1,257.98	1,257.98
Changes in Equity Share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>1,257.98</b>	<b>1,257.98</b>

**B. Other Equity**

(₹ in lakhs)

Particulars	Reserves and Surplus			Equity instruments through other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at 1st April, 2016</b>	<b>2,247.66</b>	<b>73.57</b>	<b>1,215.13</b>	<b>124.59</b>	<b>3,660.96</b>
Loss for the year FY16-17	-	-	(260.35)	-	(260.35)
Other comprehensive income	-	-	(0.58)	718.67	718.09
Dividend paid	-	-	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>2,247.66</b>	<b>73.57</b>	<b>954.21</b>	<b>843.26</b>	<b>4,118.70</b>
Loss for the year FY17-18	-	-	(1,085.21)	-	(1,085.21)
Other comprehensive income	-	-	3.57	(358.99)	(355.42)
Dividend paid	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>2,247.66</b>	<b>73.57</b>	<b>(127.49)</b>	<b>484.27</b>	<b>2,678.07</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018

### Note 1: Background of the company

Mukand Engineers Limited is a company limited by shares, incorporated and domiciled in India. The company is predominantly engaged in to construction / erection business. The registered office of the company is located at Bajaj Bhawan, Jammalal Bajaj Marg 226, Nariman Point Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The standalone financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 28, 2018.

### Note 2: Significant Accounting Policies followed by the Company

#### (a) Basis of preparation

- (i) These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2018 are the first financial statements, which have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015 including Ind AS 101 First time Adoption of Ind AS.

The date of transition to Ind AS is 1 April, 2016. Refer note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Assets held for sale-measured at fair value less cost to sell.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs, except when otherwise indicated.

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

#### (ii) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. 12 months.
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle i.e. 12 months.
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

#### (b) Property, plant and Equipment

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non cenvatable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as PPE when they meet the

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018

definition of PPE. Otherwise, such items are classified as inventory.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

### Transition to Ind AS

On the date of transition to Ind AS, the company has elected to continue with the carrying value of property, plant and equipment recognised as at April 01, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of property, plant & equipment.

### Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except where management estimate of useful life is different.

Depreciation commences when the assets are ready for their intended use.

Based on an independent technical evaluation, the useful life of Office Equipment has been estimated 20 years (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

Asset class	Useful Life
Plant & Equipment	2 to 15 years
Furniture & Fixture	10 years
Computers	3 to 6 years
Vehicles	8 to 10 years
Office Equipment	1 to 20 years
Air conditioners	5 years
SAP licence	5 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### (c) Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

### On transition to Ind AS

On the date of transition to Ind AS, the company has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

### Amortisation

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Currently it is amortised over a period of five years.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### (d) Leases

#### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018

basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### (e) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

### (f) Impairment of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

### (g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (I) Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and contractual terms of the cash flows.

#### Initial Recognition & Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments (either through profit and loss or through other comprehensive income, if designated)

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

#### Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

- a) **Business Model Test:** The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
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- b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**Debt instruments at fair value through OCI**

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

**Debt instruments at FVTPL**

FVTPL is a residual category for financial instruments. Any financial instrument which does not meet the criteria for amortised cost or FVTOCI is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not

a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

**Equity Instruments**

For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

**Derecognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018**

do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

**(II) Equity & Financial Liabilities**

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(i) Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

**(ii) Financial liabilities:****Initial recognition and measurement:**

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

**Subsequent measurement:**

The financial liabilities are classified for subsequent measurement into following categories:

- At amortised cost
- At fair value through profit or loss (FVTPL)

**Financial liabilities at amortised cost:**

The company is classifying the following under amortised cost;

- Borrowings from banks
- Borrowings from others
- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the

principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

**Financial liabilities at fair value through profit or loss:**

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

**Derecognition of financial liabilities:**

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**(III) Financial guarantees contracts :**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS109 and the amount recognised less cumulative amortisation.

**(IV) Derivative financial instruments**

Derivative financial instruments such as forward contracts are taken by the company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018****(V) Offsetting of financial instruments**

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(h) Fair value measurement:**

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(i) Inventories**

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, work-in-progress, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

The net realisable value of work-in-progress is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods.

Raw materials held for the production of finished goods are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

**(j) Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018

### (k) Provisions and Contingencies

#### Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

#### Contingent liabilities & contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### (l) Employee Benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to

the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) Other long-term employee benefit obligations

The liabilities for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have any unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as superannuation scheme, provident fund.

#### Gratuity Obligations

The gratuity liability as per the Payment of Gratuity Act, 1972 for Permanent Employees is funded with the Life Insurance Corporation of India.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018

### Defined Contribution plans

Defined Contribution Plans such as superannuation scheme, provident fund are charged to the Statement of Profit and Loss as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

### (m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

### (n) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### (p) Earnings per share

#### Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (q) Non-current assets held for sale

The Company classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

### (r) Dividend distribution to equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

### (s) Foreign currencies

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**(t) Revenue Recognition**
**Engineering construction business:**

Revenue from construction/project related activity and contracts for supply/ commissioning of plant and equipment is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably ( 5% to 15% depending upon the contract) subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

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.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- i. the amount of revenue can be measured reliably;
- ii. it is probable that the economic benefits associated with the contract will flow to the company;
- iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Claims made on account of variation in contract work and extension of time, both, are recognised as revenue only when and to the extent of the acceptance of the claim and or variation by the customers.

**Unbilled Revenue**

Difference between revenue as per percentage of completion method and billing milestone are considered as unbilled revenue and receivable from such revenue are shown as other financial assets.

**Infotech Business:**

Income from Infotech services provided is accounted on accrual basis.

**Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

**Dividend income**

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

**(u) Significant accounting estimates, judgements and assumptions:**

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- i. **Useful lives of property, plant and equipment:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Act and also as per management estimate for certain category of assets. Assumptions also need to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.
- ii. **Construction Income:** Revenue is recognised based on the in proportion to the stage of completion of the transaction at the reporting date. Determination of the stage of completion is very technical and determined by the management experts.
- iii. **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.

- iv. **Defined benefit plan:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- v. **Allowances for uncollected accounts receivable:** Trade receivables do are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- vi. **Impairment of non-financial assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

- vii. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

(v) **Standard issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

i. **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements.

ii. **Ind AS 115, Revenue from Contract with Customers:**

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018. The standard permits two possible methods of transition:

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018**

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements.

**iii. Ind AS 12 - Income Taxes**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments)

Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes'. The amendments are applicable to the Company from April 01, 2018. The amendments explain how to apply the recognition and measurement requirements in Ind AS 12 Income taxes when there is uncertainty over income tax treatment. The amendment considers that:

- Tax law determines which deductions are offset against taxable income in determining taxable profits.
- No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

The Company is evaluating the requirement of the amendment and the impact on the financial statements.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

Note 2: Property, plant and equipment (₹ in lakhs)

Particulars	Plant and Equipment (owned)	Plant and Equipment (leased)	Furniture & Fixtures (owned)	Office Equipments (owned)	Air Conditioner (owned)	Vehicles (owned)	Vehicles (leased)	Computers (owned)	Computers (Leased)	Facilities at Customer Site	Total
<b>Year ended 31 March 2017</b>											
<b>Gross carrying amount</b>											
Deemed cost as at 1 April 2016	573.38	-	9.70	95.20	3.77	4.32	6.19	13.68	31.64	118.95	856.83
Additions	26.21	28.34	-	5.43	4.05	-	-	27.25	-	19.83	111.11
Disposals	(6.98)	-	-	-	-	-	-	(0.03)	-	-	(7.01)
<b>At 31 March 2017</b>	<b>592.61</b>	<b>28.34</b>	<b>9.70</b>	<b>100.63</b>	<b>7.82</b>	<b>4.32</b>	<b>6.19</b>	<b>40.90</b>	<b>31.64</b>	<b>138.78</b>	<b>960.93</b>
<b>Accumulated depreciation</b>											
Depreciation charge during the year	69.63	1.65	1.31	8.56	0.84	0.82	1.56	8.05	10.85	121.26	224.53
Disposals	(0.10)	-	-	-	-	-	-	-	-	-	(0.10)
<b>At 31 March 2017</b>	<b>69.53</b>	<b>1.65</b>	<b>1.31</b>	<b>8.56</b>	<b>0.84</b>	<b>0.82</b>	<b>1.56</b>	<b>8.05</b>	<b>10.85</b>	<b>121.26</b>	<b>224.43</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>523.08</b>	<b>26.69</b>	<b>8.39</b>	<b>92.07</b>	<b>6.98</b>	<b>3.50</b>	<b>4.64</b>	<b>32.85</b>	<b>20.79</b>	<b>17.52</b>	<b>736.50</b>
<b>Year ended 31 March 2018</b>											
<b>Gross carrying amount</b>											
Gross Carrying amount as at 1 April 2017	592.61	28.34	9.70	100.63	7.82	4.32	6.19	40.90	31.64	138.78	960.93
Additions	3.49	-	-	-	2.89	-	-	0.21	-	1.35	7.94
Disposals	(10.25)	-	(0.24)	(0.02)	(0.51)	-	(6.19)	(0.10)	-	-	(17.31)
<b>At 31 March 2018</b>	<b>585.85</b>	<b>28.34</b>	<b>9.46</b>	<b>100.61</b>	<b>10.20</b>	<b>4.32</b>	<b>-</b>	<b>41.01</b>	<b>31.64</b>	<b>140.13</b>	<b>951.56</b>
<b>Accumulated depreciation</b>											
As at 1 April 2017	69.53	1.65	1.31	8.56	0.84	0.82	1.56	8.05	10.85	121.26	224.43
Depreciation charge during the year	67.02	2.83	2.00	8.57	2.05	0.82	1.53	7.27	10.85	8.46	111.40
Disposals	(2.03)	-	-	-	-	-	(3.09)	-	-	-	(5.12)
<b>At 31 March 2018</b>	<b>134.52</b>	<b>4.48</b>	<b>3.31</b>	<b>17.13</b>	<b>2.89</b>	<b>1.64</b>	<b>-</b>	<b>15.32</b>	<b>21.70</b>	<b>129.72</b>	<b>330.71</b>
<b>Net carrying amount as at 31 March 2018</b>	<b>451.33</b>	<b>23.86</b>	<b>6.15</b>	<b>83.48</b>	<b>7.31</b>	<b>2.68</b>	<b>-</b>	<b>25.69</b>	<b>9.94</b>	<b>10.41</b>	<b>620.85</b>

**Note (a):** The lease term in respect of assets acquired under finance lease generally expire within 3 to 5 years. Certain plant and equipment, computers and vehicles have been purchased by the Company on finance lease basis are pledged as security against the loan outstanding.

**Note (b):** Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 16 & 18 on borrowings.

**Note (c):** In respect of this office equipments, the useful life has been estimated as 20 years (on a single shift basis) against 5 years as per schedule II of the Companies Act, based on independent technical valuation.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

<b>3 Intangible assets</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>ERP Software</b>	<b>Total</b>	
<b>Year ended 31<sup>st</sup> March 2017</b>			
<b>Gross carrying amount</b>			
Deemed cost as at 1 <sup>st</sup> April 2016	14.35	14.35	
Additions	-	-	
<b>At 31<sup>st</sup> March 2017</b>	<b>14.35</b>	<b>14.35</b>	
<b>Accumulated amortisation</b>			
Amortisation charge for the year	6.92	6.92	
<b>At 31<sup>st</sup> March 2017</b>	<b>6.92</b>	<b>6.92</b>	
<b>Net carrying amount as at 31<sup>st</sup> March 2017</b>	<b>7.42</b>	<b>7.42</b>	
<b>Year ended 31<sup>st</sup> March 2018</b>			
<b>Gross carrying amount</b>			
Gross Carrying amount as at 1 <sup>st</sup> April 2017	14.35	14.35	
Additions	-	-	
<b>At 31<sup>st</sup> March 2018</b>	<b>14.35</b>	<b>14.35</b>	
<b>Accumulated amortisation and impairment</b>			
Opening accumulated amortisation	6.92	6.92	
Amortisation charge for the year	6.08	6.08	
<b>At 31<sup>st</sup> March 2018</b>	<b>13.00</b>	<b>13.00</b>	
<b>Net carrying amount as at 31<sup>st</sup> March 2018</b>	<b>1.35</b>	<b>1.35</b>	

**Note (a):** Company has intellectual property rights of ₹ 520 lakhs which has been fully amortised as on March 31, 2016.

<b>4 Non-Current Investments</b>		(₹ in lakhs)		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup> April, 2016</b>	
<b>A) Investments in Equity Instruments</b>				
<b>i) Quoted other investment carried at Fair value through other comprehensive income</b>				
<b>Mukund Limited #</b>	<b>797.69</b>	1,156.68	438.01	
13,62,400 (March 31, 2017: 13,62,400; April 1,2016: 13,62,400) equity shares of ₹ 10/- each fully paid up				
<b>ii) Unquoted other investment carried at Fair value through other comprehensive income</b>				
<b>Indian Thermal Power Limited</b>	<b>0.72</b>	0.72	0.72	
7,153 (March 31, 2017: 7,153 ; April 1,2016: 7,153) equity shares of ₹ 10/- each fully paid up				
Less : Provision for diminution in the value of Investment	<b>(0.72)</b>	(0.72)	(0.72)	
	-	-	-	
<b>B) Investments in Preference Shares</b>				
<b>i) Quoted other investment carried at amortized cost (Note 1)</b>				
<b>Mukund Limited #</b>	<b>3.70</b>	3.34	3.02	
52,400 (March 31, 2017: 52,400; April 1, 2016: 52,400) 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up				
<b>Total</b>	<b>801.39</b>	1,160.02	441.03	
Aggregate amount of quoted investments and market value thereof	801.39	1,160.02	441.03	
Aggregate amount of unquoted investments	-	-	-	
Aggregate amount of impairment in the value of investments	-	-	-	

# 681,200 fully paid equity shares of Mukand Limited are pledged as collateral security against working capital facilities availed from the Central Bank of India (Refer Note 18 Short term borrowings).

Note 1. Investment in preference shares of Mukand Ltd. are listed. However considering the fact that the shares are thinly traded, the valuation cannot be taken from the market. As such the said investment has been consider as Level 3 investment considering no similar category of instrument is available in the market and valuation of the same has been done in accordance with Level 3 instrument based on the inputs and data available.

Note 2. Refer note 44 for information about the fair value measurement.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**5 Trade receivables (₹ in lakhs)**

	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	Current	Non- current	Current	Non- current	Current	Non- current
Unsecured, considered good	6,333.51	392.99	6,126.43	49.06	5,203.05	222.18
Less: Allowances as per expected credit loss model	(476.36)	(210.71)	(664.96)	(22.11)	(353.72)	(102.16)
	<b>5,857.15</b>	<b>182.28</b>	5,461.47	26.95	4,849.33	120.02
Unsecured, Considered Doubtful	252.72	-	95.52	-	147.29	-
Less: Allowances as per expected credit loss model	(252.72)	-	(95.52)	-	(147.29)	-
	-	-	-	-	-	-
<b>Total</b>	<b>5,857.15</b>	<b>182.28</b>	5,461.47	26.95	4,849.33	120.02

\* Non current portion includes amount receivable where defecation period is over as per the terms of contract.

**Note (a):** No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

**Note (b):** The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in **Note 45**.

**Note (c):** For receivables secured against borrowings, see **Note 18**.

**Note (d):** For receivables due from related parties, refer **Note 36**.

**6 Loans (₹ in lakhs)**

	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	Current	Non- current	Current	Non- current	Current	Non- current
<b>Unsecured, considered good</b>						
Security Deposits	35.51	4.98	45.26	2.77	25.96	20.80
Inter Corporate Loans	-	-	-	363.17	-	430.39
<b>Total</b>	<b>35.51</b>	<b>4.98</b>	45.26	365.94	25.96	451.19

**Note (a):** No loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

**Note (b):** The Company's exposure to credit risk and loss allowance related to loans are disclosed in note 45.

**7 Other financial assets (₹ in lakhs)**

	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	Current	Non- current	Current	Non- current	Current	Non- current
<b>Unsecured, considered good unless otherwise stated</b>						
Interest Receivable	25.82	-	252.19	-	369.26	-
Unbilled revenue	2,451.61	-	3,244.73	-	1,563.73	-
Fixed Deposits with Banks (remaining maturity of more than 12 months) #	-	433.00	-	414.42	-	525.14
<b>Total</b>	<b>2,477.43</b>	<b>433.00</b>	3,496.92	414.42	1,932.99	525.14

# Represents Fixed deposits with banks towards margin money for non fund based facilities availed.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

8 Deferred tax assets/(liabilities) (net)		(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	As at
<b>Deferred tax asset on account of:</b>				
Provision for doubtful debts	290.39	243.47	172.03	
Employee benefit expenses	97.93	97.93	97.93	
Taxes & Duties	11.74	11.74	11.74	
Financial assets measured at amortized cost	-	24.67	48.70	
<b>Deferred tax liability on account of:</b>				
Difference between book depreciation and tax depreciation	(35.31)	(35.31)	(35.31)	
<b>Net deferred tax assets</b>	<b>364.75</b>	<b>342.49</b>	<b>295.09</b>	

(a) Movements in deferred tax assets/(liabilities)		(₹ in lakhs)				
Particulars	Property, plant & equipment	Provision for Employee benefits	Provision for doubtful debts	Financial assets measured at amortized cost	Taxes & Duties	Total
<b>At April 01, 2016</b>	<b>(35.31)</b>	<b>97.93</b>	<b>172.03</b>	<b>48.70</b>	<b>11.74</b>	<b>295.09</b>
(Charged) / Credited						
- to profit or loss	-	(0.26)	71.43	(24.03)	-	47.14
- to other comprehensive income	-	0.26	-	-	-	0.26
<b>At March 31, 2017</b>	<b>(35.31)</b>	<b>97.93</b>	<b>243.47</b>	<b>24.67</b>	<b>11.74</b>	<b>342.49</b>
(Charged) / Credited						
- to profit or loss	-	1.60	46.93	(24.67)	-	23.86
- to other comprehensive income	-	(1.60)	-	-	-	(1.60)
<b>At March 31, 2018</b>	<b>(35.31)</b>	<b>97.93</b>	<b>290.39</b>	<b>-</b>	<b>11.74</b>	<b>364.75</b>

The Company has not recognised deferred tax assets amounting to ₹ 565.83 lakhs as on March 31, 2018 (March 31, 2017: ₹ 185.61 lakhs) on unabsorbed depreciation, unabsorbed business losses, employee benefits due to uncertainty surrounding availability of future taxable income against which such losses can be offset.

9 Other non-current assets		(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	As at
Balance with Government Authorities	2,299.11	2,199.59	1,755.15	
Advance paid to Suppliers, contractors	-	-	4.40	
<b>Total</b>	<b>2,299.11</b>	<b>2,199.59</b>	<b>1,759.55</b>	

10 Inventories		(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	As at
Contract Work-in-progress	4,362.73	3,784.10	4,743.68	
Stores and spares	180.29	133.93	238.68	
<b>Total</b>	<b>4,543.02</b>	<b>3,918.03</b>	<b>4,982.36</b>	

Note 11: Cash and cash equivalents		(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	As at
Balances with banks in current accounts	13.58	37.20	21.70	
Cash on hand	1.03	0.36	1.56	
<b>Total</b>	<b>14.61</b>	<b>37.56</b>	<b>23.26</b>	

There are no restrictions with regards to bank balances as at the end of the reporting period and prior periods.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

(₹ in lakhs)			
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>12 Other Bank Balances</b>			
Earmarked balances with banks for:			
Unpaid Dividend	8.67	11.01	11.07
Deposit Repayment Reserve Account*	69.83	64.81	4.21
<b>Total</b>	<b>78.50</b>	<b>75.82</b>	<b>15.28</b>

\*Account pertains to Deposit maintained with Scheduled Bank for Repayment of Deposits maturing in the current financial year and next financial year as per the requirements of the Companies Act, 2013 (SLR).

(₹ in lakhs)			
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>13 Other current assets</b>			
Prepaid Expenses	62.84	83.75	72.35
Advance paid to Suppliers/contractors	65.93	77.83	36.42
Balance with Government Authorities	41.50	72.08	61.63
<b>Total other current assets</b>	<b>170.27</b>	<b>233.66</b>	<b>170.40</b>

(₹ in lakhs)			
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>14 Equity Share Capital</b>			
<b>(a) Authorised &amp; Issued Share capital:</b>			
<b>Authorised Share Capital</b>			
2,00,00,000 (31 <sup>st</sup> March, 2017: 2,00,00,000 and 1 <sup>st</sup> April, 2016:2,00,00,000) Equity Shares of ₹ 10 each	2,000.00	2,000.00	2,000.00
500,000 (31 <sup>st</sup> March, 2017: 500,000 and 1 <sup>st</sup> April, 2016:500,000) Preference Shares of ₹ 100 each	500.00	500.00	500.00
<b>Issued Share Capital</b>			
1,25,92,700 (31 <sup>st</sup> March, 2017: 1,25,92,700 and 1 <sup>st</sup> April, 2016:1,25,92,700) Equity Shares of ₹ 10 each	1,259.27	1,259.27	1,259.27
	<b>1,259.27</b>	<b>1,259.27</b>	<b>1,259.27</b>

(₹ in lakhs)						
Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
i) Equity shares of ₹ 10 each fully paid up	11,973,900	1,197.39	11,973,900	1,197.39	11,973,900	1,197.39
ii) Fully paid up pursuant to contract(s) without payment being received in cash	598,500	59.85	598,500	59.85	598,500	59.85
iii) Forfeited shares	20,300	0.74	20,300	0.74	20,300	0.74
<b>Total</b>	<b>12,592,700</b>	<b>1,257.98</b>	<b>12,592,700</b>	<b>1,257.98</b>	<b>12,592,700</b>	<b>1,257.98</b>

(₹ in lakhs)				
Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
<b>Balance as at the beginning of the year</b>	<b>12,592,700</b>	<b>1,259.27</b>	<b>12,592,700</b>	<b>1,259.27</b>
Increase/Decrease during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>12,592,700</b>	<b>1,259.27</b>	<b>12,592,700</b>	<b>1,259.27</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
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**(d) Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Mukund Limited	4,539,781	36.11%	4,539,781	36.11%	4,539,781	36.11%
Jamanlal Sons Private Limited	1,392,245	11.07%	1,386,395	11.03%	1,386,395	11.03%
<b>Total</b>	<b>5,932,026</b>	<b>47.18%</b>	<b>5,926,176</b>	<b>47.14%</b>	<b>5,926,176</b>	<b>47.14%</b>

**(e) Rights, preferences and restrictions attached to shares**

The company has issued only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**15 Other Equity**
**(₹ in lakhs)**

Particulars	Note	As at	As at	As at
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Securities Premium Reserve	(i)	2,247.66	2,247.66	2,247.66
General Reserve	(ii)	73.57	73.57	73.57
Retained Earnings	(iii)	(127.43)	954.21	1,215.14
Equity Instruments at Fair value through Other Comprehensive Income	(iv)	484.27	843.26	124.59
<b>Total</b>		<b>2,678.07</b>	<b>4,118.70</b>	<b>3,660.96</b>

**(i) Securities Premium**

Securities Premium Reserve is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

Particulars	As at	As at
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Balance at the beginning of the year	2,247.66	2,247.66
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>2,247.66</b>	<b>2,247.66</b>

**(ii) General Reserve**

General Reserve represents appropriations of retained earnings and are available for distribution to shareholders.

Particulars	As at	As at
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Balance at the beginning of the year	73.57	73.57
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>73.57</b>	<b>73.57</b>

**(iii) Retained Earnings**

Retained Earnings are the profits of the company earned till date, net of appropriations.

Particulars	As at	As at
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Balance at the beginning of the year	954.21	1,215.13
Movement during the year	(1,081.64)	(260.92)
<b>Balance at the end of the year</b>	<b>(127.43)</b>	<b>954.21</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**(iv) Equity Instrument at fair value through Other Comprehensive Income:**

This reserve represents the cumulative gains and/or losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Balance at the beginning of the year	843.26	124.59
Movement during the year	(358.99)	718.67
<b>Balance at the end of the year</b>	<b>484.27</b>	<b>843.26</b>

**16 Non-current borrowings**

(₹ in lakhs)

Particulars	Note	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Secured</b>				
Long term maturity of finance lease obligations	(a)			
-From Banks		3.97	12.88	-
-From Others		-	12.20	23.00
<b>Unsecured</b>				
Public Deposit (Refer Note 39)	(b)	1,307.61	1320.18	864.39
<b>Total</b>		<b>1,311.58</b>	<b>1,345.26</b>	<b>887.39</b>

**(a) Finance lease obligations are secured against leased assets. Other details are mentioned below:**

(₹ in lakhs)

Interest rate & repayment schedule	Total amount outstanding	Shown under current maturity - Other Financial Liabilities	Shown under borrowing	As at
Repayable in FY 2016-17, FY 2017-18 & FY 2018-19 at 11.00% p.a. & 12.40% p.a.	71.55	48.55	23.00	01-Apr-16
Repayable in FY 2017-18, FY 2018-19 & FY 2019-20 at 9.18% p.a. & 12.40% p.a.	43.96	18.88	25.08	31-Mar-17
Repayable in FY 2018-19, FY 2019-20 at 9.18% p.a. & 12.40% p.a.	25.08	21.11	3.97	31-Mar-18

**(b) Details of public deposits are as below -**

Interest rate & repayment schedule	Total amount outstanding	Shown under current maturity - Other Financial Liabilities	Shown under borrowing	As at
Amount of ₹ 553.23 lakhs is repayable in 2016-17, ₹ 418.68 lakhs is repayable in 2017-18 and ₹ 445.71 is repayable in FY 2018-19 and carries interest within range of 11.5 % to 11.75% p.a.	1,417.62	553.23	864.39	01-Apr-16
Amount of ₹ 416.68 lakhs is repayable in 2017-18, ₹ 445.61 lakhs is repayable in 2018-19 and ₹ 874.57 is repayable in FY 2019-20 and carries interest of 11.5 % p.a.	1,736.86	416.68	1,320.18	31-Mar-17
Amount of ₹ 431.1 lakhs is repayable in 2018-19, ₹ 862.66 lakhs is repayable in 2019-20 and ₹ 441.66 is repayable in FY 2020-21 and carries interest of 11% & 11.5 % p.a.	<b>1,735.42</b>	<b>427.81</b>	<b>1,307.61</b>	<b>31-Mar-18</b>

**(c) The Company has not defaulted in the repayment of borrowings and interest thereon as at Balance Sheet date.**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

17 Provisions		(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	
<b>(a) Provision for Gratuity (Refer Note 43):</b>				
Current	-	-	44.24	
Non current	144.58	140.15	93.96	
<b>(b) Provision for compensated absences (Refer Note 43):</b>				
Current	49.21	74.00	66.90	
Non current	138.95	118.27	136.32	
<b>(c) Provision for Warranty (Refer Note (a))</b>				
Current	-	-	-	
Non current	10.00	10.00	10.00	
<b>Total Non-Current</b>	<b>293.53</b>	<b>268.42</b>	<b>240.28</b>	
<b>Total Current</b>	<b>49.21</b>	<b>74.00</b>	<b>111.14</b>	

**Note (a) :** Provision for Warranties represent claims against the company that are expected to materialise in respect of matters in Warranties

Movement in provisions	Provision for Warranty
<b>Balance as at 1<sup>st</sup> April, 2016</b>	<b>10.00</b>
Provision recognised during the year	-
Amount utilised / reclassified during the year	-
Amount reversed during the year	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>10.00</b>
Provision recognised during the year	-
Amount utilised / reclassified during the year	-
Amount reversed during the year	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>10.00</b>

18 Current Borrowings		(₹ in lakhs)		
Particulars	Note	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Secured</b>				
<b>Loans repayable on demand</b>				
a) From banks - Central Bank of India	(a)	<b>2,971.90</b>	2,968.92	2,436.89
<b>Unsecured</b>				
Inter corporate deposits	(b)	<b>1,620.00</b>	1,270.00	675.00
<b>Total current borrowings</b>		<b>4,591.90</b>	<b>4,238.92</b>	<b>3,111.89</b>

**Note (a): Cash Credit Facility**

I. Cash credit facility is secured by :

i) Hypothecation of all, present and future, stocks, book debts and fixed assets of the company excluding assets taken on hire purchase.

ii) Pledge of 681,200 equity shares of Mukand Ltd.

iii) Corporate Guarantee given by an Associate Company.

II. Loan from bank carries interest rate at MCLR rate (1yr) + 4%.

**Note (b): Interest rate** - Inter corporate deposit carries fixed interest rate within range of 13.50% - 16.00 %.

**Note (c):** The Company has not defaulted in the repayment of borrowings and interest thereon as at Balance Sheet date.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

(₹ in lakhs)						
Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Trade payables	242.80	5,025.96	184.56	4,741.15	272.10	3,950.27
<b>Total trade payables</b>	<b>242.80</b>	<b>5,025.96</b>	<b>184.56</b>	<b>4,741.15</b>	<b>272.10</b>	<b>3,950.27</b>

**Note (a):** The company's exposure to liquidity risks related to trade payable is disclosed in Note 45.

**Note (b):** For amount payable to related parties, refer Note 36.

**Note (c):** Trade Payables includes ₹ 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 MSME 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 MSME Act.

(₹ in lakhs)			
Particulars	As at	As at	As at
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Current maturities of long-term debt (Refer Note 16)	448.92	435.56	601.78
Interest accrued on Public Deposits	117.63	64.72	77.69
Unpaid dividend*	8.67	11.01	11.07
Unclaimed Deposits	18.49	29.62	33.68
Employee related liabilities	204.25	147.76	148.97
Other liabilities	281.97	497.31	857.54
<b>Total</b>	<b>1,079.93</b>	<b>1,185.98</b>	<b>1,730.73</b>

\* There are no amounts due for payment to Investors Education and Protection Fund as at the year end under section 125 of the Act.

(₹ in lakhs)			
Particulars	As at	As at	As at
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Advance received against contracts	355.65	454.64	711.04
Statutory Dues Payable	130.09	312.48	212.24
<b>Total</b>	<b>485.74</b>	<b>767.12</b>	<b>923.28</b>

(₹ in lakhs)			
Particulars	As at	As at	As at
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Provision for tax (net of advance tax)	867.50	339.96	316.76
<b>Total</b>	<b>867.50</b>	<b>339.96</b>	<b>316.76</b>

(₹ in lakhs)		
Particulars	For the Year Ended	For the Year Ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>Revenue from construction / erection business</b>		
Supply of materials	4,138.86	4,178.54
Sale of services	2,863.94	8,508.04
Income from Infotech business	588.00	540.00
Other operating Income	1.18	-
<b>Total</b>	<b>7,591.98</b>	<b>13,226.58</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

<b>24 Other income</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
<b>Interest income</b>			
- from financial assets measured at amortized cost	80.19	78.10	
- from income tax refund	28.23	44.03	
- from Fixed Deposits	36.61	42.57	
- from others	-	0.32	
Net gain on foreign currency transactions and translation	24.40	-	
Profit on sale of assets (net)	0.21	0.02	
Excess provision written back (net)	172.75	226.00	
Miscellaneous income	0.17	1.42	
<b>Total</b>	<b>342.56</b>	<b>392.46</b>	
<b>25 Contract Execution Costs</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
Sub-contracting expenses	1,673.98	3,999.73	
Cost of materials supplied	3,407.08	3,544.87	
Stores, spares and construction materials consumed	254.86	270.23	
Equipment Hire Charges	358.64	602.11	
Testing Charges	25.03	52.47	
Transportation Charges	26.91	29.62	
Loading and Unloading	2.05	8.12	
Others	14.34	8.30	
<b>Total</b>	<b>5,762.89</b>	<b>8,515.45</b>	
<b>26 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
<b>Work in progress -</b>			
Opening stock	3,784.10	4,743.68	
Less: Closing stock	(4,362.73)	(3,784.10)	
<b>Net (increase)/decrease in inventories</b>	<b>(578.63)</b>	<b>959.58</b>	
<b>27 Employee benefits expense</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
Salaries and wages	1,440.22	1,711.05	
Contributions to provident and other funds (Refer Note 43)	181.04	179.10	
Staff welfare expenses	12.43	31.38	
<b>Total</b>	<b>1,633.69</b>	<b>1,921.53</b>	



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

<b>28 Finance Cost</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
Interest cost on financial liabilities measured at amortized cost (Refer Note 40)	781.10	735.08	
Finance charges on finance leases	3.99	6.31	
Interest payment to Income Tax Dept.	2.08	4.31	
Other Borrowing Cost	106.75	91.44	
<b>Total</b>	<b>893.92</b>	<b>837.14</b>	

<b>29 Depreciation and amortisation expense</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
Depreciation of property, plant and equipment	111.40	224.53	
Amortisation of intangible assets	6.08	6.92	
<b>Total</b>	<b>117.48</b>	<b>231.45</b>	

<b>30 Other expenses</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
Rent	89.38	123.07	
Insurance	19.47	22.21	
Repairs to Machinery	0.10	0.78	
Repairs - Others	58.31	73.60	
Travelling and Conveyance	109.25	160.28	
Auditor's Remuneration (Refer note 30 (a))	11.29	9.41	
Directors' Fees	5.50	4.60	
Legal and Professional Charges	231.29	214.92	
Loss on Assets Discarded / Sold	2.92	15.83	
Service Tax and Works Contract Tax	19.25	51.53	
Watch & Ward Expenses	105.90	81.35	
Bad Debts	7.21	95.70	
Provision for Doubtful Debts	161.69	263.86	
Interest Receivable Written-off	-	32.48	
Sundry Balances / Interest Written-off / Appropriated (Net)	5.28	19.34	
Miscellaneous Expenses	387.42	292.42	
<b>Total</b>	<b>1,214.26</b>	<b>1,461.38</b>	

**Note 30 (a): Details of payments to auditors**

		(₹ in lakhs)	
<b>Particulars</b>	<b>For the Year Ended 31<sup>st</sup> March, 2018</b>	<b>For the Year Ended 31<sup>st</sup> March, 2017</b>	
Audit fee	7.20	6.00	
For Limited Review	1.80	1.50	
For taxation matters	0.90	0.75	
For other services	1.20	0.95	
For reimbursement of expenses	0.19	0.21	
<b>Total</b>	<b>11.29</b>	<b>9.41</b>	

- (b) The provisions of Section 135 (Corporate Social Responsibility) of the Companies Act, 2013 read together with the rules framed there under relating to CSR initiatives which need to be undertaken by specified companies are at present not applicable to the Company.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

		(₹ in lakhs)	
31 Tax expense		For the Year Ended 31 <sup>st</sup> March, 2018	For the Year Ended 31 <sup>st</sup> March, 2017
<b>Particulars</b>			
<b>Tax expense</b>			
<b>Current tax</b>			
Current tax on profits for the year		-	-
Adjustments for current tax of prior periods		-	-
<b>Total current tax expense</b>		-	-
<b>Deferred tax</b>			
Increase in deferred tax asset		(23.86)	(47.14)
<b>Total deferred tax expense/(benefit)</b>		(23.86)	(47.14)
<b>Tax expense</b>		(23.86)	(47.14)

		(₹ in lakhs)	
(b) Reconciliation of effective tax rate:		For the Year Ended 31 <sup>st</sup> March, 2018	For the Year Ended 31 <sup>st</sup> March, 2017
<b>Particulars</b>			
Profit/(Loss) before tax expense		(1,109.07)	(307.49)
<b>Enacted income tax rate in India applicable to the Company 30.90% (2016-2017 – 30.90%)</b>		(342.70)	(95.02)
<b>Tax effect of:</b>			
Permanent Disallowances		0.65	1.30
Items for which no deferred tax is created eg. Employee benefits obligation, depreciation etc.		13.03	(15.55)
Unabsorbed business loss for which no deferred tax asset is created		305.40	62.21
Others		(0.24)	(0.10)
<b>Tax expense</b>		(23.86)	(47.14)
<b>Effective average tax rate for the year</b>		2.15%	15.33%

- (c) **Amounts recognised directly in equity**  
No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

32 Earnings per share		For the Year Ended 31 <sup>st</sup> March, 2018	For the Year Ended 31 <sup>st</sup> March, 2017
<b>Particulars</b>			
Profit/(Loss) attributable to the equity holders of the company (A) (₹ in lakhs)		(1,085.21)	(260.35)
Weighted average number of shares for Basic EPS (B)		12,572,400	12,572,400
Adjustments for calculation of Diluted EPS (C)		-	-
Weighted average number of shares for Diluted EPS (D= B+C)		12,572,400	12,572,400
<b>(a) Basic EPS (in Rupees)</b>		(8.63)	(2.07)
<b>(b) Diluted EPS (in Rupees)</b>		(8.63)	(2.07)

**33 Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018, March 31, 2017 and as at April 1, 2016.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

The Company's adjusted net debt to equity ratio is as follows.

Particulars	(₹ in lakhs)		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Borrowings</b>			
Long term and Short term borrowings	5,903.48	5,584.18	3,999.28
Current maturities of Long term borrowings	448.92	435.56	601.78
Less: cash and cash equivalents	(14.61)	(37.56)	(23.26)
<b>Adjusted net debt</b>	<b>6,337.79</b>	5,982.18	4,577.80
Total Equity	3,936.05	5,376.68	4,918.94
<b>Adjusted net debt to adjusted equity ratio</b>	<b>1.61</b>	1.11	0.93
<b>34 Contingent liabilities</b>	(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
i. Disputed income tax dues	452.61	285.87	289.91
ii. Disputed VAT/Works Contract Tax Dues	306.00	274.15	200.35
<b>Total</b>	<b>758.61</b>	560.02	490.26

iii. The company has given performance guarantee and/or guarantees against advances received from clients in the course of its business. Based on past experience, the Company is of the opinion that no liability would arise on this account and as such at present the liability, if any, can not be estimated.

<b>35 Disclosures in respect of Finance Lease Arrangement</b>		(₹ in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	
<b>i. Minimum Installments payable (MIP)</b>				
- Not later than one year	22.93	22.93	45.05	
- later than one year but not later than five years	4.07	21.03	30.61	
- later than 5 year	-	-	-	
<b>ii. Present Value of Installments Payable (PVIP)</b>				
- Not later than one year	21.11	18.88	48.55	
- later than one year but not later than five years	3.97	25.08	23.00	
- later than 5 year	-	-	-	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**36 Related Party disclosures**
**a) Details of related parties:**

Description of relationship	Name of the related party	
Directors and Key Management Personnel (KMP)	Mr. Rajesh V Shah - Chairman	
	Mr. Niraj Bajaj - Director	
	Mr. Prakash V Mehta - Independent Director	
	Mr. N Ramanathan - Independent Director	
	Mr. R. Sankaran - Independent Director	
	Mrs. Anna Usha Abraham - Director	
	Mr. K. P. Jotwani – Manager	
	Mr. R. G. Golatkar - CFO	
	Mr. D. J. Vora - CS	
	Related parties where significant influence exists.	Mukand Limited (Mukand)
		Mukand Global Finance Limited (MGFL)
		Mukand International Limited, UK
		Mukand International FZE, UAE
		Vidyavihar Containers Limited (VCL)
Mukand Alloy Steels Private Ltd		
Bombay Forgings Limited		
Mukand Sumi Special Steels Ltd		
Stainless India Limited		
Hospet Steels Limited		
Kalyani Mukand Limited		
Jamnalal Sons Private Limited		
Mukand Vini Mineral Limited		
Mukand Heavy Machinery Private Limited. (till 28/2/2018)		
Mukand Audyogik Yantra Private Limited.(till 28/2/2018)		
Mukand Sumi Metal Processing Limited.		

**b) Details of related party transactions for the year ended on 31st March, 2018: (₹ in lakhs)**

Name of the related party	Nature of Transaction	For the Year Ended 31 <sup>st</sup> March, 2018	For the Year Ended 31 <sup>st</sup> March, 2017
<b>Mukand Limited</b>	<b>Sales</b>		
	-Contracts executed (including supply of materials)	<b>2,522.00</b>	1,222.25
	-Infotech Services (Excluding Service Tax)	<b>588.00</b>	540.00
	<b>Purchases</b>	<b>3.42</b>	1.20
	<b>Other Payments/Expenditure</b>		
	Rent	<b>27.30</b>	35.29
	Interest on -ICD	<b>28.68</b>	-
	Commission Charged on Corp. Gurantee@1%	<b>115.00</b>	-
	Electricity	<b>29.67</b>	34.17
	Reimbursement of Expenses	<b>5.60</b>	0.78
	Infrastructure	<b>6.00</b>	6.00
	<b>Mukand Global Finance Limited</b>	Legal and Professional Charges	<b>2.40</b>
<b>Mukand Sumi Metal Processing Ltd.</b>	Misc. Fees	<b>0.12</b>	-
<b>Independent Directors</b>	Sitting Fees	<b>5.50</b>	4.60

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**c) Details of balances outstanding for related party transactions**

(₹ in lakhs)

Particulars	Nature of Transaction	As at	As at	As at
		March 31, 2018	March 31, 2017	April 01, 2016
<b>Mukand Ltd.</b>	Trade receivable	1017.30	176.42	205.46
	Trade payable	57.91	1,500.78	1,944.03
	Rent deposit given	6.50	6.50	6.50
	Investment in Equity Shares	797.69	1,156.68	438.01
	Investment in Preference shares	3.70	3.34	3.02
	Guarantee given to Central Bank of India for Credit Facilities	11,500.00	11,500.00	11,500.00
<b>Mukand Global Finance Ltd.</b>	Trade payable	0.43	0.84	0.36

**d) Key Management Personnel Remuneration**

Please refer Note 3(b) of Corporate Governance Report.

e) The transactions with related parties are made on terms equivalent to those that prevail at arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

37 There are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at the reporting date.

**38 Disclosure regarding Contracts in progress**

(₹ in lakhs)

Particulars	For the Year Ended	For the Year Ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Contract Costs incurred and recognized Profits (less recognized losses)	<b>44,413.17</b>	40,386.68
Advances received	<b>366.53</b>	454.65
The amount of retention (Included in Trade Receivables)	<b>3,521.24</b>	3,314.15

**39 Unclaimed deposits**

As per section 73 of the Act, read with The Companies (Acceptance of Deposit) Rules, 2014, every Company having net worth less than ₹100 Crores or turnover less than ₹ 500 Crores, shall repay the deposits, on or before March 31, 2015, accepted before the commencement of the Act, along with interest due thereon.

Though the Company has not made any default in repayment of deposits which were due on maturity dates, the Company not being an "Eligible Company", was required to repay the deposits accepted before the commencement of the Act, on or before March 31, 2015. The Company had preferred an appeal before the Company Law Board for granting permission to repay the deposits along with interest thereon on the respective maturity dates.

The Company Law Board by its order dated May 19, 2015, has granted the said permission to the Company subject to fulfilling of certain conditions therein. In view of the above, the Company has continued to repay its deposits along with its interest thereon, on the respective maturity dates.

During the year under review, the Company has repaid deposits to all the deposit holders who claimed their maturity Proceeds. The Company Communicates / sends letter & reminders to holders who have not claimed the maturity proceeds of their respective Fixed deposits. The balance of unclaimed deposits as on March 31, 2018 is ₹18.49 lakhs ( March 31,2017 : ₹ 29.62 lakhs, April 01,2016 : ₹ 33.68 lakhs) and same has been shown under other current financial liabilities which will be paid as & when claimed by the depositors.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018

- 40 The Company has, as at March 31, 2018 loans aggregating ₹ Nil ( March 31,2017 : ₹ 443.00 lakhs, April 01, 2016 : ₹ 588.00 lakhs) and interest recoverable thereon aggregating ₹ Nil (net of provision) (March 31, 2017 : ₹ 222.72 lakhs, April 01, 2016 : ₹ 292.29 lakhs) due from investment companies. During the year under review the said investment companies have repaid all the outstanding dues and the balance outstanding as at 31st March,2018 is ₹ Nil.

For the purpose of Ind AS financial, these interest free loans have been measured at fair value as on the transition date and subsequently have been measured at amortized cost. Unwinding of interest has been shown as other income in the statement of profit and loss.

### 41 Reconciliation of liabilities arising from financing activities

(₹ in lakhs)

Particulars	Opening Balance	Cash Movement	Buisness Acquisition/ Disposals	Foreign exchange changes	Fair value changes	Others	Total
<b>March 31, 2018</b>							
Finance Lease Obligation	25.08	(21.11)	-	-	-	-	3.97
Public Deposits	1,736.86	(1.44)	-	-	-	-	1,735.42
Cash Credit Facility	2,968.92	2.98	-	-	-	-	2,971.90
Inter corporate Deposits	1,270.00	350.00	-	-	-	-	1,620.00
<b>Total</b>	<b>6,000.86</b>	<b>330.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,331.29</b>
<b>March 31, 2017</b>							
Finance Lease Obligation	23.00	2.08	-	-	-	-	25.08
Public Deposits	1,417.62	319.24	-	-	-	-	1,736.86
Cash Credit Facility	2,436.89	532.03	-	-	-	-	2,968.92
Inter corporate Deposits	675.00	595.00	-	-	-	-	1,270.00
<b>Total</b>	<b>4,552.51</b>	<b>1,448.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,000.86</b>

These cash movements are included within the following lines in the cash flow statement:

- Proceeds from borrowing.
- Repayment of borrowing.

### 42 Segment Reporting

#### Identification of Segments:

Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Information reported to the Chief Operating Decisions Maker (CODM) for the purpose of resource allocation and assessment of segment performance focus on business segment comprises of -

- Construction - Construction and Engineering Activities
- Infotech - ERP Implementation and Infotech Services

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

The company is operating only within India.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**(a) Summary of Segmental Information** (₹ in lakhs)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2018				For the Year Ended 31 <sup>st</sup> March, 2017			
	Construction	Infotech	Unallocable	Total	Construction	Infotech	Unallocable	Total
<b>Revenue</b>								
External Sales	7,003.98	588.00	-	7,591.98	12,686.58	540.00	-	13,226.58
Inter Segment Sales	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>7,003.98</b>	<b>588.00</b>	<b>-</b>	<b>7,591.98</b>	<b>12,686.58</b>	<b>540.00</b>	<b>-</b>	<b>13,226.58</b>
<b>Segment Result</b>	<b>(527.12)</b>	<b>166.93</b>	<b>-</b>	<b>(360.19)</b>	<b>259.32</b>	<b>105.31</b>	<b>-</b>	<b>364.63</b>
Interest Income	-	-	-	145.04	-	-	-	165.02
Finance Cost	(27.02)	-	(866.90)	(893.92)	-	-	-	(837.14)
Tax Expense (Current+Deferred tax)	-	-	-	23.86	-	-	-	47.14
<b>Loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,085.21)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(260.35)</b>
<b>Other Information</b>								
Segment Assets	14,011.87	235.80	3,636.53	17,884.20	13,471.07	108.14	4,942.84	18,522.05
Segment Liabilities	6,171.03	225.04	7,552.08	13,948.15	6,427.23	97.98	6,620.16	13,145.37
Capital Expenditure	3.49	2.99	0.10	6.58	60.18	30.75	0.35	91.28
Depreciation & Amortisation	86.68	26.86	3.94	117.48	200.88	8.53	22.04	231.45
Significant Non-Cash Expenditure	-	-	-	-	-	-	-	-

**(b) Information about major customers**

Revenue aggregating ₹ 3112.02 lakhs ( March 31, 2017 - ₹ 7,295.38 lakhs) are derived from two external customers. These revenues are attributable to construction segment.

**43 Employee Benefits**
**(a) Long term employee benefit obligations**

The leave obligations cover the Company's liability for casual and earned leave.

The compensated absences charge for the year ended March 31, 2018 based on actuarial valuation amounting to ₹74.17 lakhs (March 31, 2017 - ₹ 75.95 lakhs) has been charged in the Statement of Profit and Loss.

**(b) Post employment obligations**
**Defined contribution plans**

The company also contributes on a defined contribution basis to employees' provident fund and superannuation fund.

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
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The expense recognised during the period towards defined contribution plan

	(₹ in lakhs)	
	For the Year Ended 31 <sup>st</sup> March, 2018	For the Year Ended 31 <sup>st</sup> March, 2017
Employer's Contribution to Provident Fund	94.19	94.42
Employer's Contribution to ESIC	7.48	3.22
Employer's Contribution to EDLI	0.05	0.05
Employer's Contribution to Superannuation Fund	42.61	50.67
Provident Fund Administration charges	0.42	0.46
Employer's Contribution to Other Funds	7.12	31.12

**Defined benefit plans**
**Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

	(₹ in lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 01, 2016</b>	<b>279.61</b>	<b>(141.41)</b>	<b>138.20</b>
Current service cost	17.89	-	17.89
Interest expense/(income)	19.63	(11.40)	8.23
<b>Total amount recognised in profit and loss</b>	<b>37.52</b>	<b>(11.40)</b>	<b>26.12</b>
<b>Remeasurements</b>	-	-	-
Return on plan assets, excluding amount included in interest expense/ (income)	-	1.75	1.75
(Gain )/loss from change in demographic assumptions	-	-	-
(Gain )/loss from change in financial assumptions	(7.28)	-	(7.28)
Experience (gains)/losses	6.37	-	6.37
<b>Total amount recognised in other comprehensive income</b>	<b>(0.92)</b>	<b>1.75</b>	<b>0.83</b>
Employer contributions	-	(25.00)	(25.00)
Benefit payments	(66.88)	66.88	-
<b>As at March 31, 2017</b>	<b>249.34</b>	<b>(109.19)</b>	<b>140.15</b>

	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 01, 2017</b>	<b>249.34</b>	<b>(109.19)</b>	<b>140.15</b>
Current service cost	19.24	-	19.24
Interest expense/(income)	18.44	(8.07)	10.36
<b>Total amount recognised in profit and loss</b>	<b>37.68</b>	<b>(8.07)</b>	<b>29.60</b>
<b>Remeasurements</b>	-	-	-
Return on plan assets, excluding amount included in interest expense/ (income)	-	-	-
(Gain )/loss from change in demographic assumptions	-	-	-
(Gain )/loss from change in financial assumptions	(5.30)	-	(5.30)
Experience (gains)/losses	0.13	-	0.13
<b>Total amount recognised in other comprehensive income</b>	<b>(5.17)</b>	<b>-</b>	<b>(5.17)</b>
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(53.11)	53.11	-
<b>As at March 31, 2018</b>	<b>228.74</b>	<b>(84.16)</b>	<b>144.58</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**

The net liability disclosed above relates to gratuity are as follows:

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Fair value of plan assets	84.16	109.19	141.41
Present value of funded obligations	228.74	249.34	279.61
<b>Surplus/(Deficit) of gratuity plan</b>	<b>(144.58)</b>	<b>(140.15)</b>	<b>(138.20)</b>

**Categories of plan assets are as follows:**

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Insurer managed funds	(84.16)	(109.19)	(141.41)
<b>Total</b>	<b>(84.16)</b>	<b>(109.19)</b>	<b>(141.41)</b>

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Discount rate	7.70%	7.40%	8.07%
Salary growth rate	4.00%	4.00%	5.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%
Withdrawal rate (per annum)	1.00%	1.00%	1.00%

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Discount rate	1.00%	1.00%	212.73	231.11	247.41	270.70
Salary growth rate	1.00%	1.00%	247.93	271.23	212.06	230.39
Attrition Rate	50.00%	50.00%	230.85	251.47	226.50	247.06
Mortality Rate	10.00%	10.00%	228.91	249.51	228.57	249.16

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Risk exposure**

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
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**Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

**Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Defined benefit liability and employer contributions**

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are Rs 195.36 lakhs.

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2017 – 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

	(₹ in lakhs)			
	Less than a year	Between 2-5 years	Over 5 years	Total
<b>March 31, 2018</b>				
Defined benefit obligation (gratuity)	49.14	91.32	373.12	<b>513.58</b>
<b>March 31, 2017</b>				
Defined benefit obligation (gratuity)	64.90	77.09	416.05	<b>558.03</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018**
**44 Fair Value Measurements**
**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Assets and Liabilities as at 31 <sup>st</sup> March, 2018	Carrying value		Routed through Profit and Loss			Routed through Other Comprehensive Income			Carried at amortised cost		
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>											
Investments											
Equity instruments											
Preference shares*											
Loans											
Trade receivable											
Cash and Cash equivalents											
Other Bank Balance											
Other Financial Assets											
<b>Total</b>	<b>1,421.65</b>	<b>8,463.19</b>	<b>9,884.84</b>				<b>797.69</b>				<b>797.69</b>
<b>Financial Liabilities</b>											
Borrowings											
Trade Payables											
Other Financial Liabilities											
<b>Total</b>	<b>1,554.38</b>	<b>10,701.08</b>	<b>12,255.46</b>								<b>12,255.46</b>

Financial Assets and Liabilities as at 31 <sup>st</sup> March, 2017	Carrying value		Routed through Profit and Loss			Routed through Other Comprehensive Income			Carried at amortised cost		
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>											
Investments											
Equity instruments											
Preference shares*											
Loans											
Trade receivable											
Cash and Cash equivalents											
Other Bank Balance											
Other Financial Assets											
<b>Total</b>	<b>1,967.32</b>	<b>9,117.04</b>	<b>11,084.36</b>				<b>1,156.68</b>				<b>1,156.68</b>
<b>Financial Liabilities</b>											
Borrowings											
Trade Payables											
Other Financial Liabilities											
<b>Total</b>	<b>1,529.82</b>	<b>10,166.05</b>	<b>11,695.87</b>								<b>11,695.87</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2018

**A. Accounting classification and fair values (Contd.)** (₹ in lakhs)

Financial Assets and Liabilities as at April 1 <sup>st</sup> , 2016	Carrying value		Routed through Profit and Loss			Routed through Other Comprehensive Income			Carried at amortised cost					
	Non Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>														
Investments														
Equity instruments	438.01	-	438.01	-	-	-	438.01	-	-	-	-	-	-	-
Preference shares*	3.02	-	3.02	-	-	-	-	-	-	-	-	-	3.02	3.02
Loans	451.19	25.96	477.15	-	-	-	-	-	-	-	-	-	477.15	477.15
Trade receivable	120.02	4,849.33	4,969.35	-	-	-	-	-	-	-	-	-	4,969.35	4,969.35
Cash and Cash equivalents	-	23.26	23.26	-	-	-	-	-	-	-	-	-	23.26	23.26
Other Bank Balance	-	15.28	15.28	-	-	-	-	-	-	-	-	-	15.28	15.28
Other Financial Assets	525.14	1,932.99	2,458.13	-	-	-	-	-	-	-	-	-	2,458.13	2,458.13
<b>Total</b>	<b>1,537.38</b>	<b>6,846.82</b>	<b>8,384.20</b>	-	-	-	<b>438.01</b>	-	-	-	<b>438.01</b>	-	<b>7,946.19</b>	<b>7,946.19</b>
<b>Financial Liabilities</b>														
Borrowings	887.39	3,111.89	3,999.28	-	-	-	-	-	-	-	-	-	3,999.28	3,999.28
Trade Payables	272.10	3,950.27	4,222.37	-	-	-	-	-	-	-	-	-	4,222.37	4,222.37
Other Financial Liabilities	-	1,730.73	1,730.73	-	-	-	-	-	-	-	-	-	1,730.73	1,730.73
<b>Total</b>	<b>1,159.49</b>	<b>8,792.89</b>	<b>9,952.38</b>	-	-	-	-	-	-	-	-	-	<b>9,952.38</b>	<b>9,952.38</b>

### B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values of the Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2018 was assessed to be insignificant.
4. Investment in preference shares of Mukand Ltd. are listed. However considering the fact that the shares are thinly traded, we cannot take the valuation from the market, hence we have considered the investment as Level 3 investment considering no similar category of instrument is available in the market and valuation of the same has been done in accordance with Level 3 instrument based on the inputs and data available.

### C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
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**45 Financial Risk Management**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's approach to addressing risks is comprehensive and includes periodic review of such risks and a framework for mitigating and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board & Audit Committee. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

**(A) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

**i. Trade and Other receivables**

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

(a) The ageing analysis of trade receivables (gross of provision) has been considered from the date the invoice falls due -

Particulars	(₹ in lakhs)		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Not due	4,408.46	4,122.63	3,936.82
0 to 180 days due past due date	1,613.31	1,244.30	942.01
More than 180 days past due date	957.45	904.08	693.70
	<b>6,979.22</b>	<b>6,271.01</b>	<b>5,572.53</b>

(b) The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Opening Provision	782.58	603.18
Provision during the year	161.69	263.86
Reversal of provision	(4.49)	(84.46)
Closing provision	<b>939.79</b>	782.58

**ii. Cash and bank balances**

The Company held cash and cash equivalent and other bank balance of ₹ 93.11 Lakhs at March 31, 2018 (March 31, 2017: ₹ 113.38 Lakhs; April 1, 2016: ₹ 38.54 Lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

**iii. Others**

Other than trade financial assets reported above, the Company has no other financial assets which carries any significant credit risk.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
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**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

**(i) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	(₹ in lakhs)			
<b>Contractual maturities of financial liabilities 31 March 2018</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
Long term borrowings	232.42	501.73	577.43	1,311.58
Short term borrowings	4,591.90	-	-	4,591.90
Trade payables	5,025.96	-	-	5,025.96
Other financial liabilities	1,079.93	-	-	1,079.93
<b>Total</b>	<b>10,930.21</b>	<b>501.73</b>	<b>577.43</b>	<b>12,009.37</b>

	(₹ in lakhs)			
<b>Contractual maturities of financial liabilities 31 March 2017</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
Long term borrowings	328.72	400.73	615.81	1,345.26
Short term borrowings	4,238.92	-	-	4,238.92
Trade payables	4,741.15	-	-	4,741.15
Other financial liabilities	1,185.98	-	-	1,185.98
<b>Total</b>	<b>10,494.78</b>	<b>400.73</b>	<b>615.81</b>	<b>11,511.31</b>

	(₹ in lakhs)			
<b>Contractual maturities of financial liabilities 1 April 2016</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
Long term borrowings	294.88	220.62	371.89	887.39
Short term borrowings	3,111.89	-	-	3,111.89
Trade payables	3,950.27	-	-	3,950.27
Other financial liabilities	1,730.73	-	-	1,730.73
<b>Total</b>	<b>9,087.77</b>	<b>220.62</b>	<b>371.89</b>	<b>9,680.29</b>

**(C) Market risk**

Market risk is the risk that arises from changes in market prices, such as interest rates (interest rate risk). They will affect the company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**(a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in lakhs)		
	March 31 <sup>st</sup> , 2018	March 31 <sup>st</sup> , 2017	April 1, 2016
Variable rate borrowings	2,971.90	2,968.92	2,436.89
Fixed rate borrowings	3,380.50	3,050.82	2,164.17
<b>Total borrowings</b>	<b>6,352.40</b>	<b>6,019.74</b>	<b>4,601.06</b>

**(b) Sensitivity:**

A change of 100 basis points in interest rates (in case of variable rate loan) would have following impact on profit after tax and equity -

	(₹ in lakhs)	
	March 31 <sup>st</sup> , 2018	March 31 <sup>st</sup> , 2017
Interest rates – increase by 100 basis points *	(20.54)	(20.52)
Interest rates – decrease by 100 basis points *	20.54	20.52

\* Holding all other variables constant

**46 First time adoption of Ind AS**

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**i. Deemed cost**

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has opted to consider the carrying value of property, plant and equipments, Intangible assets as deemed cost as at the transition date.

**ii. Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its certain equity Investments.

**iii. Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

- Impairment of financial assets based on Expected Credit loss model

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018**
**iv. Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**v. Derecognition of financial assets and liabilities**

The company has applied the derecognition requirement of financial assets and financial liabilities prospectively for transaction occurring on or after the transition date.

**B. Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**i. Reconciliation of total equity as at March 31, 2017 and April 1, 2016**

				(₹ in lakhs)
Particulars	Note	March 31, 2017	March 31, 2016	
<b>Total equity (shareholder's funds) as per previous GAAP</b>		5,065.24	5,220.49	
<b>Adjustments:</b>				
Equity Instruments at fair value through other comprehensive income	1	843.26	124.59	
Investment in preference shares measured at amortised cost	2	(1.90)	(2.22)	
Expected credit loss provision on Trade Receivables	3	(687.07)	(455.88)	
Financial assets accounted at amortized cost	4	(79.84)	(157.61)	
Deferred tax impact on above adjustments	5	236.97	189.57	
<b>Total Equity under Ind AS</b>		<b>5,376.67</b>	<b>4,918.93</b>	

**ii. Reconciliation of total comprehensive income for the year ended March 31, 2017**

				(₹ in lakhs)
Particulars	Note	March 31, 2017		
<b>Profit after tax as per previous GAAP</b>				(155.25)
<b>Adjustments:</b>				
Investment in preference shares measured at amortised cost	2		0.32	
Expected credit loss provision on Trade Receivables	3		(231.18)	
Financial assets accounted at amortized cost	4		77.78	
Deferred tax impact on above adjustments	5		47.40	
Remeasurement of defined benefit plans	6		0.58	
<b>Profit after tax as per Ind AS</b>				<b>(260.35)</b>
<b>Other comprehensive income, net off tax</b>	1,6		718.09	
<b>Total comprehensive income as per Ind AS</b>				<b>457.74</b>

**iii. Effects of Ind AS adoption on Cash Flows for year ended March 31, 2017**

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

**Notes:**
**1. Equity Instruments**

Under previous GAAP, non-current investments were stated at cost less provision for diminution in value of investment, if any. Under Ind AS, financial assets in equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

**2. Cumulative Redeemable preference shares**

Under previous GAAP, non-current investments were stated at cost less provision for diminution in value of investment, if any. Under Ind AS, these financial assets have been classified as amortized cost on the date of transition and unwinding of interest after the date of transition have been recognised in statement of profit and loss.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON  
31<sup>st</sup> MARCH, 2018****3. Trade receivables**

Under previous GAAP, the company had recognised provision on trade receivables based on the expectation of the company. Under Ind AS, the company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

**4. Financial assets accounted at amortized cost**

The company has valued inter corporate loans at fair value at the inception of the contract. Impact of fair value changes as on the date of transition, is recognised in retained earnings. These financial instruments have been subsequently accounted under the amortised cost model, with resultant changes thereafter being recognised in statement of profit and loss.

**5. Deferred tax**

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

**6. Remeasurements of post employment benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year.

Signatures to Notes 1 to 46

**GIRISH M. PATHAK**

*Partner*

Membership No: 102016

For & on behalf of

**K.K. MANKESHWAR & CO**

*Chartered Accountants*

Firm Registration No: 106009W

**RAJESH V SHAH**

Chairman

DIN : 00033371

**R.SANKARAN**

Director

DIN : 00381139

**D.J. VORA**

Company Secretary

**K. P. JOTWANI**

Manager

**R. G. GOLATKAR**

Chief Financial Officer

Mumbai, May 28,2018



ATTENDANCE SLIP

## MUKAND ENGINEERS LIMITED

CIN: L45200MH1987PLC042378

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip at the venue of the meeting.

DP ID*	
Client ID*	

Folio No.	
No. of shares	

I/ We hereby record my/ our presence at the **32<sup>nd</sup> Annual General Meeting** of the Company held on **Monday, 13<sup>th</sup> August, 2018** at **11:30 a.m.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021

\*Applicable for investors holding shares in electronic form.

**Member's / Proxy's  
Signature**

### EVOTING PARTICULARS

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>USER ID</b>	<b>PASSWORD*</b>
180614007	Folio No./ Client ID	PAN Number/ Bank Account No./ Date of Birth

Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting.

The E-Voting facility will be available during the following voting period.

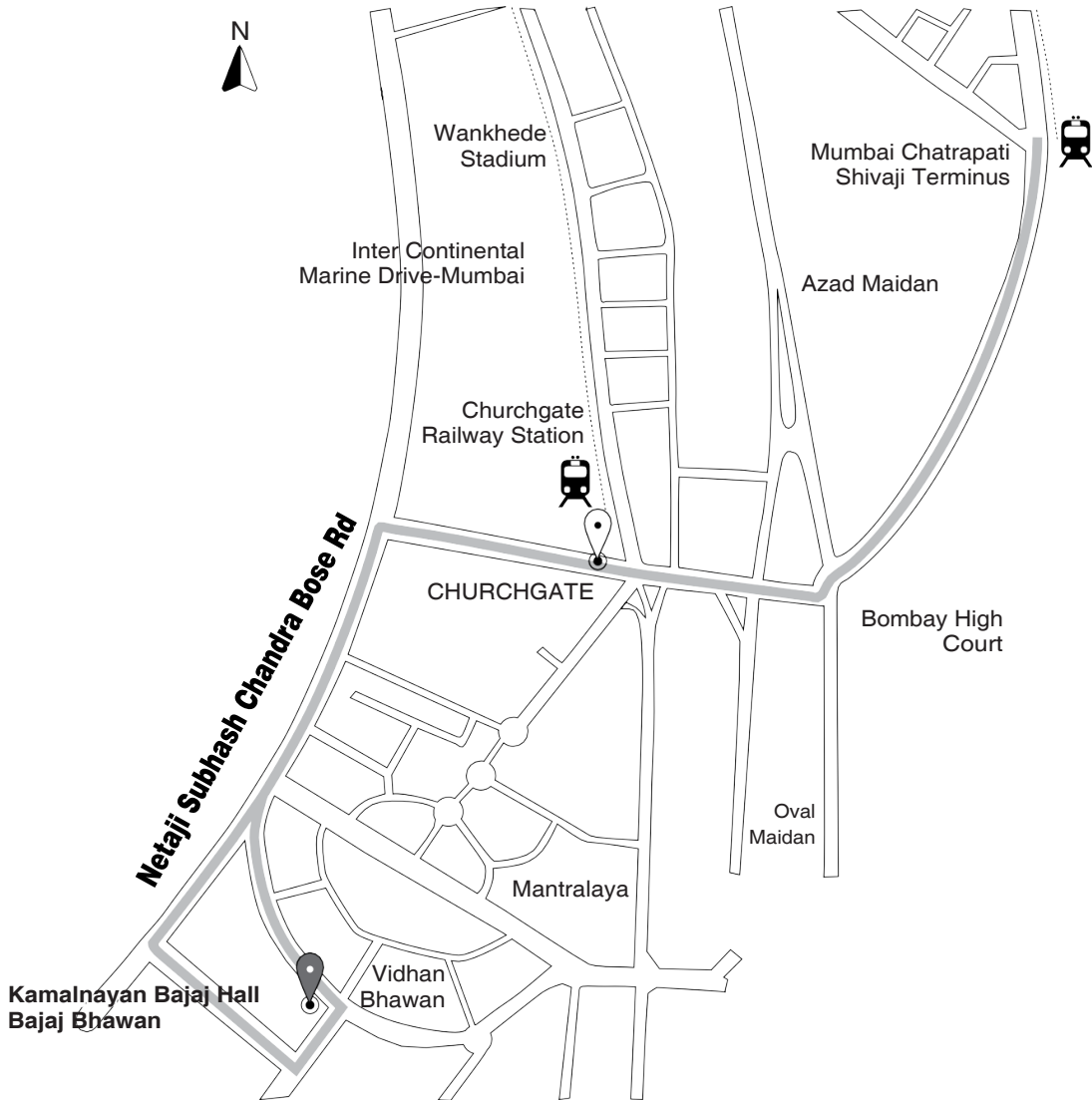
Commencement of E-Voting	End of E-Voting
<b>Thursday, 9<sup>th</sup> August, 2018 from 9.00 a.m. (I.S.T)</b>	<b>Sunday, 12<sup>th</sup> August, 2018 upto 5:00 p.m. (I.S.T)</b>

Note: Please read the instructions printed under the note no. 19 of the Notice dated May 28, 2018 for the 32<sup>nd</sup> Annual General Meeting



## VENUE OF AGM - ROUTE MAP

MUKAND ENGINEERS LIMITED  
32<sup>nd</sup> Annual General Meeting  
Monday, 13<sup>th</sup> August, 2018 at 11:30 a.m.



### Venue of AGM:

Kamalnayan Bajaj Hall,  
Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point,  
Mumbai - 400021  
Ph.: 022 2202 3626



PROXY FORM

MUKAND ENGINEERS LIMITED

CIN: L45200MH1987PLC042378

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

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/ We, being member(s) of \_\_\_\_\_ shares of Mukand Engineers Limited, hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **32<sup>nd</sup> Annual General Meeting** of the Company, to be held on **Monday, August 13, 2018 at 11:30 a.m.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai- 400 021 and at my adjournment thereof in respect of such resolutions as indicated below:

Sr.No.	Resolutions	For	Against
	<b>Ordinary Business</b>		
1	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2018, and Report of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Niraj Bajaj (DIN: 00028261) as Director, who retires by rotation.		
3	To fix the remuneration of M/s K.K. Mankeshwar & Co., Chartered Accountants, Statutory Auditors of the Company.		
	<b>Special Business</b>		
4	Approval of Material Related Party Transactions u/s 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
5	To authorise Mr. Rajesh Shah, Chairman, Mr. Niraj Bajaj, Director, Mr. Rajan Golatkar, Chief Financial Officer and Mr. Dhawal Vora, Company Secretary of the Company to charge from the members such amount as may be deemed fit as an advance amount in lump sum or otherwise against any estimated or actual expenses incurred or to be incurred by the Company from time to time for delivery of the documents to the members in a mode specified by the members.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Affix a  
Re.1/-  
Revenue  
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

**Notes:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a Member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. As provided under Regulation 44 of the LODR, 2015, a shareholder may vote either for or against each resolution.

*If undelivered, please return to :*



**MUKAND ENGINEERS LIMITED**

Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.  
[www.mukandengineers.com](http://www.mukandengineers.com)