



77th Annual Report 2014-15

A legacy to uphold



BOARD OF DIRECTORS AND THE MANAGEMENT TEAM

BOARD OF DIRECTORS

Niraj Bajaj	Chairman & Managing Director
Rajesh V Shah	Co-Chairman & Managing Director
Dhirajlal S Mehta	
Suketu V Shah	Joint Managing Director
Vinod S Shah	
Dr. N P Jain, IFS (Retd.)	
Narendra J Shah	
N C Sharma	
Prakash V Mehta	
Amit Yadav	
Bharti R Gandhi (w.e.f. Feb 11, 2015)	

Company Secretary

K J Mallya

Auditors

Haribhakti & Co. LLP, Chartered Accountants

ANNUAL GENERAL MEETING

Wednesday, August 12, 2015 at 4.00 p.m. at

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

Registered Office

Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai 400 021

Works

Thane, Maharashtra 400 605
Ginigera, Karnataka 583 228

Branch Offices

Bengaluru, Chennai, Delhi, Kolkata, Visakhapatnam
CIN : L99999MH1937PLC002726
E-mail : investors@mukand.com
Website: www.mukand.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 to the meeting.

THE MANAGEMENT TEAM

Corporate

Niraj Bajaj	Chairman & Managing Director
Rajesh V Shah	Co-Chairman & Managing Director
Suketu V Shah	Joint Managing Director
S B Jhaveri	Chief Financial Officer

Steel Division

A M Kulkarni	Chief Executive Officer (Steel Plant, Thane)
B K Tiwari	Chief Operating Officer (Steel Plant, Ginigera)
Sidharth Shah	Chief of Materials Management
V M Mashruwala	Chief of Marketing (Alloy & Stainless Steel)
Virendra K Mital	Business Development Director

Industrial Machinery Division

R Jagannathan	Chief Executive
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To
The Members,
NOTICE is hereby given that the 77th ANNUAL GENERAL MEETING of the Members of MUKAND LTD. will be held on Wednesday, the 12th August, 2015 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended 31st March, 2015, together with the Report/s of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Shri Narendra J. Shah (DIN: 00047403), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.
3. To appoint a director in the place of Shri 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.
4. To ratify the re-appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants (Registration No. 103523W), as Statutory Auditors of the Company for the financial year ending on 31st March, 2016 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company.

SPECIAL BUSINESS:

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

5. "RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any statutory modifications thereof and pursuant to the provisions of the Clause 49 of the Listing Agreement with the Stock Exchanges, Smt. Bharti R. Gandhi (DIN : 00306004), who was appointed as an Additional Director of the Company with effect from 11th February, 2015 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as an independent director of the Company to hold office for a period of 5 consecutive years upto 10th February, 2020, not liable to retire by rotation."
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and as per the recommendation of the Audit Committee of the Board of Directors, the remuneration of Rs.1,50,000/- and reimbursement of travelling and other out of pocket expenses plus service tax as applicable to be paid to CMA Sangita Kulkarni, Cost Accountant for conducting the audit of cost records of the Steel Plants at Kalwe and Hospet and Engineering Contracts and Industrial Machinery Division at Kalwe for the financial year ending 31st March, 2016 as approved by the Board of Directors of the Company, subject to the approval of the Central Government, be and is hereby ratified."
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of the clause 49(VII) of the Equity Listing Agreement with the Stock Exchanges and section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/transaction(s) with Mukand Sumi Metal Processing Limited ("MSMPL"), a subsidiary and hence a related party within the

meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of FY: 2014-15; having the following details and as detailed in the Explanatory Statement annexed hereto:

Description of Contract	Period of Contract	Total cumulative contract value with Related Party (Rs.Crore)
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-work and hire of facilities, availing / rendering of marketing/ business transfer and other services, leasing of factory / office premises/facilities or any other transactions.	April 1, 2015 to March 31, 2016	418

RESOLVED FURTHER that the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, 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."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, 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 MEMBER. THE INSTRUMENT APPOINTING A PROXY, TO BE EFFECTIVE, SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
3. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
4. As regards the re-appointment of retiring director viz. Shri Narendra J. Shah and Shri Niraj Bajaj referred to in item No. 2 & 3 of the Notice, their brief resumes, including shareholding details, have been given in the Report on Corporate Governance which forms part of the Directors' Report and members are requested to refer to the same.
5. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made there under, and in terms of the approval given by the members at the Annual general meeting of the Company held on 13th August, 2014, the current auditors of the Company, M/s. Haribhakti & Co. LLP, Chartered Accountants (Registration No. 103523W) are eligible to hold the office for a period of five years, upto the 81st Annual



General Meeting of 2019, subject to ratification by members at every subsequent Annual General Meeting. The ratification of appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants as auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting alongwith their remuneration has been put up for the approval of members.

6. 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, the 1st August, 2015 to Wednesday, the 12th August, 2015** (both days inclusive).
7. 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.
8. A Proxy shall not vote except on a poll.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. The Notice of this Annual General meeting was initially approved by the Board of Directors of the Company at its meeting held on 29th May, 2015 inter-alia to transact the business of declaration of dividend on 0.01% Cumulative Redeemable Preference Shares of the Company for the financial year ended 31st March, 2015. The total amount of dividend and tax thereon aggregate Rs. 6,773/-. However, in view of the amendment to Section 123 of the Companies Act, 2013 vide notification of the Ministry of Corporate Affairs dated 29th May, 2015, the Company cannot declare dividend unless carried forward previous losses and depreciation, not provided in previous year or years, are set off against the profit of the Company for the current year.

Therefore, the Board of Directors vide circular resolution dt. 9th July, 2015 have decided to omit the item of business relating to declaration of dividend on 0.01% Cumulative Redeemable Preference Shares of the Company at this Annual General Meeting. However, the Financial Statements and the Directors' Report thereon for the year ended 31st March, 2015 have not been amended to incorporate necessary changes relating to withdrawal of the proposal for declaration of dividend as aforesaid, due to paucity of time to convene a Meeting of the Board of Directors to consider, amend and approve the same as required under the provisions of the Companies Act, 2013. The members are requested to read the Financial Statements and the Directors' Report thereon accordingly with regard to preference dividend.

11. 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 members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd), the Members are requested to keep the same updated.
12. Members who have neither received nor encashed their dividend warrant(s) for any of the financial years from 2007-08 upto 2013-14, are requested to write to the STAs of the Company mentioning the relevant Folio Number(s)/ DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).
13. The Company has designated an exclusive e-mail ID viz. **investors@mukand.com** to enable the investors to post their grievance, if any, and monitor its redressal.
14. Members / Proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
15. The SEBI has made it mandatory for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore, members holding shares in physical form are requested to furnish their PAN along with self-attested photocopy of PAN Card to the STA. Members holding shares in demat form are requested to register the details of their PAN with their DPs.
16. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed

Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

17. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the Listed Companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding copies of the above referred documents to all those members who have registered their email ids with their respective DPs or with the STA by electronic mode.
18. **To receive shareholders' communications from the Company through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective DPs, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with the STA at mohsin.mohd@karvy.com.**
19. 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 1.00 p.m. except holidays, upto the date of the meeting.
20. 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:
 - i) Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, on all working days during 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.
 - ii) Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
21. Please note that for security reasons, no article/ baggage will be allowed at the venue of the meeting.
22. **Voting through electronic means :**

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and clause 35B of the Listing Agreements with the Stock Exchanges, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 5th August, 2015 (End of Day) being the Cut-off date for the purpose of Rule 20(4) (vii) of the Rules fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Karvy Computershare Pvt. Ltd. (Karvy) or to vote at the Annual General Meeting.

The instructions for e-voting are as under:

- A. **For members who receive notice of annual general meeting through e-mail:**
 - i. Use the following URL for e-voting: <https://evoting.karvy.com>
 - ii. Enter the login credentials i.e., user id and password mentioned in your email. Your Folio No./DP ID – Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
 - iii. After entering the details appropriately, click on "LOGIN".



- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new password/credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e. **Mukand Ltd.**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by you as on the Cut-off Date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, **you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to **khamankar@gmail.com** with a copy marked to **evoting@karvy.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."
- xi. Remote e-voting facility where members can cast their vote online shall remain open for voting from: 9th August, 2015 (9.00 a.m.) till 11th August, 2015 (5.00 p.m.)
- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "download" Section of **https://evoting.karvy.com** or contact Karvy Computershare Pvt. Ltd. on telephone no. 1800 345 4001 (toll free).
- xiii. Members may alternatively cast their votes using the Ballot Form which is sent alongwith this Notice and also available on the website of the Company. Please refer instructions under heading C below for more details.

B. For members who receive the notice of annual general meeting in physical form:

- i. Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice. Please refer instructions under heading C below for more details.

- ii. Members may alternatively opt for e-voting, for which the **USER ID** and **initial password** are provided at the bottom of the Ballot Form. Please follow steps from Sl. No.(i) to (xii) under heading A above to vote through e-voting platform.

C. For members who wish to vote using Ballot Form:

Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the **Scrutiniser, Shri Anant Khamankar, Practising Company Secretary, C/o. M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032**, so as to reach by 5.00 p.m. on 11th August, 2015. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

In the event, a member casts his/ her votes through both the processes i.e. e-voting and Ballot Form, the votes cast in the electronic system would be considered and the votes cast in Ballot Form would be ignored.

D. Voting facility at Annual General Meeting

- i. In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the annual general meeting, through electronic voting system 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.
- ii. 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.

E. General instructions:

- i. The Board of Directors has appointed Shri Anant Khamankar, Practising Company Secretary (FCS No. 3198 CP No.1860) as the scrutiniser to the e-voting process, (including voting through ballot form received from the members) 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 general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- iii. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared alongwith the scrutiniser's report shall be placed on the Company's website: **www.mukand.com** and on the website of Karvy - **https://evoting.karvy.com**, and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on Wednesday, 12th August, 2015.

By Order of the Board of Directors
For MUKAND LIMITED

Mumbai
Dated : July 9, 2015

K.J. MALLYA
Company Secretary



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

Item No.5 of the Notice

Smt. Bharti R. Gandhi (DIN : 00306004) was appointed by the board at its meeting held on 11th February, 2015 as an additional director. The Board of Directors has received a notice from a shareholder proposing her candidature as a Woman / Independent Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013.

The brief profile of Smt. Bharti R. Gandhi is as follows:

Smt. Bharti R. Gandhi, is a Masters in Applied Biology from Mumbai University. She founded the Bacteriology Department at Tata Memorial Hospital. She holds directorship in YoungBuzz India Ltd., India's Premier Career Guidance & Manpower Development Company; Beacons Private Limited, a leading International Trading Company engaged in a range of products from Industry to Micro-Tunneling Machines to Chemicals & Pharmaceuticals; and Pravinchandra Pvt. Ltd.. She is a past President of the Ladies' Wing of the Indian Merchants' Chamber. She has been a Special Executive Magistrate and was also on the Managing Council of Sir Harkisondas Hospital. She had previously served on the Tourism Committee of Assocham for 2 Years and also served on the Script Committee of Children's Film Society India (CFSI). She was the Founder President of Inner Wheel Club of Bombay Central. She is a 'Sangeet Visharad' from Bhatkhande University, Lucknow.

She has submitted the Declaration of Independence, as required pursuant to section 149(6) of the Companies Act, 2013 stating that she meets the criteria of independence as provided in sub-section (6). Smt. Bharti R. Gandhi is not disqualified from being appointed as a Director in terms of section 164 of the Act.

In the opinion of the Board of Directors, Smt. Bharti R. Gandhi fulfills the conditions of being Independent as specified in the Act and the Rules made thereunder and is independent of the management of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Smt. Bharti R. Gandhi, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/her respective shareholding, if any, in the Company, in the resolution set out in item no. 5 of the Notice.

This Statement setting out the material facts may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the Resolution at Item No. 5 of the Notice for approval of the Members.

Item No. 6 of the Notice

The Board at its meeting held on 29th May, 2015, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors CMA Sangita Kulkarni, Cost Accountant to audit the cost records of the Steel Plants at Kalwe and Hospet and Engineering Contracts and Industrial Machinery Division at Kalwe for the financial year ending March 31, 2016, on a remuneration of Rs.1,50,000/- plus reimbursement of travelling and other out of pocket expenses plus service tax as applicable, subject to the approval of the Central Government.

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has been recommended by the Audit Committee, considered and approved by the Board and is required to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March

31, 2016.

None of the Directors, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/her respective shareholding, if any, in the Company, in the resolution set out in item no. 6 of the Notice.

The Board recommends the Resolution at Item No. 6 of the Notice for approval of the Members.

Item No. 7 of the Notice

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

However, pursuant to clause 49 of the Listing Agreement with the Stock Exchanges ("clause 49") as amended, approval of the shareholders through special resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with Mukand Sumi Metal Processing Ltd. ("MSMPL"), a subsidiary company and therefore a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2015:-

Sl. No.	Nature of Transaction	FY: 2015-16 Estimated Annual Value of Contracts & Services [in Rs. crore]
Sale of Goods & rendering of Services by the Company to MSMPL		
1.	Sale of Black Bars & Rods and Bright Bars & Rods	350
2.	Job Work Income	32
3.	Marketing Income	3
4.	Fees for Services	1
5.	Rent of Factory / Office	1
	Total Income	387
Purchase of Goods & receiving of Services by the Company from MSMPL		
1.	Purchase of Scrap	20
2.	Job Work Charges / Hire Charges	8
3.	Purchase of Bright Bars & Rods	1
4.	Fees for Business Transfer	1
5.	Interest on Advances	1
	Total Expenditure	31
	Total Transaction Value	418



The other particulars of above transactions are as under:-

Name of the related party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary Value and Particulars of the contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution:
Mukand Sumi Metal Processing Limited (MSMPL)	Shri Rajesh V. Shah Co-Chairman & Managing Director	Chairman & Director, MSMPL*	Credit Period of 15 days (for details of transactions, refer table above)	The transactions are in the ordinary course of business and at Arm's Length basis. Except for Shri Rajesh V. Shah, other related parties hold 100 shares each in MSMPL jointly with the Company
	Shri A. M. Kulkarni, Chief Executive Officer, (Steel Plant, Thane)	Director & Manager, MSMPL*		
	Shri S. B. Jhaveri, Chief Financial Officer	Chief Financial Officer, MSMPL*		
	Shri K. J. Mallya, Company Secretary	Company Secretary, MSMPL*		

* a subsidiary company with 60.07% equity shareholding

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

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

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

The Board recommends the Resolution at Item Nos. 8 of the Notice for approval of the Members.

By Order of the Board of Directors
For MUKAND LIMITED

K.J. MALLYA
Company Secretary

Mumbai
Dated : July 9, 2015



Directors' Report

- The Directors present the 77th Annual Report and audited statements of accounts of the Company for the year ended March 31, 2015.

2. Financial Results:

Financial			Highlights:	
Description		2014-15	2013-14	% increase/ (decrease)
Turnover : Net Sales/ Services, other operating revenues and other income	Rs.Cr.	2,839.73	2,572.88	10
Earnings before interest, depreciation and tax (EBIDTA)	Rs.Cr.	358.24	213.67	68
Profit/(loss) before tax	Rs.Cr.	2.13	(122.70)	
Profit/(loss) after tax (PAT)	Rs.Cr.	1.58	(88.01)	
Share capital	Rs.Cr.	147.05	147.05	
Net worth (excl. revaluation reserve)	Rs.Cr.	465.07	471.86	

Ratios:

EBIDTA to Sales	%	12.62	8.30	52
Earnings per Share	Rs.	0.11	(11.54)	

3. Performance:

- The performance during the year has improved as compared to the previous year due to higher capacity utilization. The production of alloy steel at Ginigera (Karnataka) increased due to the substitution of iron ore lumps by using iron ore fines through sintering, using beneficiated iron ore and increase in availability of iron ore from mines in Karnataka. The production of stainless steel at Dighe (Thane) was also higher as compared to the previous year.

The margins have improved due to substitution of high cost inputs by low cost inputs by changes in process and general down trend in prices of all commodity inputs viz., iron ore, coke, fuel, nickel, stainless steel scrap, ferro chrome, etc. The improved productivity resulted in higher production and cost reduction has helped to enhance the market share and sell additional production.

The Industrial Machinery Division was severely affected due to slow down in modernization and expansion activities in steel and infrastructure sectors, resulting in lower sales and margins.

The interest cost has increased mainly due to repayment on maturity of low cost borrowings under Corporate Debt Restructuring (CDR) scheme and fixed deposits from Public and Shareholders. These borrowings were replaced by high cost borrowings as Company required additional working capital for increased turnover.

The market price of the Company's share has improved from Rs.23.40 per share as on March 31, 2014 to Rs.46.75 per share as on March 31, 2015. It is to be noted that last Rights Issue was at Rs.21 per Share. Market Capitalization of the Company increased from Rs.171.69 Cr as on March 31, 2014 to Rs.661.06 Cr as on March 31, 2015.

- The performance of the Company is elaborated in the Management Discussion & Analysis annexed to this report.

3.3 Material Changes & Commitments:

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 the date of this report.

4. Dividend:

The Directors do not recommend any dividend on equity shares in view of inadequate profits earned during the year and unabsorbed losses of the earlier years. The Directors recommend a dividend of 0.01% on cumulative redeemable preference shares. The dividend and tax thereon aggregate to Rs.6,773 for the year.*

5. Transfers to Reserves:

In view of unabsorbed losses brought forward from the previous years, no amount has been transferred to the Reserves.

6. Transfer of Alloy Steel business:

Shareholders by way of a postal ballot have approved the transfer of Alloy Steel business as a going concern on slump sale basis on February 18, 2015 to a prospective subsidiary of the Company. Accordingly, Company has signed business transfer agreement dated March 14, 2015 for the said business with Mukand Alloy Steels Pvt. Ltd., a subsidiary of the Company. This agreement will come into effect after obtaining approval of Lenders, release of charge by lenders, other authorities and fulfillment of conditions precedent as stipulated in the agreement. Company is in various stages of obtaining these approvals / consents.

7. Joint Ventures:

- With Sumitomo Corporation, Japan:

Mukand Sumi Metal Processing Limited (MSMPL) is a subsidiary formed under joint venture with Sumitomo Corporation, Japan to carry on the business of cold finished bars and wires. During the year under review, revenue from operations is Rs.524.48 Cr as compared to Rs.408.26 Cr in the previous year. Profit after tax is at Rs.3.08 Cr as compared to Rs.1.34 Cr in the previous year.

- With Vini Iron and Steel Udyog Ltd. (India):

Further to our last year's report about de-allocation of coal block by Ministry of Coal, please note that the Supreme Court of India by its judgment dated September 24, 2014 cancelled allotment of all coal blocks in the Writ Petitions before it including the allotment received by Joint Venture Company, M/s. Mukand Vini Mineral Ltd.

8. Finance:

- During the year under review a major development was that the Company has requested for exit from Corporate Debt Restructuring (CDR) Cell as all dues of Lenders are fully paid on maturity date. The Board of Directors places on record its appreciation of the roles of Lenders and CDR Cell to enable the Company to sail through this difficult period.

- In view of requirement of additional funds for working capital on account of higher turnover, Company has during the year obtained loans amounting to Rs.335 Cr and paid loans of Rs.324 Cr during the year.

- Share Capital:

The paid-up equity share capital as on March 31, 2015 was Rs. 141.41 Crore. During the year under review, the Company has neither issued shares with differential voting rights nor has granted stock options/sweat equity.

- Details relating to fixed deposits, covered under Chapter V of the Act are as under:

- Accepted during the year – Rs. Nil
- Re- paid during the year – Rs. 63.27 crore
- Matured & unclaimed as at the end of year – Rs. 2.15 crore.
- There has been no default in repayment of deposits or payment of interest thereon during the year.

* Refer Note No. 10 of the Notice convening 77th Annual General Meeting in connection with withdrawal of this recommendation in view of amendment to Section 123 of the Companies Act, 2013.



- e) There are no deposits which are not in compliance with the requirements of Chapter V of the Act.

9. Corporate Social Responsibility (CSR):

9.1 Company has constituted a CSR Committee of the Board of Directors comprising of Shri Niraj Bajaj, Shri Rajesh V. Shah, Shri Suketu V. Shah and Shri Dhirajlal S. Mehta pursuant to Section 135 of the Companies Act, 2013. In view of losses incurred by the Company during three immediately preceding financial years, the relevant provisions of the Companies Act, 2013, the Company is not required to incur any expenditure in pursuance of CSR Policy. However, the Company and the Group has carried out following activities under CSR.

9.2 By the Company:

The Company participates in the celebrations held by local schools on Children's Day and Independence Day by distributing shields, medals, prizes, etc. The Company supports the students staying around the plant by distributing school bags, books, etc. The Company also ensures regular supply of drinking water to Ginigera village and conducts free health/eye check-up camps for the benefit of the villagers in and around the Company's plant. Moreover, it contributed towards drainage at Village Ginigera and cultural development at Village Kanakagiri.

The Company with active support from Janakidevi Bajaj Gram Vikas Sanstha continues its effort in promoting education of the girl child in Shahapur Taluka of Thane district as part of its CSR programme. The Company hopes to motivate all girls from the taluka to achieve at least a minimum education of class 10. Towards achieving this goal, Company provided uniforms, text books and notebooks to approximately 6,000 girl students studying across 45 high schools in Shahapur taluka. As part of this programme, the Company also conducted extra coaching classes in mathematics for girl students studying in classes 7, 8 and 9. Currently, the Company conducts 46 coaching classes across the taluka. The Company also started a vocational training in the basics of tailoring and trains girls who have passed Class 10 to become financially independent by setting up their own tailoring units.

9.3 By the Group:

In addition to the activities carried out by the Company, the Bajaj Group is involved in a number of CSR projects through various trusts and group companies in the areas of: rural development, education, health care, economic and environmental development, social and urban development, protection of culture, employment enhancing vocation skills and livelihood enhancement particularly for women, homes/hostels for women, education for differently abled children and measures for benefit of armed forces veterans. The group also manages schools, colleges, hospitals, and a nursing college. It helps NGOs, Charitable Bodies and Trusts operating at various locations. One of the trusts also gives awards for outstanding contribution for constructive work for application of science, technology and upliftment and welfare of women and children along Gandhian lines. Rural and community development activities are also conducted in the villages.

10. Statutory disclosures:

The statutory disclosures in accordance with Section 134 read with Rule 8 of Companies (Accounts) Rules 2014, Section 178, Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

10.1 Management Discussion and Analysis:

As required under Clause 49 of the Listing Agreements with the Stock Exchanges, the Management Discussion and Analysis is enclosed as a part of this report - Annexure – 1.

10.2 Corporate Governance Report:

The Company has taken necessary steps to adhere to all the requirements of clause 49 of the Listing Agreements. A report on Corporate Governance together with certificate of statutory auditors

confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is included as a part of this report. – Annexure – 2.

10.3 Extract of Annual Return:

An extract of the Annual Return as prescribed under Sub-Section (3) of Section 92 of the Companies Act, 2013 in Form MGT – 9 is annexed to this report - Annexure – 3.

10.4 Number of meetings of the Board and composition of Audit Committee:

During the year under review, five Board Meetings of the Board of Directors of the Company were convened and held. The relevant details, including composition of the Board, dates of meetings, attendance and various Committees of the Board are given in the Corporate Governance Report forming part of this report

10.5 Directors' Responsibility statement:

Pursuant to Section 134 (3)(c) of the Companies Act, 2013, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as on March 31, 2015, and of the Profit of the Company for the year ended March 31, 2015;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis;
- Internal financial controls have been laid down and followed by the Company and that such controls are adequate and are operating effectively;
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10.6 Statement on declaration given by Independent Directors:

The Independent Directors of the Company have submitted their Declaration of Independence, as required under the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149 (6) of the Act.

10.7 Familiarization programme for Independent Directors:

The Company has held familiarization programme for the Independent Directors by way of presentations by business heads of the Company from time to time and deliberations held on major developments in legal and regulatory areas. The website link on this is http://www.mukand.com/images/Familiarisation_Programme.pdf.

10.8 Disclosure regarding Company's policies under Companies Act, 2013:

Company's policies on i) Directors appointment and Remuneration, determining criteria for qualification/independence, ii) Remuneration for Directors, Key Managerial Personnel and other employees, iii) Performance evaluation of the Board, Committees and Directors, iv) Materiality of Related Party transactions, v) Risk Management, vi) Determining Material Subsidiaries and vii) Whistle Blower/Vigil Mechanism along with details of web link (in cases where it is prescribed) are given in Annexure – 4.

10.9 Particulars of Loans, Guarantees and Investments:

The particulars of loans, guarantee or investments given or made by the Company under Section 186 of the Act are disclosed at Note No.35 of the financial statements.



10.10 Related Parties Transactions:

There were no Related Party Transactions (RPTs) entered into by the Company during the financial year, which attracted the provisions of Section 188 of Companies Act, 2013. However, there were material RPTs, which got covered as material RPTs under clause 49 of the Listing Agreement.

During the year 2014-15, pursuant to Section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement, all RPTs were placed before Audit Committee for its prior / omnibus approval. The requisite disclosure in Form AOC-2 is furnished in Annexure – 5.

The policy on RPTs as approved by board is uploaded on the Company's website.

10.11 Conservation of Energy, technology absorption, imported technology, Foreign Exchange earnings and outgo:

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in Annexure – 6.

10.12 Report on the subsidiaries, associates and joint venture companies. Names of companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies:

A report on performance and financial position of each of the subsidiaries, associates and joint venture companies included in the financial statement together with names of companies which have become or ceased to be subsidiaries, joint ventures or associate companies during the year under review are furnished in Annexure – 7.

10.13 Significant and material orders passed by the Regulators or Courts:

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year under review which would impact the going concern status of the Company and its future operations.

10.14 Details of Directors or KMP who are appointed or have resigned during the year and Directors who are liable to retire by rotation:

Shri Niraj Bajaj, Shri Rajesh V. Shah and Shri Suketu V. Shah were re-appointed as Chairman & Managing Director, Co-Chairman & Managing Director and Joint Managing Director respectively for a period of three years with effect from July 5, 2014 by the shareholders by Postal Ballot on August 8, 2014.

Shri Amit Yadav, a non-executive director and representative of Life Insurance Corporation of India, resigned from the directorship of the Company on August 13, 2014 and was re-appointed as an additional independent director at the Board Meeting held on November 10, 2014. His appointment as an independent director for a period of 5 years was approved by the shareholders in accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 by Postal Ballot on February 18, 2015.

Shri Pradip P. Shah, an independent director, resigned from the directorship on September 30, 2014. The Board places on record valuable contribution made by Shri Shah during his tenure as a director of the Company.

Smt. Bharti R. Gandhi, (DIN: 00306004) was appointed as an Additional Independent Director on February 11, 2015. In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, her continuation as an Independent Director on the Board of the Company for a period of 5 years will have to be approved by the Members of the Company at the ensuing Annual General Meeting.

Shri Narendra J. Shah, a Non Independent Director and Shri Niraj Bajaj, Chairman & Managing Director retire by rotation and are eligible for re-appointment.

Pursuant to Section 203 of the Companies Act, 2013, the Company has appointed Mr. A.M. Kulkarni as Chief Executive Officer, Steel Plant, Thane with effect from November 10, 2014.

The Company already has Mr. S. B. Jhaveri, Chief Financial Officer and Mr. K. J. Mallya, Company Secretary as the other Key Managerial Personnel of the Company.

Pursuant to Section 149(4) of the Companies Act, 2013 read with clause 49 of the Listing Agreement, where the Chairman of the Company is an executive director, a listed company is required to appoint at least half of its directors as independent directors. The Board has one half of its directors in the category of independent directors in terms of clause 49 of the listing agreement. The Board in its meeting held on May 29, 2014 appointed the existing independent directors under clause 49 as 'independent directors' pursuant to Companies Act, 2013 as well. The members at the annual general meeting held on August 13, 2014, approved the appointment of the existing Independent Directors for a term of 5 years effective from August 13, 2014.

10.15 Performance evaluation of the Board:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 Committees of the Board. The Independent Directors met separately on March 27, 2015 to discuss the following:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- 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 Independent Directors except Shri Prakash V. Mehta were present at the Meeting and discussed the above and expressed their satisfaction.

10.16 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 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.

10.17 Details relating to Remuneration of Directors, Key Managerial Personnel and employees:

The information required under Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished in Annexure – 8. As per provisions of Section 136(1) of the said Act, these particulars will be made available to a shareholder on request.

The aforesaid annexure includes information relating to relationship between Directors inter-se.

10.18 Consolidated Financial Statements (CFS):

The CFS is prepared by the Company pursuant to Section 129(3) of the Companies Act, 2013 in accordance with the requirements of Accounting Standard (AS)-21 read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures. Segment-wise disclosure of revenues, results, assets and liabilities on the basis of segments are separately given in a tabular form in the Consolidated Financial Statements (Refer Page No.87).



10.19 Pursuant to provisions of "Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013" becoming effective from December 9, 2013, Company has, during the year under review, formed a Committee under the said Act. No case was reported to the Committee during the year under review.

11. Auditors:

11.1 Messrs Haribhakti & Co. LLP, Chartered Accountants, Mumbai, (Registration No.103523W) were appointed as Auditors of the Company from the conclusion of 76th Annual General Meeting held on August 13, 2014 until the conclusion of 81st Annual General Meeting to be held in Calendar Year 2019. This appointment is subject to ratification by the Members at each Annual General Meeting. Messrs Haribhakti & Co. LLP are eligible for re-appointment for Financial Year 2015-16.

11.2 The Company has appointed Ms. Sangita Kulkarni as Cost Auditor to carry out the audit of cost records relating to Steel Plants of the Company for the Financial Year 2014-15. The Cost Audit Report for the Financial Year 2013-14 was filed with the Ministry of Corporate Affairs on September 25, 2014 before the due date.

11.3 Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. Anant B. Khamankar & Co.(Membership No. FCS:3198), a Practising Company Secretary to undertake the Secretarial Audit of the Company and their Report is in Annexure – 9.

12. Auditors' Report:

The observations made in the auditors' report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under Section 134(3)(f) of the Companies Act, 2013.

13. Acknowledgement:

The Board of Directors thanks 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.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director
Mumbai, May 29, 2015

Rajesh V. Shah
Co-Chairman & Managing Director



Management Discussion and Analysis

1. A legacy to uphold:

- 1.1 It was the year 1939. Mahatma Gandhi persuaded Shri Jamnalal Bajaj and Shri Jeewanlal Shah to take over this company then known as Mukand Iron and Steel Works Limited. Since then, the Company has had a long and eventful journey, a journey that was intertwined with the history of India.
- 1.2 The founders, Shri Jamanlal Bajaj and Shri Jeewanlal Shah, are no more with us. Their respective heirs, Shri Kamalnayan Bajaj, Shri Ramakrishna Bajaj and Shri Viren Shah, acknowledged as the architects of the Company, have also departed from this world. But together they built a robust foundation. A foundation that is based on impeccable value systems – a legacy that is today being carried forward by the management and employees of this Company in their every day interactions, be it with the outside world or amongst themselves.
- 1.3 Over the past 76 years it is these core values of trust, integrity and responsible citizenry that have contributed in taking Mukand to greater heights. To put these achievements in context let us examine the industry in general.

2. The World Economy

- 2.1 Uncertainty is the word that best describes the current global economic and political global order, though the world economy is beginning to emerge from the dark tunnel. European and the US markets are showing definite signs of revival. The labour market has improved and employment numbers are moving up.
- 2.2 Global growth in the calendar year 2014 was a modest 3.4% and is projected to be 3.5% and 3.8% in the calendar years of 2015 and 2016 respectively. Despite the slowdown, emerging market and developing economies still accounted for three-fourths of global growth in 2014.
- 2.3 The Asian Development Bank forecasts that developing Asia will grow at a steady 6.3% in 2015 and 2016. This will be supported by strengthening the recovery in major industrial economies and the softening of global commodity prices. Inflation in this region is expected to push down from 3.1% in 2014 to 2.6% this year.

3. The Indian Economy

- 3.1 India being a major contributor to the growth in developing economies and is by itself enough reason to continue to push for reforms that will give an impetus to the country's markets and industry. Many positive factors have fallen into place for the Indian markets and economy. It is also predicted that this recovery will be led by the Industrial sector.
- 3.2 Structural reform is expected to boost India's prospects. The initial phase of the government's efforts to remove structural bottlenecks is lifting investor confidence. With the support of stronger external demand, India is set to grow by 7 to 8 % by March 2016. This momentum may build aided by the expected easing of monetary policy and a pickup in capital expenditure by government and private sectors.

4. Global Steel Industry

- 4.1 The steel industry directly employs more than 2 million people worldwide, with a further 2 million people with contractors and 4 million people in supporting industries. The global crude steel production was at 1,661 million tonnes for the calendar year 2014.
- 4.2 Steel is the main material used in delivering renewable energy such as solar, tidal and wind. It is also one material that can be recycled and used forever. All steel created as long ago as 150 years can be recycled and used in new products and applications.

5. Indian Steel Industry

India is the 4th largest producer of steel in the world accounting for a production of 88.12 million tonnes of finished steel, in the year under report. However, the domestic steel industry was unable to reap full benefits from this upturn as the demand was also satisfied through imports especially from China, South Korea, Japan and Russia. This is evident from the fact that imports of finished steel has increased in the second half of the year under report.

6. Forward Linkages

- 6.1 Since the Company is a producer of speciality steel long products, we will discuss only those industries whose fortunes are directly affecting the alloy and stainless steel long product industry. The automobile industry consumes more than 70% of the products of this industry.
- 6.2 The Indian automobile growth story remains somewhat intact. The overall sales across various automobile segments grew by 8%. Domestic sales grew by 7%, while exports grew by 14%. Sales of passenger cars and commercial vehicles increased marginally in the year under report, while the sales of two and three wheelers was a meager 3% on account of a slow growth in rural markets.
- 6.3 Lower fuel rates, softening of loan interest rates, higher disposable income, better roads and highways will all contribute to a possible double digit growth in the auto industry in the coming years. According to Society of Indian Automobile Manufacturers, revenues of the Indian Auto industry will rise five-fold to hit the USD 300 billion mark by the end of the financial year 2026, i.e., in next 10 years, the annual growth rate is expected to be around 24%.

7. Backward linkages

- 7.1 The year witnessed softening of almost all raw material prices required for steel making. Prices of Coking Coal, Low Ash Metallurgical Coke, Nickel, Moly Oxide, Ferro Chrome, shredded steel scrap, crude oil and furnace oil have all eased during the year under review. However Indian rupee too depreciated against the dollar by approximately 4.2% thereby reducing some of the relief accrued from the decrease in raw material prices.
- 7.2 India is likely to remain a net importer of iron ore in 2015–16 as the falling international prices might encourage steel majors to continue import of this raw material. In the year 2014–15, India imported 15 million tonnes of iron ore, an all time high for the second consecutive year, which resulted in the country's imports far exceeding exports. Exports of iron ore during the same period is pegged at a meagre 4.5 million tonnes.
- 7.3 There is no doubt that fresh policy initiatives are needed to ensure that the industry follows a path that is sustainable when it comes to capacity addition, environment, raw materials sourcing, quality of steel products and the use of technology in steel making.

8. Company's Financial Performance:

- 8.1 The net revenue from operations, for the year under review, increased by 11% at Rs.2,820 Crore as against Rs.2,540 Crore in the previous year mainly on account of the increase in the sales of special, alloy and stainless steel products.
- 8.2 Profit before exceptional items and Tax stood at Rs.2.13 Crore as against a loss of Rs.97.26 Crore in the previous year due to improved operations in the current year.

9. Speciality Steel Division:

- 9.1 The Net Turnover of the Steel Division was Rs.2,657 Crore for the year under review as compared to Rs.2,371 Crore in the previous year. Segment result was at Rs.259 Crore as compared to Rs.84 Crore in the previous year.
- 9.2 The sales of alloy steel products increased by 11% over the previous year. This was made possible due to better capacity utilization. The new products that were developed in-house, to stringent requirements for critical applications, contributed to 18 % of the total sales of alloy steel products. The Company continued its focus on new product development by working in tandem with the international automobile manufacturers and component makers to augment their localisation programmes. This led to new products being developed by the Company such as specialised alloy steel for transmission parts for commercial and passenger vehicles, special highly clean and controlled microstructure grades for fuel injection nozzles for diesel engine vehicles, etc..
- 9.3 The automobile industry experienced buoyancy in the first half of the year which led to the Company increasing its alloy steel selling prices marginally. However, the second half of the year, saw the automobile companies cutting down on their production and an increase in imports of steel products which forced the Company to lower its selling prices. The Company has strategically entered into long term contracts with key customers to safe guard its market share.



Management Discussion and Analysis (Contd.)

- 9.4 The fortunes of the alloy steel industry are poised to get an impetus as the country's automobile growth story unravels with the automobile original equipment manufacturers increasing their capacity through expansion or setting-up Greenfield plants.
- 9.5 The revenues from the sale of Stainless Steel products of the Company increased by 13% as compared to the previous year. New products developed during the year, include duplex stainless steel grades for specialized industrial applications, increase in the section range to 190mm dia for seamless tube applications, etc.
- 9.6 The lackluster global economic scenario continues to reflect in the low demand for stainless steel in global markets. However, the Indian export market for these products improved on account of its quality and cost competitiveness in the world markets. The United States of America has imposed an anti dumping duty of 10.5% on Indian steel products thereby making this market unattractive to Indian steel producers. The Company's thrust has been to increase its exports to the European markets and thus participated in the Düsseldorf Wire Exhibition.
- 9.7 Prices of both Alloy and Stainless steel products of the Company continue to be under pressure due to excess domestic capacity and rising imports especially from China. Alloy Steel Producers' Association filed a Petition with Ministry of Commerce to levy safeguard duty on imports of steel. Further, the electricity distribution companies in Maharashtra and Karnataka have increased the rates and State Governments have levied duties. The Association has requested Maharashtra Electricity Regulation authorities for not levying any additional charges to producers of steel by Electric Arc Furnace route.
- 9.8 Since the Company's alloy steel making facility is in the state of Karnataka, the Company too is affected by the closure of the mines in the state as per the Order of Hon'ble Supreme Court in July 2011. This resulted in the prices of iron ore in Karnataka through e-auction remaining high compared to the markets in other states of India and world markets where the prices have sharply fallen. This has adversely affected steel plants in Karnataka over their competitors situated in other mining states. The prices of other inputs like coking coal / low ash metallurgical coke, nickel, molybdenum, shredded steel scrap, furnace oil, other ferro alloys etc.. remained subdued.
- 9.9 17 "A" category mines and 8 "B" category mines out of a total of 166 mines in Karnataka have reopened over the last few years leading to slightly better availability of iron ore, i.e., out of total capacity of 45 million tonnes, mines having 26 million tonnes capacity are operative. In addition, of 51 "C" category mines, 15 mines having capacity of 5.20 million tonnes have been identified for auction.
- 9.10 To mitigate the shortage and the high costs of some of the inputs, the Company has successfully adopted alternate processes that enables it to use different inputs. In place of iron ore lumps that the Company was using, it can use sintered or beneficiated iron ore thereby easing the pressure on availability and high cost of iron ore lumps. The Company has also replaced part of its Coke consumption with Coke fines and pulverized coal and this along with the installation of hot stoves, has reduced the met coke consumption by 25%.
- 9.11 It is a matter of great pride that all fossil fuel requirements for production by the Company have been replaced with energy converted from waste gases emanating from the Mini Blast Furnaces which not only keeps the fluctuating costs of fossil fuels in check but is also more environment friendly.
- 9.12 The Company also saved costs on transportation as the production in rolling mills at the Ginigera plant increased, thereby enabling the Company to cater to customers in southern markets.
- 10. Industrial Machinery Division:**
- 10.1 The net turnover of this division stood at Rs.164 Crore for the year under review as compared to Rs.165 Crore in the previous year. The segment result was at Rs.15.62 Crore as compared to Rs.46.74 Crore in the previous year.
- 10.2 The year under review continued to be a difficult one as many of the major projects, particularly in the steel and port sectors did not pick up momentum during the year.

- 10.3 Orders in hand at the close of year are at Rs.140 Cr. However, the division expects to get orders during the first half of the year in progress, ensuring that it has adequate orders for execution in the second half of the year and the year ahead. The division plans to focus on developing business in Defense, power and space sectors that require specialized equipment. Continuous efforts towards cost reduction through improved design and better sourcing are being made to remain competitive and maintain market share.

11. Quality Management System:

All the divisions performed well in maintaining their Certification and underwent successful Surveillance Audit under various ISO Standards.

12. Corporate Social Responsibility

The Corporate Social responsibility activities of the Company focuses on education. The Company has widened the scope of its activities to include boys in some of the schemes. The Company supports more than 12,000 children studying across 45 schools in classes 8, 9 and 10 in Shahapur taluka by providing financial, educational and vocational assistance. The Company's vision is that every child in this taluka should have a minimum of class 10 education and it contributes towards easing some of the burden on parents by providing free uniforms, text books, notebooks and compass boxes. The Company runs 36 free mathematics classes to help the children cope with this subject and a few vocational training classes for girls.

13. Human Resource Management

- 13.1 The Company is committed to building on the competencies of its employees and improving their performance through continuous training and development. The Company actively strives to train and motivate all employees to participate in Total Quality Management activities, cost reduction and improving productivity. The Company focuses on identifying skill gaps and preparing employees for competitive environments, as well as to meet organizational challenges through structured training programmes. The Safety, Health and Environment of the people and the Company are of utmost importance. Permanent employees at all levels undergo a medical checkup held annually at the Company's premises, and are also covered through medical insurance under a hospitalization scheme.

- 13.2 The Company celebrated the National Safety Week in the month of March 2015 by organizing various competitions and educational activities. The Sports Club which is sponsored by the Company conducts tournaments in various sporting events. The Company places on record its appreciation of the dedication and commitment of the employees at all levels.

14. Awards Won:

- 14.1 The Company's quality circles won four Gold and one Silver award in the annual quality circle competitions held by the Quality Circle Forum of India. They also won the First Prize in the Poster Competition and a Second Prize in the Slogan competition held by the same organisers. At the KAIZEN competition held during the year, the Company's quality circles won the Gold and Silver prizes.
- 14.2 The Plant at Ginigera participated in the State Level Safety Competition and won the First Prize in the Best Safe Power Boiler category. In the category of Environment, Health and Safety (EHS) awards instituted by the Confederation of Indian Industry, the Plant secured a four star rating for its EHS practices. The Plant also secured fourth place in Plant Manufacturing – Non Auto category at the same competition.

15. Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director
Mumbai, May 29, 2015

Rajesh V. Shah
Co-Chairman & Managing Director



Corporate Governance Report

Corporate Philosophy: Mukand continues to uphold its commitment to adhere to high standards of Corporate Governance. The Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations. Emphasis therefore, is on adding value to its shareholders, investors, employees, suppliers, customers and the community.

1. THE BOARD OF DIRECTORS:

1.1 Composition and size of the Board:

The Board at present consists of 11 directors, including the Executive Chairman. Out of these 11 Directors, 8 are Non-Executive Directors, which include 6 Independent Directors (including one woman director). The Company has had no pecuniary relations or transactions with the Non-Executive Directors.

1.2 Board Meetings:

During the year under review, five Board Meetings were held on May 29, 2014; August 13, 2014; November 10, 2014; December 22, 2014 and February 11, 2015. The Board was presented with relevant, statutory and necessary information at these meetings. The attendance of each Director at the Board Meetings during the year and at the last Annual General Meeting along with details of number of other public limited companies and committees where he /she is a director and member/ chairman respectively is tabulated below:

Sr. No.	Name	Category	Attendance Particulars		Number of positions held in other Public Limited Companies		
			Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
1	Shri Niraj Bajaj	P.CMD	5	Yes	6	-	-
2	Shri Rajesh V. Shah	P.CCMD	5	Yes	4	3	-
3	Shri Dhirajlal S. Mehta	I.NED	5	Yes	2	2	-
4	Shri Suketu V. Shah	P.Jt.MD	3	Yes	5	-	-
5	Shri Vinod S. Shah	NED	1	No	3	-	-
6	Dr. N.P. Jain, IFS (Retd.)	I.NED	5	Yes	-	-	-
7	Shri Narendra J. Shah	P.NED	5	Yes	-	-	-
8	Shri N.C. Sharma	I.NED	5	Yes	4	6	-
9	Shri Prakash V. Mehta	I.NED	5	Yes	7	7	-
10	Shri Pradip P. Shah €	I.NED	2	Yes	11	7	1
11	Shri Amit Yadav *	I.NED	3	No	-	-	-
12	Smt. Bharti R Gandhi \$	I.NED	0	No	1	-	-

€ Ceased to be a director w.e.f. 30th September, 2014. 2 meetings were held during his tenure

* Ceased to be a director w.e.f. 13th August, 2014 & appointed as an additional non-executive independent director w.e.f. 10th November, 2014. 4 meetings were held during his tenure

\$ Appointed during the year w.e.f. 11th February, 2015

P: Promoter; **CMD:** Chairman & Managing Director; **CCMD:** Co-Chairman & Managing Director; **I:** Independent; **NED:** Non-Executive Director; **Jt.MD:** Joint Managing Director

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. As per declarations received, none of the directors serves as an independent director in more than 7 listed companies.

1.3 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. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to officers of the Company. In addition to items which are required to be placed before the Board for its noting and /or approval, information is provided on various significant items. In terms of quality and importance, the information supplied by management to the Board of the Company is far ahead of the list mandated under clause 49 of the Listing Agreement.

1.4 Orderly succession to 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 senior management.

1.5 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.

1.6 Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and clause 49 of the Listing Agreement.

1.7 Formal Letter of Appointment to independent directors

The company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms and conditions of appointment of independent directors are placed on the Company's website www.mukand.com

1.8 Re-appointment of Directors:

Shri Narendra J. Shah and Shri Niraj Bajaj retire by rotation and are eligible for re-appointment. Smt Bharti R Gandhi was appointed as an additional non-executive independent director at the Board Meeting held on 11th February, 2015 and holds office upto the date of the ensuing Annual General Meeting. Their brief resumes are as under :-

Shri Narendra J. Shah; born in 1928, is an Arts Graduate. He joined the Company in the year 1948 as a Management Trainee and has held different managerial positions at different times. He was initially posted in Batala as Chief Executive of Batala Engineering Co. Ltd., which was transferred to Mukand Ltd. during the financial year 1949-50. He was Assistant Chief Executive when he left the Company in 1969. He has been on the Board of our Company since January 16, 1990.

Shri Niraj Bajaj; born in 1954, did his B.Com, from Sydenham College of Commerce and Economics, Mumbai. He acquired his Masters in Business Administration from Harvard Business School, Boston, U.S.A. After doing a short stint at Bajaj Auto Ltd. and Bajaj Electricals Ltd., he has been associated with Mukand Ltd., in various positions and is now the Chairman and Managing Director.

He 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 1970-77 and was three-times All-India Table Tennis Champion and ranked India No.1, four times. 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 Chairman & Managing Director of the Company subject to the superintendence, control and directions of the Board of Directors of the Company. He has been on the Board of our Company since July 3, 1989.

The directorships/ committee positions in other public limited companies :

Directorships:

Bajaj Auto Ltd.
Mukand Engineers Ltd.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Hospet Steels Ltd.
Jeewan Ltd.

Committee positions: Nil

Smt. Bharti R. Gandhi; is a Masters in Applied Biology from Mumbai University. She founded the Bacteriology Department at Tata Memorial Hospital. She holds directorship in YoungBuzz India Ltd., India's Premier Career Guidance & Manpower Development Company; Beacons Private Limited, a leading International Trading Company engaged in a range of products from Industry to Micro-Tunneling Machines to Chemicals & Pharmaceuticals; and Pravinchandra Pvt. Ltd.. She is a past President of the Ladies' Wing of the



Indian Merchants' Chamber. She has been a Special Executive Magistrate and was also on the Managing Council of Sir Harkisondas Hospital. She had previously served on the Tourism Committee of Assocham for 2 Years and also served on the Script Committee of Children's Film Society India (CFSI). She was the Founder President of Inner Wheel Club of Bombay Central. She is a 'Sangeet Visharad' from Bhatkhande University, Lucknow. She has been on the Board of our Company since February 11, 2015.

2. AUDIT COMMITTEE :

The Audit Committee consists of Dr. N. P. Jain, IFS (Retd.), Chairman, Shri Dhirajlal S. Mehta, Shri N.C. Sharma and Shri Prakash V. Mehta all of whom are Independent Directors. Terms of Reference of the Audit Committee have been broadened by the Board and are as per the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, as amended by the Securities and Exchange Board of India vide circular dt. 17th April, 2014.

During the year under review, five meetings of the Audit Committee were held. All the members viz. Dr. N. P. Jain, IFS (Retd.), Chairman, Shri Prakash V. Mehta, Shri N.C. Sharma and Shri Dhirajlal S. Mehta attended all the five meetings of the Committee. In addition to Statutory Auditors, Chairman & Managing Director, Co-Chairman & Managing Director, Joint Managing Director, Chief Financial Officer, who being permanent invitees attend Audit Committee Meetings. The Cost Auditors attend where Cost Audit Report is considered at such Committee Meetings. The Internal Auditors attend where internal audit controls are discussed. Shri K. J. Mallya - Company Secretary acts as Ex-officio Secretary to the Audit Committee.

Apart from considering un-audited and/or audited financial results for the relevant quarters and for the year prior to adoption/ approval by the Board, the Committee focused its attention on key areas impacting the overall performance of the Company, Operations of Plants, Cost Audit, Review of Internal Control System, Energy Conservation/Saving and Cost Control measures, I.T. Security and Management Information System, Major Accounting Policies and Practices, Current Assets Management, Performance Reviews, Related Party Transactions, Annual Budget and Annual Internal Audit plan. Based on the Committee's discussions and review of the observations of the reports submitted by the Company's Internal Auditors on Systems and Controls, Cost Control measures and Statutory Compliance in various functional areas, the Audit Committee advises the management on areas where greater internal control and internal audit focus was needed and on new areas to be taken up for audit.

3. NOMINATION AND REMUNERATION COMMITTEE:

Terms of Reference:

The Committee shall identify the persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal. The Committee shall also carry out evaluation of every director's performance, including independent directors and formulate the criteria for overall evaluation of Independent Directors & the Board of Directors and devise a policy on Board Diversity.

Performance Evaluation:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees as required by the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was devised and was provided by the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the

Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Remuneration Policy for Directors, Key Managerial Personnel and other employees:

The Nomination & Remuneration Committee has formulated a Policy for Directors, Key Managerial Personnel and other employees, as follows:

A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs shall be paid –

- a sitting fee of Rs.50,000/- for every meeting of the Board or Audit Committee thereof attended by them as a member; and
- a sitting fee of Rs.20,000/- for every meeting of Committee of the Board other than that of Audit Committee Meeting.

The Company has no stock options plans and no payment by way of bonus, pension, incentives etc. shall be paid.

B. MANAGING DIRECTORS & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to Managing Directors shall take into account the Company's overall performance, MDs contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Company has no stock options, plans and hence such instruments do not form part of their remuneration package.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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

The Nomination & Remuneration Committee at present consists of Dr. N. P. Jain, Chairman, Shri Dhirajlal S. Mehta, Shri N. C. Sharma and Shri Prakash V. Mehta as members, all of whom are Independent Directors.

The Shareholders vide Postal Ballot Resolutions passed on 8th August, 2014, re-appointed Shri Niraj Bajaj as Chairman & Managing Director, Shri Rajesh V. Shah as Co-Chairman & Managing Director and Shri Suketu V. Shah as Joint Managing Director for a period of 3 years w.e.f. July 5, 2014 on remuneration as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. During the year under review three meetings of the Nomination & Remuneration Committee of the Company were held on 29th May, 2014, 10th November, 2014 and 11th February, 2015.

The details of remuneration of Shri Niraj Bajaj - Chairman & Managing Director, Shri Rajesh V. Shah - Co-Chairman & Managing Director and Shri Suketu V. Shah - Joint Managing Director paid for FY 2014-15 are given below:

(Rs. in lacs)

Remuneration Package	Niraj Bajaj	Rajesh V. Shah	Suketu V. Shah
Salary and allowances	72.00	68.09	66.42
Contribution to Provident Fund and Other funds	8.64	8.17	7.97
Perquisites	17.35	11.81	16.14
TOTAL	97.99	88.07	90.53

The Chairman & Managing Director, the Co-Chairman & Managing Director and the Joint Managing Director have agreements with the Company for a period of 3 years which can be terminated by giving 6 months' notice in writing. There is no provision for severance fees in the employment contracts of the Managing Directors.



The Company does not pay any remuneration to the Non-executive Directors of the Company except for the payment of sitting fees for attending Board / Committee meetings and meeting of Independent Directors. The Company has not issued stock options to any of its Directors.

Details of sitting fees paid to the Non-executive Directors during the year ended March 31, 2015 and the shares in the Company held by them as on March 31, 2015 are as under:-

Sr. No.	Name of the Director	Sitting Fees (Rs.)	Shareholding	
			Equity Shares	0.01% Cumulative Redeemable Preference Shares
1	Shri Dhirajlal S. Mehta	6,50,000	277	69
2	Shri Vinod S. Shah	50,000	6,032	464
3	Dr. N. P. Jain, IFS (Retd.)	6,50,000	40	10
4	Shri Narendra J. Shah	3,00,000	99,605	8,245
5	Shri N.C. Sharma	6,50,000	-	-
6	Shri Prakash V. Mehta	6,30,000	-	-
7	Shri Pradip P. Shah	1,50,000	200	24
8	Shri Amit Yadav	1,70,000	200	-
9	Smt Bharti R Gandhi	-	-	-

The sitting fees paid to the Non Executive Directors include sitting fees paid to Independent Directors for attending the meeting of the Independent Directors held on 27th March, 2015.

4. SHAREHOLDERS' / INVESTORS' GRIEVANCES :

The Stakeholders Relationship Committee consists of Shri N. C. Sharma - Chairman, Shri Dhirajlal S. Mehta and Dr. N. P. Jain, IFS (Retd.) all of whom are Independent Directors. The meeting of the Committee was held on May 29, 2015. As on March 31, 2015, no request for transfer of shares and for dematerialization/ rematerialisation of shares was pending for approval. Shri K. J. Mallya, Company Secretary is the Compliance Officer.

There were no major complaints from the investors. Routine complaints relating to non-receipt of annual report, details of shares offered, payment of dividends, transfer of shares, dematerialisation of shares and request for change of address, etc. were attended generally within 3 / 4 days. The Company has not received any complaints from shareholders through the Securities and Exchange Board of India (SEBI) during the year under review. There were no complaints pending as at end of the year.

5. GENERAL BODY MEETINGS:

Details of the last three Annual General Meetings of the Company are as follows:

AGM	Date & Time	Venue
74 th	August 13, 2012 at 4.00 p.m.	Indian Merchants' Chamber, IMC Bldg., IMC Marg, Churchgate, Mumbai 400020
75 th	August 13, 2013 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021
76 th	August 13, 2014 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021

The Company did not pass any Special Resolution in last three Annual General Meetings.

Postal Ballot

During the year, the Company, through Postal Ballot under Section 110 of the Companies Act, 2013 (including e-Voting) read with Companies (Management and Administration) Rules, 2014, passed resolutions with requisite majority; the details of which are as under:

A. Resolutions passed on 8th August, 2014:

Sr. No.	Description of the Resolution	Votes [No. of shares and (%)]	
		In favour	Against
1	Approval to the Board of Directors for borrowings under section 180(1)(c) of the Companies Act, 2013 – Special Resolution	11,04,58,983 (99.9982)	2,042 (0.001849)
2	Approval to the Board of Directors for borrowings under section 180(1)(a) of the Companies Act, 2013 – Special Resolution	11,04,58,825 (99.998)	2,168 (0.001963)
3	Approval to the Board to make Investments, Loans, Guarantees or Securities under section 186 of the Companies Act, 2013 – Special Resolution	11,04,58,197 (99.9974)	2,828 (0.00256)
4	Amendment to the Articles of Association of Company under section 14 of the Companies Act, 2013 – Special Resolution	11,04,58,291 (99.9975)	2,734 (0.002475)
5	Re-appointment and approval of remuneration of Shri Niraj Bajaj, Chairman & Managing Director under sections 196, 197 and 203 of the Companies Act, 2013 – Special Resolution	11,04,56,412 (99.9958)	4,613 (0.004176)
6	Re-appointment and approval of remuneration of Shri Rajesh V. Shah, Co-Chairman & Managing Director under sections 196, 197 and 203 of the Companies Act, 2013 – Special Resolution	11,04,56,298 (99.9957)	4,727 (0.004279)
7	Re-appointment and approval of remuneration of Shri Suketu V. Shah, Jt. Managing Director under sections 196, 197 and 203 of the Companies Act, 2013 – Special Resolution	11,04,56,298 (99.9957)	4,727 (0.004279)
8	Acceptance of deposits from public & members under sections 73& 76 of the Companies Act, 2013 – Special Resolution	11,04,58,011 (99.9973)	3,014 (0.002729)

In respect of above Postal Ballot, the Company had appointed M/s. Anant B. Khamankar & Co., Practicing Company Secretaries as Scrutinizer to conduct the Postal Ballot Process. Postal Ballot forms received upto the close of working hours on 5th August, 2014 had been considered and the result of Postal Ballot was declared on 8th August, 2014 at the registered office of the Company.



B. Resolutions passed on 18th February, 2015

Sr. No.	Description of the Resolution	Votes [No. of shares and (%)]	
		In favour	Against
1	Amendment to the Articles of Association of Company under section 14 of the Companies Act, 2013- Special Resolution	11,21,14,378 (99.9995)	549 (0.0005)
2	Hiving off of Alloy Steel Business of the Company under section 180(1)(a), 188 and 110 of the Companies Act, 2013- Special Resolution	1,90,86,080 (99.9983)	331 (0.0017)
3	Approval of Related Party Transactions with Mukand Sumi Metal Processing Ltd. under section 188 of the Companies Act, 2013 – Special Resolution	1,90,84,650 (99.9874)	2,409 (0.0126)
4	Appointment of Mr. Amit Yadav as an Independent Director under sections 149 and 152- Ordinary Resolution	11,20,14,265 (99.9992)	890 (0.0008)

In respect of the above Postal Ballot, the Company had appointed M/s. Anant B. Khamankar & Co., Practicing Company Secretaries as Scrutinizer to conduct the Postal Ballot Process. Postal Ballot forms received upto the close of working hours on 13th February, 2015 had been considered and the result of Postal Ballot was declared on 18th February, 2015 at the registered office of the Company.

6. DISCLOSURES:

6.1. 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 details of transactions with related parties are disclosed in the Accounts.

6.2. Compliance with Regulations:

There were no non-compliance matters related to capital markets by the Company during the last three years, nor did the Company attract any penalties or strictures passed by the stock exchanges, SEBI or any other statutory authority.

6.3. Risk Management:

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 Managing Directors of the Company. The Audit Committee periodically reviews the adequacy and efficacy of the overall risk management system.

7. CODE OF CONDUCT:

Revised Clause 49 of Listing Agreement requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

All directors and senior management personnel have affirmed compliance with the code of conduct for 2014-15. A declaration to this effect signed by the Managing Director is given in this Annual Report.

8. CODE FOR PREVENTION OF INSIDER TRADING:

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. These regulations have been substituted by SEBI with a new set of Regulations, which were to be complied by May 15, 2015.

Regulation 8 of the newly introduced Regulations, required the Company to formulate a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)', which the Company needs to follow in order to adhere to each of the principles set out in Schedule A to the said Regulations.

Further, Regulation 9(1) of these Regulations required a listed company to formulate a 'Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons', towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, the Board, vide circular resolution dated 8th May, 2015, approved and adopted:

- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

The said codes are being adhered to with effect from 15 May, 2015.

9. CEO AND CFO CERTIFICATION:

In accordance with the requirement of Clause 49 of the Listing Agreement, the CEOs i.e., Chairman & Managing Director and Co-Chairman & Managing Director and CFO i.e., Chief Financial Officer have furnished the requisite certificates to the Board of Directors of the Company.

10. 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, filed in compliance of clause 52 of the Listing Agreement, under Corporate Filing and Dissemination System (CFDS) are available at the website www.corpfiling.co.in and on the corporate website of the Company www.mukand.com. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal. The Company has complied with filing submissions through BSE's BSE 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.

Information, in words and visuals, about the Company and its businesses, including products manufactured, projects executed, facilities and processes, quality policy, financial results, shareholding pattern, code of conduct, press releases etc. is available at the corporate website: www.mukand.com.

11. SHAREHOLDERS' INFORMATION:

11.1 Annual General Meeting:

Date	Wednesday, August 12, 2015
Time	4.00 p.m.
Venue	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamn Lal Bajaj Marg, 226, Nariman Point, Mumbai 400021

11.2 Financial calendar:

Financial Year: April 1 to March 31

Consideration of Financial Results (tentative):

i.	First quarter	[unaudited]	second week of August.
ii.	Second quarter	[unaudited]	second week of November.
iii.	Third quarter	[unaudited]	second week of February.
iv.	Annual	[audited]	last week of May.

11.3 Date of Book Closure and Dividend Payment:

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 1st August, 2015 to Wednesday, the 12th August, 2015 (both days inclusive) for the purpose of payment of Dividend on 0.01% Cumulative Redeemable Preference Shares.

The Preference Dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par on or after August 17, 2015 to those members whose names appear on the Company's Register of members as holders of equity / preference shares in physical form as at the end of the day on Friday, 31st July, 2015. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership details to be furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose.*



11.4 Stock Exchange Listing:

Equity Shares and 0.01% Cumulative Redeemable Preference Shares (CRPS) of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and the applicable listing fees have been duly paid to the Exchanges.

11.5 Stock Code:

		Equity	CRPS
1.	BSE	500460	700087
2.	NSE	MUKANDLTD	MUKANDCRPS
3.	ISIN	INE 304A01026	INE 304A04012

11.6 Stock Price Data:

Monthly highs and lows of the Company's Equity Share prices on the BSE and NSE in the year 2014-15 are given hereunder:

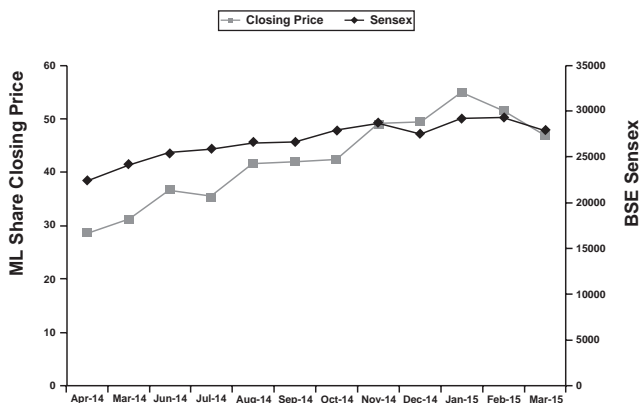
Rs. per share

Months	BSE		NSE	
	High	Low	High	Low
Year 2014				
April	34.45	23.30	34.45	23.15
May	37.45	27.15	37.60	27.10
June	41.25	30.20	41.90	30.05
July	40.45	33.30	40.80	33.35
August	47.00	34.10	47.30	34.10
September	51.65	39.45	51.90	39.50
October	45.35	37.35	45.50	37.55
November	55.75	42.50	55.85	42.50
December	55.20	40.00	55.30	39.90
Year 2015				
January	64.10	48.75	64.00	48.65
February	56.95	49.30	57.85	48.40
March	56.95	44.10	56.90	44.10

During the year, CRPS were traded on BSE and the price ranged between Rs.3.80 and Rs.8.09 per share.

11.7 Comparative Stock Price Performance :

The Equity share prices of the Company on BSE in comparison with the BSE Sensex are given in the following graph:



11.8 Share Transfer Agents:

M/s. Karvy Computershare Private Limited are the Share Transfer Agents of the Company for carrying out work relating to Share transfers of the Company.

11.9 Share Transfer System:

The Share transfers are approved by a Committee of Directors, which is normally done once in 10 days. Share transfers are registered within a

* Refer Note No. 10 of the Notice convening 77th Annual General Meeting in connection with withdrawal of this recommendation in view of amendment to Section 123 of the Companies Act, 2013.

period of 15 days from the date of receipt, if the documents are complete in all respect. The Company has followed the guidelines issued by SEBI for dematerialisation of Shares.

During the year, 6,763 Equity Shares and 1,232 CRPS were transferred in physical (non-dematerialized) form.

11.10 Distribution of Shareholding:

The Company had 43,289 Equity Shareholders and 41,939 CRPS holders as on March 31, 2015. Distribution of shareholding is given in the table hereunder:

Equity Shares:

Distribution of Shareholding	No. of Equity Shares	% of Equity Shares	No. of Equity Shareholders	% of Equity Shareholders
Upto - 50	4,71,335	0.33	21,155	48.87
51 - 100	6,66,805	0.47	7,840	18.11
101 - 500	25,24,164	1.79	9,549	22.06
501 - 1,000	17,76,388	1.26	2,209	5.10
1,001 - 5,000	42,75,326	3.02	1,900	4.39
5,001 - 10,000	21,81,599	1.54	305	0.70
10,001 and above	12,95,10,244	91.59	331	0.77
Total	14,14,05,861	100.00	43,289	100.00

0.01% Cumulative Redeemable Preference Shares:

Distribution of Shareholding	No. of CRPS	% of CRPS Shares	No. of CRPS Holders	% of CRPS Holders
Upto - 50	4,00,024	7.11	37,929	90.44
51 - 100	1,47,170	2.62	1,903	4.54
101 - 500	3,59,022	6.38	1,682	4.01
501 - 1,000	1,44,378	2.57	192	0.46
1,001 - 5,000	3,56,233	6.33	165	0.39
5,001 - 10,000	1,84,722	3.28	25	0.06
10,001 and above	40,34,771	71.71	43	0.10
Total :	5,626,320	100.00	41,939	100.00

The shareholding pattern of Equity Shares as on March 31, 2015 is given in the table as under:

Sl. No.	Category of Shareholders	No. of Shares	% of Total Shareholding
1	Promoter and Promoter Group	10,10,37,953	71.45
2	Mutual Funds and UTI	6,007	0.01
3	Financial Institutions and Banks	1,14,429	0.08
4	Insurance Companies	72,46,338	5.13
5	Other Bodies Corporate	98,73,588	6.98
6	Foreign Institutional Investors	30,963	0.02
7	Non-Resident Indians/OCBs	6,39,151	0.45
8	Indian Public	2,24,57,432	15.88
	Total	14,14,05,861	100.00

11.11 Dematerialization of Shares and liquidity:

The Company's Shares are dealt with at both the depositories viz. NSDL and CDSL. The Company for the benefit of the Shareholders has made one time payment to NSDL towards custodial charges. During the year, 50,244 Equity Shares and 3,145 CRPS were dematerialised in respect of 341 and 148 requests respectively. The dematerialisation level as on March 31, 2015 stood at 98.84% of total paid-up Equity Share capital and 92.49% of the total paid-up 0.01% Cumulative Redeemable Preference Share Capital. As on March 31, 2015, 26,776 Shareholders held 13,97,70,739 Equity Shares and 17,943 Shareholders held 52,03,965 CRPS in demat form.

11.12 Plant Locations:

Dighe, Thane, Maharashtra- 400 605
Giniger, Karnataka- 583 228



11.13 Address for Correspondence:

- (i) Physical Shares (Equity and Preference):

Share Transfer Agents :

M/s. Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32

Gachibowli Financial District,

Nanakramguda, Hyderabad 500032

Tel: (040) 6716 2222

Fax: (040) 2300 1153

E-mail : mohsin.mohd@karvy.com

Website : www.karvycomputershare.com

- (ii) Demat Shares (Equity & Preference) :

Respective Depository Participants of Shareholders

- (iii) Shares & Fixed Deposits :

Bajaj Bhawan, Jamnalal Bajaj Marg,

226, Nariman Point, Mumbai 400021

Tel: Shares: 022 - 6121 6666

Fixed Deposits: 022 - 6121 6629

Fax: 022-2202 1174

E-mail : Shares: investors@mukand.com

Fixed Deposits: fixeddeposit@mukand.com

12. ADOPTION OF MANDATORY & NON-MANDATORY REQUIREMENTS

Mandatory

The Company has fully adopted the mandatory requirements of clause 49 of the Listing Agreement.

Non-mandatory

- i) Shareholder rights :

Quarterly financial results were published in one English newspaper and in one Marathi newspaper. These were not sent individually to the shareholders.

- ii) Audit Qualifications :

The auditors' report does not contain any qualification.

- iii) Separate post of Chairman and CEO :

The Company has same person as Chairman & Managing Director.

- iv) Reporting of Internal Auditor :

Internal Auditors are invited to the meetings of the Audit Committee wherein they report directly to the Committee.

13. CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained a certificate from M/s. Haribhakti & Co. LLP, Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges. This is annexed to the Directors' Report. The certificate will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

On behalf of the Board of Directors,

Niraj Bajaj

Chairman & Managing Director

Mumbai, May 29, 2015

Rajesh V. Shah

Co-Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

Mukand Limited

We have examined the compliance of conditions of Corporate Governance by Mukand Limited (the Company), for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the 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 Agreement.

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

For and on behalf of
Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. : 103523W

Sumant Sakhardande

Partner

Membership No.: 034828

Place: Mumbai

Date: 29th May, 2015

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

We, Niraj Bajaj, Chairman & Managing Director and Rajesh V. Shah, Co-Chairman & Managing Director of Mukand Ltd. hereby declare that all the Board Members and senior management personnel have affirmed for the year ended March 31, 2015 compliance with the code of conduct as laid down by the Company.

Mumbai : May 29, 2015

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director



Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)
(Pursuant to para IX of Clause 49 of the Listing Agreement)

We have reviewed the attached financial statements and the cash flow statement of MUKAND LIMITED for the year ended 31 March 2015, and certify to the Board :

- (a) That to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit material fact or contain statements that might be misleading;
 - ii. 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) That there are, 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) That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) That we have indicated to the Auditors and the Audit Committee :
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies 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.

S. B. Jhaveri

Chief Financial Officer

Rajesh V. Shah

Co-Chairman & Managing Director

Niraj Bajaj

Chairman & Managing Director

Mumbai : May 29, 2015



Mukand Ltd.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHERS DETAILS

i)	CIN	L99999MH1937PLC002726
ii)	Registration Date	29/11/1937
iii)	Name Of The Company	MUKAND LIMITED
iv)	Category /Sub-Category Of The Company	Company having Share Capital
v)	Address of the Registered office and contact details	Bajaj Bhawan, Jamnalal Bajaj Marg 226, Nariman Point, Mumbai, Maharashtra 400021 Ph: 022 61216666 Fax: 022 22021174
vi)	Whether Listed Company (Yes/No)	Yes (Listed on BSE & NSE)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli Financial District Nanakramguda, Hyderabad 500032 Ph: 040 67162222 Fax: 040 23001153

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

S r. No.	Name and Description of Main Products/ Services	NIC Code Of The Product /Service	% to total turnover of the Company
1	Manufacture of Alloy Steel bars, rods, structurals, rails	27151	56.96
2	Manufacture of Stainless Steel bars, rods, structurals, rails	27153	31.71

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S r. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mukand Global Finance Ltd.	U67120MH1979PLC021418	Subsidiary	100.00	2(87)
2	Vidyavihar Containers Ltd.	U27200MH1971PLC015205	Subsidiary	100.00	2(87)
3	Mukand International FZE	Foreign Company	Subsidiary	100.00	2(87)
4	Mukand International Ltd.	Foreign Company	Subsidiary	100.00	2(87)
5	Mukand Sumi Metal Processing Ltd.	U27300MH2012PLC234000	Subsidiary	60.07	2(87)
6	Mukand Alloy Steels Pvt Ltd.	U27310MH2015PTC260936	Subsidiary	99.00	2(87)
7	Stainless India Ltd.	U27107RJ1995PLC010920	Associate	44.09	2(6)
8	Bombay Forgings Ltd.	U28910MH1966PLC013399	Associate	24.00	2(6)
9	Mukand Engineers Ltd.	L45200MH1987PLC042378	Associate	36.05	2(6)
10	Mukand Vini Mineral Ltd.	U14200MH2008PLC187216	Associate	48.80	2(6)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held of the beginning of the year (1st April, 2014)			No. of shares held of the end of the year (31st March, 2015)			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
1. Indian							
a. Individual/HUF	41,306,997	-	41,306,997	37,320,648	-	37,320,648	26.39
b. Central Govt.							-2.82
c. State Govt.							-
d. Bodies Corp.	62,424,011	-	62,424,011	63,717,305	-	63,717,305	45.06
e. Bank/ FI							0.91
f. Any Other							-
Sub-Total (A)(1)	103,731,008	-	103,731,008	101,037,953	-	101,037,953	71.45
2. Foreign							-1.90
a. NRI- Individuals							-
b. Other Individuals							-
c. Bodies Corporate							-
d. Banks/FI							-
e. Any Other							-
Sub-Total (A)(2)	0	0	0	0	0	0	-
Total Shareholding Of Promoter (A) = (A)(1) + (A)(2)	103,731,008	-	103,731,008	101,037,953	-	101,037,953	71.45
B. Public Shareholding							-1.90
1. Institutions							-
a. Mutual Funds	5,006	1,001	6,007	5,006	1,001	6,007	0.00
b. Bank/ FI	96,950	4,489	101,439	110,284	4,145	114,429	0.08
c. Central Govt.							0.01
d. State Govt(s)							-
e. Venture Capital Funds							-
f. Insurance Companies	7,244,583	-	7,244,583	7,246,338	-	7,246,338	5.12
g. FIs	877,658	30,963	908,621	-	30,963	30,963	0.02
h. Foreign Venture Capital							-0.62
i. Others (specify)							-
Sub-Total (B)(1)	8,224,197	36,453	8,260,650	7,361,628	36,109	7,397,737	5.23
2. Non- Institutions							-0.61
a. Body Corporate							-
i. Indian	9,975,287	442,880	10,418,167	9,363,728	442,863	9,806,591	6.94
ii. Overseas							-0.43
b. Individuals							-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	9,174,507	1,003,013	10,177,520	9,371,898	975,106	10,347,004	7.32
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8,126,226	192,068	8,318,294	9,247,305	170,068	9,417,373	6.66
c. Others (specify)							0.78
i. Clearing members	106,269	-	106,269	66,997	-	66,997	-
ii. NRIs	383,001	10,952	393,953	628,175	10,976	639,151	0.05
iii. Trusts (Employee Welfare Funds)				2,367,014	-	2,367,014	0.45
iv. Non Promoter - Non Public Employee Welfare Funds				326,041	-	326,041	1.67
Sub-Total -B-(2)	27,765,290	1,648,913	29,414,203	31,371,158	1,599,013	32,970,171	0.23
Total Public Shareholding (B) = (B)(1) + (B)(2)	35,989,487	1,685,366	37,674,853	38,732,786	1,635,122	40,367,908	23.32
C. Shares held by Custodian for GDRs & ADRs							2.51
Grand Total (A+B+C)	139,720,495	1,685,366	141,405,861	139,770,739	1,635,122	141,405,861	28.55
							0.00
							100.00



ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of shares held of the beginning of the year (1st April, 2014)			No. of shares held of the end of the year (31st March, 2015)			% Change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Shri Rahul Bajaj	904,044	0.64	0.00	712,044	0.50	-	-0.14
2	Shri Niraj Bajaj	12,887,156	9.11	0.00	11,476,956	8.12	-	-1.00
3	Shri Rajesh V Shah	7,200,842	5.09	2.58	7,200,842	5.09	3.72	0.00
4	Shri Suketu V Shah	7,169,018	5.07	2.17	7,319,018	5.18	3.16	0.11
5	Shri Sanjivnayan Bajaj	1,787	0.00	0.00	1,787	0.00	-	0.00
6	Shri Shekhar Bajaj	766,094	0.54	0.00	733,000	0.52	-	-0.02
7	Shri Madhur Bajaj	706,200	0.50	0.00	706,200	0.50	-	0.00
8	Shri Anant Bajaj	86,400	0.06	0.00	86,400	0.06	-	0.00
9	Smt Sunaina Kejriwal	1,363	0.00	0.00	1,363	0.00	-	0.00
10	Smt Suman Jain	3,744	0.00	0.00	3,744	0.00	-	0.00
11	Smt Anjana Viren Shah (Nee Anjana Munsif)	30,634	0.02	0.00	30,634	0.02	-	0.00
12	Shri Narendrakumar J Shah	99,605	0.07	0.00	99,605	0.07	-	0.00
13	Smt Jyoti Shah	21,117	0.01	0.00	21,117	0.01	-	0.00
14	Smt Bansri Rajesh Shah	3,431,542	2.43	0.44	3,431,542	2.43	2.38	0.00
15	Smt Czaee Sukumar Shah	4,057,212	2.87	0.00	4,057,212	2.87	2.48	0.00
16	Priyadarshika Rajesh Shah	960,046	0.68	0.34	960,046	0.68	0.00	0.00
17	Shri Kaustubh Rajesh Shah	96,000	0.07	0.03	96,000	0.07	0.07	0.00
18	Shri Rishabh Sukumar Vir	191,138	0.14	0.00	191,138	0.14	-	0.00
19	Bajaj Auto Employees Welfare Funds	2,245,592	1.59	0.00	-	0	-	-1.59
20	Shekharkumar Ramkrishnaji Bajaj (BELEWF)	121,422	0.09	0.00	-	0	-	-0.09
21	Shri Surendra Bhaichand Jhaveri (Mukand EWF)	326,041	0.23	0.00	-	0	-	-0.23
22	Akhil Investments & Traders Pvt Ltd	260	0.00	0.00	-	0	-	0.00
23	Bachraj & Co Pvt Ltd	3,350,692	2.37	0.00	3,350,692	2.37	-	0.00
24	Bachraj Factories Pvt Ltd	1,378,168	0.97	0.00	1,378,168	0.97	-	0.00
25	Bajaj Holdings & Investment Ltd	8,113,564	5.74	0.00	8,113,564	5.74	-	0.00
26	Bajaj Sevashram Pvt Ltd	2,500,160	1.77	0.00	2,500,160	1.77	-	0.00
27	Baroda Industries Pvt Ltd	14,326,616	10.13	0.00	15,726,616	11.12	0.48	0.99
28	Jamnalal Sons Pvt Ltd	26,295,522	18.60	2.74	26,293,322	18.59	-	0.00
29	Jeevan Limited	4,785,369	3.38	2.61	4,785,369	3.38	-	0.00
30	Mukand Engineers Ltd	1,362,400	0.96	0.48	1,362,400	0.96	-	0.00
31	Niraj Holdings Pvt Ltd	1,000	0.00	0.00	8,000	0.01	-	0.00
32	Sidya Investments Ltd	160,000	0.11	0.00	160,000	0.11	-	0.00
33	Valiant Investments & Trades Pvt Ltd	260	0.00	0.00	260	0.00	-	0.00
34	Bahar Mercantile Ltd	150,000	0.11	0.00	-	0.00	-	-0.11
35	Minal Bajaj	-	0.00	0.00	192,000	0.14	-	0.14
36	Akhil Investments & Traders Pvt Ltd	-	0.00	0.00	260	0.00	-	0.00
37	Kamalnayan Investment & Trading Pvt. Ltd.	-	0.00	0.00	7,000	0.00	-	0.00
38	Madhur Securities Pvt. Ltd.	-	0.00	0.00	7,000	0.00	-	0.00
39	Rahul Securities Pvt. Ltd.	-	0.00	0.00	7,000	0.00	-	0.00
40	Rupa Equities Pvt. Ltd.	-	0.00	0.00	7,000	0.00	-	0.00
41	Sanraj Nayan Investments Pvt. Ltd.	-	0.00	0.00	3,494	0.00	-	0.00
42	Shekhar Holdings Pvt. Ltd.	-	0.00	0.00	7,000	0.00	-	0.00
TOTAL		103,731,008	73.36	11.38	101,037,953	71.45	12.97	-1.90



iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (1st April, 2014) / at the end of the year (31st March, 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the top 10 Shareholders				
	At the beginning of the year	103,731,008	73.36		
	Date-wise increase/(decrease)				
1	Rahul Bajaj				
	27-08-2014 - Sale	(192,000)	-0.14	103,539,008	73.22
2	Minal Bajaj				
	27-08-2014 - Purchase	192,000	0.14	103,731,008	73.36
3	Niraj Bajaj A/c Bajaj Trading Company				
	16-12-2014 - Sale	(10,200)	-0.01	103,720,808	73.35
4	Jamnalal Sons Pvt Ltd				
	16-12-2014 - Sale	(2,200)	-0.00	103,718,608	73.35
5	Shekhar Bajaj A/c Bajaj Trading Company				
	16-12-2014 - Sale	(33,094)	-0.02	103,685,514	73.32
6	Kamalnayan Investment & Trading Pvt Ltd				
	16-12-2014 - Purchase	7,000	0.00	103,692,514	73.33
7	Rahul Securities Pvt Ltd				
	16-12-2014 - Purchase	7,000	0.00	103,699,514	73.33
8	Rupa Equities Pvt Ltd				
	16-12-2014 - Purchase	7,000	0.00	103,706,514	73.34
9	Sanraj Nayan Investment Pvt Ltd				
	16-12-2014 - Purchase	3,494	0.00	103,710,008	73.34
10	Madhur Securities Pvt Ltd				
	16-12-2014 - Purchase	7,000	0.00	103,717,008	73.35
11	Shekhar Holdings Pvt Ltd				
	16-12-2014 - Purchase	7,000	0.00	103,724,008	73.35
12	Niraj Holdings Pvt Ltd				
	16-12-2014 - Purchase	7,000	0.00	103,731,008	73.36
13	Niraj Bajaj				
	27-02-2015 - Sale	(1,400,000)	-0.99	102,331,008	72.37
14	Baroda Industries Pvt Ltd				
	27-02-2015 - Purchase	1,400,000	0.99	103,731,008	73.36
15	Suketu V Shah				
	27-02-2015 - Sale	(150,000)	-0.11	103,581,008	73.25
16	Bahar Mercantile Ltd				
	27-02-2015 - Purchase	150,000	0.11	103,731,008	73.36
	At the end of the year	101,037,953	71.45		

Note: Mukand Employees' Welfare Funds, Bajaj Electricals Ltd (BEL) Employees' Welfare Funds and Bajaj Holdings and Investment Ltd (BHIL) Employees' Welfare Funds (formerly known as Bajaj Auto Ltd Employees' Welfare Funds) are holding shares in **Mukand Ltd.** as under :-

	No. of shares	% to paid-up capital
Mukand Employees Welfare Funds	326,041	0.23
BEL Employees Welfare Funds	121,422	0.09
BHIL Employees Welfare Funds	2,245,592	1.59
	2,693,055	1.90

The above holdings were classified as Promoters' shareholdings until the Quarter ended 31 December, 2014.

Consequent upon the enactment of SEBI (Share based Employee Benefits) Regulations, 2014,

- The holdings of Mukand Employees Welfare Funds are reclassified as 'Non Promoter Non Public Shareholding' with effect from the Quarter ending 31 March, 2015,
- The holdings BEL Employees Welfare Funds and BHIL Employees Welfare Funds are reclassified as 'Public Shareholding' with effect from the Quarter ending 31 March, 2015.



iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year (1st April, 2014)		Shareholding at the end of the year (31st March, 2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	7,228,076	5.11	7,228,076	5.11
2	Shinano Retail Pvt. Ltd.	3,579,056	2.53	3,579,056	2.53
3	Fusion Investments & Other Investment Co's	2,622,748	1.85	2,301,848	1.63
4	Mr Rakesh S Gupta	2,127,074	1.50	2,090,039	1.48
5	CLSA (Mauritius) Ltd.	796,036	0.56	-	-
6	Mr Dilipkumar Lakhi	614,880	0.43	614,880	0.43
7	Utkal Fans Pvt Ltd	550,000	0.39	550,000	0.39
8	Sikkim Janseva Pratishthan Pvt Ltd	390,000	0.28	390,000	0.28
9	Ms Jyoti R Gupta	340,772	0.24	484,862	0.34
10	Ms Gayatri S Gupta	298,958	0.21	-	-
11	MKJ Enterprises Ltd.	-	-	294,366	0.21
12	Mr Deven M Doshi	-	-	260,000	0.18

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (1st April, 2014) / at the end of the year (31st March, 2015)		Date	increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Directors Niraj Bajaj Chairman & Managing Director	12,887,156	9.11	4/1/2014				
				12/16/2014	-10200	Market Sale	12,876,956	9.11
				2/27/2015	-1400000	Off market Sale	11,476,956	8.12
		11,476,956	8.12	3/31/2015			11,476,956	8.12
2	Rajesh V Shah Co-Chairman & Managing Director	7,200,842	5.09	4/1/2014				
					Nil movement during the year			
		7,200,842	5.09	3/31/2015			7,200,842	5.09
3	Suketu V Shah Jt. Managing Director	7,169,018	5.07	4/1/2014				
				3/31/2015	150000	Off market Acquisition	7,319,018	5.18
		7,319,018	5.18	3/31/2015			7,319,018	5.18
4	Dhirajlal S. Mehta Director	277	0.00	4/1/2014			277	0.00
					Nil movement during the year			
5	N P Jain Director	277	0.00	3/31/2015			277	0.00
		40	0.00	4/1/2014			40	0.00
6	Narendra J Shah Director				Nil movement during the year			
		40	0.00	3/31/2015			40	0.00
		99,605	0.07	4/1/2014			99,605	0.07
7	Vinod S Shah Director				Nil movement during the year			
		99,605	0.07	3/31/2015			99,605	0.07
		6,032	0.00	4/1/2014			6,032	0.00
		6,032	0.00	3/31/2015			6,032	0.00



8	Prakash V Mehta Director	2,000	0.00	4/1/2014	-2000	Sale	2,000	0.00
				11/14/2014			-	0.00
		-	0.00	3/31/2015			-	0.00
9	Pradip P Shah Director	200	0.00	4/1/2014			200	0.00
						Nil movement during the year		
		200	0.00	3/31/2015			200	0.00
	Key Managerial Personnel							
1	S B Jhaveri Chief Financial Officer	3,680	0.00	4/1/2014			3,680	0.00
						Nil movement during the year		
		3,680	0.00	3/31/2015			3,680	0.00
2	K J Maliya Company Secretary	400	0.00	4/1/2014			400	0.00
						Nil movement during the year		
		400	0.00	3/31/2015			400	0.00
3	A M Kulkarni Chief Executive Officer	3,520	0.00	4/1/2014			3,520	0.00
						Nil movement during the year		
		3,520	0.00	3/31/2015			3,520	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Rs. in Crore)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR				
i. Principal Amount	1,314.92	846.67	144.68	2,306.27
ii. Interest due but not paid	7.95	25.26	-	33.21
iii. Interest accrued but not due	5.62	-	9.50	15.12
Total (i+ii+iii)	1,328.49	871.93	154.18	2,354.60
Changes in indebtedness during the financial year				
*Addition	334.68	333.43	-	668.11
*Reduction	(351.50)	-	(62.68)	(414.18)
Net Change	(16.82)	333.43	(62.68)	253.93
INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR				
i. Principal Amount	1,298.10	1,180.10	82.00	2,560.20
ii. Interest due but not paid	9.99	34.84	-	44.83
iii. Interest accrued but not due	3.16	-	5.84	9.00
Total (i+ii+iii)	1,311.25	1,214.94	87.84	2,614.03



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and /or Manager :

Sr No	Particulars Of Remuneration (in Rs. Crore)	Name of MD/WTDM/Manager			Total Amount
		Shri Niraj Bajaj, Chairman & Managing Director	Shri Rajesh V Shah, Co-Chairman & Managing Director	Shri Suketu V Shah, Jt. Managing Director	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	0.87	0.68	0.66	2.21
	(b) Value of perquisites u/s. 17(2) of Income tax Act, 1961	0.02	0.12	0.16	0.30
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	TOTAL (A)	0.89	0.80	0.82	2.51
	ceiling as per the Act	1.42	1.42	1.42	4.26

B. Remuneration to other directors:

Sr No	Particulars Of Remuneration (in Rs. Crore)	Name of Directors									Total Amount
		Shri Dhirajlal S Mehta	Dr. N P Jain, IFS(Retd.)	Shri N C Sharma	Shri Prakash V Mehta	Shri Amit Yadav	Smt Bharti R Gandhi	Shri Pradip P Shah	Shri Vinod Shah	Shri N J Shah	
1	Independent Directors										
	Fee for attending board / committee meetings	0.06	0.06	0.06	0.06	0.02	-	0.02			
	Commission										
	Others, please specify										
	TOTAL (1)	0.06	0.06	0.06	0.06	0.02	-	0.02	-	-	0.28
2	Other Non-Executive Directors										
	Fee for attending board / committee meetings								0.01	0.03	
	Commission										
	Others, please specify										
	TOTAL (2)	0	0	0	0	0	0	0	0.01	0.03	0.04
	TOTAL (B) = (1+2)	0.06	0.06	0.06	0.06	0.02	-	0.02	0.01	0.03	0.32
	Total Managerial Remuneration										
	Overall Ceiling as per the Act	0.15	0.15	0.15	0.15	0.03	0	0.03	0.01	0.06	0.73



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

Sr No	Particulars Of Remuneration (in Rs. Crore)	Name of Key Managerial Personnel			Total Amount
		Shri A M Kulkarni, CEO	Shri K J Mallya, Company Secretary	Shri S B Jhaveri, CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	0.44	0.21	0.49	1.14
	(b) Value of perquisites u/s. 17(2) of Income tax Act, 1961	0.01	0.01	0.02	0.04
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	TOTAL	0.45	0.22	0.51	1.18

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty			Not applicable		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Not applicable		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Not applicable		
Punishment					
Compounding					

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 29, 2015



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

I) Company's 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, 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 Clause 49 of the Listing Agreement concerning independence of directors.

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

- i) Non Executive Directors (NEDs)
NEDs are paid –
 - a) a sitting fee of Rs.50,000 for every meeting of the Board or Audit Committee thereof attended by them as member; and
 - b) a sitting fee of Rs.20,000 for every meeting of Committee of the Board other than that of Audit Committee Meeting.
- ii) Managing Directors, 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 Remuneration to Managing Directors shall take into account the Company's overall performance, their contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture.
The Company do not have stock option, plans and hence such instruments do not form part of the remuneration package.
Remuneration to Managing Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
The remuneration structure to other employees will have compensation policy so as to reward and retain talent.

III) Performance Evaluation

The criteria for evaluation for performance of the Board, its Directors and Committees are formulated by the Nomination & Remuneration Committee of the Board of Directors of the Company and 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 of Meetings and attendance there at;
- c. Discharge of the key functions and responsibility 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);

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 (RPTs) of the company covered under the Companies Act, 2013 and Clause 49 of the Listing Agreement will 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 RPTs, except in the following cases:

- a. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder or the Listing Agreements, 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 & Rules thereunder, Clause 49 of the Listing Agreement and other applicable provisions for the time being in force. The website link on this is http://www.mukand.com/images/Policy_on_Materiality_of_Related_Party_Transactions.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 Managing Directors of the Company. The Audit Committee/Board periodically reviews the adequacy and efficacy of the overall risk management system.



VI) Policy for determining material subsidiaries

"Material non listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India 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 shall not dispose off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or sell/dispose/lease more than 20% of its assets or cease the exercise of control over the subsidiary without passing a special resolution in general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

VII) Whistle Blower Policy/Vigil Mechanism

The director/employee will 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 a enforcement committee member, the same is required to be forwarded by him to the Enforcement Committee.

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

The Enforcement Committee will investigate and decide the case and recommend action within four weeks to the Chairman & Managing Director/Co-Chairman & Managing Director. The final action to be taken will be decided by the Chairman & Managing Director/Co-Chairman & Managing Director.

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

The Enforcement Committee will report to the Chairman & Managing Director / Co-Chairman & Managing Director.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 29, 2015



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 proviso thereto

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

(a)	Name of 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 proviso to section 188	Nil

2. Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name of related party and nature of relationship	Mukand Sumi Metal Processing Ltd
(b)	Nature of contracts/ arrangements / transactions	Sales of goods and rendering of services, purchase of goods and receiving of services.
(c)	Duration of the contracts/ arrangements / transactions	On quarterly basis.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Arms length basis and credit period of 15 days.
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	---

On behalf of the Board of Directors,

Niraj Bajaj **Rajesh V. Shah**
Chairman & Managing Director **Co-Chairman & Managing Director**

Mumbai, May 29, 2015



Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Companies Act, 2013**A) Conservation of Energy**

i) Energy Conservation Measures taken:

Steel Plant:**(a) For reduction in consumption of electrical energy:**

- * Variable Frequency Drives commissioned for various high capacity pumps and cooling water pumps.
- * Use of blower instead of compressed air for Tundish preheating.
- * Waste heat recovery unit installed in Billet Reheating Furnace for preheating incoming furnace oil, eliminating use of electrical energy required for preheating.
- * Automation system implemented for switching off Billet Reheating Furnace hydraulic motors of Wire Rod Mills during stoppage of Mills.
- * Replacement of 400 Watts HPMV shed light fittings with 120 watts LED fittings in Bar Mill Inspection and TSD shed.
- * Ladle Reheating Furnace temperature compliance increased from 40% to 60%.
- * Process time reduced by 20 minutes at Ladle Reheating Furnace.
- * In few critical grades of steel the bulk addition of alloys shifted from Ladle Reheating Furnace (LRF) to Energy Optimizing Furnace tapping, thus reducing energy consumption in LRF.

(b) For reduction in consumption of Fuel oil:**Steel Plant**

- * Reduced furnace oil consumption in boiler by increasing boiler inlet water temperature from 45°C to 60°C with waste heat.
- * Economizing on start up and shut down losses during each campaign by shutting down boiler of Vacuum Oxygen Decarburization.
- * Oxygen monitoring system installed in Billet Reheating Furnace for better control of oxygen in the furnace and thereby reduction in fuel consumption.
- * 20T Heat Treatment Furnace charge weight increased from 20T to 30T and re-insulation work of furnace carried out.
- * Steam accumulator installed to accumulate steam from Power Plant and used in Vacuum Degassing Ejectors.
- * Use of Furnace Oil for Vacuum Degassing boiler eliminated during captive power plant shut down.
- * Ladle pre heating process changed from Furnace Oil to flue gases of Mini Blast Furnace.

ii) Steps taken by the Company for utilizing alternate sources of energy.

- * Entire fuel requirements of Ginigera Steel Plant are currently met from flue gases of the mini blast furnace.
- * Purchase of wind energy as an alternate source of energy in place of thermal energy.
- * Installation of steam accumulator to use steam in vacuum degassing process, eliminating oil fired boiler.
- * Use of solar energy for canteens.

(iii) Capital investment on energy conservation equipment during the year under Review.

	Area of Capital Expenditure	Capital Expenditure Rs.Cr.
1	Steam Accumulator for System Network	5.89
2	Regenerative Combustion Technology for Ladle Preheating with Mini Blast Furnace Gas	3.17
3	Vacuum degassing system	3.74

B) Technology, absorption, adoption and Innovation

i) Efforts made towards technology absorption, adaptation and innovation

Steel Plant

- * Mechanized manual deslagging process.
- * Slag detection system introduced during casting to avoid elements of slag into the liquid steel.
- * Technical interaction continued with experts for improved tundish, ladle management and continuous casting practices.
- * For certain specific applications, the triplex process have been replaced by the cost effective duplex process.
- * Calcium Silicide wire injection in Lead heats of steel implemented to change the morphology of sulphides thereby reducing the surface defects in the steel.
- * Revising chemistry of Silicon in cold headed quality steels to minimize the entrapment and improve mechanical properties of steel.

ii) Benefits derived as a result of the above efforts

- * Improved market share and approval by Original Equipment Manufacturers for alloy steel grades.
- * Above upgradation will help Company in developing clean steels and being a part of Original Equipment Manufacturers vendors in their localisation plan.
- * Cost competitive stainless steel products.

iii) Imported technology:

Company has not imported any technology during the year under review.



iv) Expenditure on R&D:

Area of Capital Expenditure	2014-15 Rs.Cr.	2013-14 Rs.Cr.
a) Capital	-	0.81
b) Recurring	1.26	1.22
Total	1.26	2.03
R&D expenditure as a % of total turnover	0.04%	0.08%

v) New Products developed for critical applications, import substitution and for export market :

Special and Alloy Steel

Steel for: Gear Blank, Gen 3 Bearing, Common Rail Forging, Crank-shaft, Tulip, Transmission, Roller, Cold Coiled Spring, Pinion, Gears and critical applications viz., Suspension Spring, Water pump bearing (ring and shaft), bearing roller, high strength suspension spring, electronic power steering-rack bar and high strength microalloyed steel for U-bolt application.

Stainless Steel

For welding wire applications, duplex welding electrode wire for welding of dissimilar metals and high tensile austenitic free machining stainless steel for automobile fuel injection part application.

C) Foreign Exchange Earnings and Outgo

Description	2014-15 Rs.Cr.
i. Foreign Exchange Earnings	128.15
ii. CIF value of imports	574.41
iii. Expenditure in Foreign Currency	3.01

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 29, 2015



Form AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts), Rules 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part - "A" : Subsidiaries

Sr. No.	Description	Indian Subsidiaries				Foreign Subsidiaries	
		Mukand Global Finance Ltd	Vidyavihar Containers Ltd	Mukand Alloy Steels Pvt Ltd	Mukand Sumi Metal Processing Ltd	Mukand International Ltd	Mukand International FZE
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1.4.2014 to 31.3.2015	1.4.2014 to 31.3.2015	1.4.2014 to 31.3.2015	1.4.2014 to 31.3.2015	1.4.2014 to 31.3.2015	1.4.2014 to 31.3.2015
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries					USD (USD 1 = Rs.62.50)	USD (USD 1 = Rs.62.50)
3.	Share Capital	11.75	119.76	0.01	27.30	0.01	8.51
4.	Reserves and Surplus	26.23	0.27	--	249.12	0.01	3.75
5.	Total Assets	107.44	82.55	0.01	305.85	0.02	56.84
6.	Total Liabilities	69.46	194.75	0.02	29.42	--	44.57
7.	Investments	4.90	--	--	--	--	--
8.	Turnover *	8.76	1.54	--	524.48	--	197.61
9.	Profit before taxation *	(1.89)	(0.73)	(0.02)	4.11	0.005	0.64
10.	Provision for Taxation *	0.14	--	--	1.05	--	--
11.	Profit after taxation *	(2.03)	(0.73)	(0.02)	3.06	0.005	0.64
12.	Proposed Dividend	--	--	--	--	--	0.19
13.	% of shareholding	100	100	99	60.07	100	100

* In case of foreign subsidiaries, translated at average Exchange Rate of USD 1 = Rs.61.72

Notes:

- Names of subsidiaries which are yet to commence operations. - Mukand Alloy Steels Pvt Ltd
- Names of subsidiaries which have been liquidated or sold during the year - Mukand Vijaynagar Steel Ltd (sold 56,001 shares during the year under review).

Form AOC-I

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Mukand Vini Mineral Ltd (MVML)	Mukand Engineers Ltd (MEL)	Bombay Forgings Ltd (BFL)	Stainless India Ltd (SIL)	Hospet Steels Ltd (HSL)
		Joint Venture	Associate	Associate	Associate	Associate
1.	Latest Audited Balance Sheet date	31.3.2015	31.3.2015	31.3.2014	31.3.2014	31.3.2015
2.	Shares of Associates/Joint Ventures held by the Company on the year end					
	No.	667,765	4,539,781	28,800	6,097,200	70,004
	Amount of Investment in Associates/Joint Ventures - Rs.Cr.	0.67	19.78	0.19	13.09	0.07
	Extent of Holding %	48.80	36.11	24.00	44.09	28.00
3.	Description of how there is significant influence	Extent of share holding	Extent of share holding	Extent of share holding	Extent of share holding	Extent of share holding
4.	Reason why the associate/joint venture is not consolidated	Not applicable as these Companies are included in the consolidated financial statements.				
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	0.98	21.26	0.55	Nil*	Nil*
6.	Profit/Loss for the year					
i.	Considered in Consolidation	Nil	1.78	(0.17)	--	--
ii.	Not Considered in Consolidation	Nil	--	--	0.88*	0.69*
	* As provision for diminution in value of investment has been considered while consolidating the financial statements.					
	1. Names of associates or joint ventures which are yet to commence operations - Mukand Vini Mineral Limited					
	2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil.					



a)	Report on performance and financial position of each subsidiary, joint ventures/ associates.
1.	Mukand Global Finance Ltd (MGFL):
	Revenue from Operations and other income is at Rs.8.76 Cr as compared to Rs.19.77 Cr in the previous year. Loss after tax is at Rs.2.03 Cr as compared to Rs. 1.61 Cr in the previous year. MGFL being non-banking finance company has provided for non-performing assets and for diminution in the value of investments aggregating Rs.3.58 Cr during the year under review which has been the main reason for the loss of the year.
2.	Vidyavihar Containers Ltd (VCL):
	During the year under review, income from operations is Rs.1.54 Cr as compared to Rs.2.12 Cr in the previous year. Loss after tax is at Rs.0.73 Cr as compared to Rs.15.65 Cr in the previous year. VCL has entered into a development agreement for its land at Vidyavihar, Mumbai. As per the accounting policy for recognition of income, revenue would be recognised in the year in which the sale of land is completed.
3.	Mukand Alloy Steels Pvt Ltd (MASPL):
	Shareholders of Mukand Ltd., the holding Company by way of a postal ballot have approved the transfer of Alloy Steel business as a going concern on slump sale basis on February 18, 2015 to MASPL. Accordingly, MASPL has signed business transfer agreement dated March 14, 2015 for the transfer of said business with Mukand Ltd. This agreement will come into effect after Mukand Ltd., obtains approval of Lenders, release of charge by lenders, other authorities and fulfillment of conditions precedent as stipulated in the agreement. Mukand Ltd., is in various stages of obtaining these approvals/consents.
4.	Mukand Sumi Metal Processing Ltd (MSMPL)
	MSMPL is a subsidiary formed under joint venture with Sumitomo Corporation, Japan to carry on the business of cold finished bars and wires. During the year under review, revenue from operations is Rs.524.48 Cr as compared to Rs.408.26 Cr in the previous year. Profit after tax is at Rs.3.08 Cr as compared to Rs.1.34 Cr in the previous year.
5.	Mukand International Ltd (MIL):
	MIL, UK has ceased trading operations with effect from April 1, 2010. The profit for the year after tax is USD 761.
6.	Mukand International FZE (MIFZE):
	MIFZE trades in steel products and inputs for manufacture of steel world wide. Turnover during the year is USD 3.20 Cr as compared to USD 2.17 Cr in the previous year. Net profit for the year is USD 0.01 Cr as compared to USD 0.01 Cr in the previous year. Its Board has proposed a dividend of USD 30,000 for the year under review.
7.	Mukand Vini Mineral Ltd (MVML):
	Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India by its judgment dated September 24, 2014 cancelled allotment of all coal blocks in the Writ Petitions before it, including the allotment received by Joint Venture Company, M/s. Mukand Vini Mineral Ltd.
8.	Mukand Engineers Ltd (MEL):
	Mukand Engineers Ltd is engaged in the business of supply and erection of equipment for power plants, integrated steel/aluminium plants and hydro-carbon plants. It also undertakes engineering and project management services for steel and power plants. During the year under review revenue from operations is Rs.139 Cr as compared to Rs.85 Cr in the previous year. Profit after Tax is Rs.1.78 Cr as compared to Rs.1.82 Cr in the previous year on account of pressure on margins.
9.	Bombay Forgings Ltd (BFL):
	Revenue from operations is at Rs.48.92 Cr as compared to Rs.40.11 Cr in the previous year. Loss for the year went up marginally to Rs.0.17 Cr from that of Rs.0.04 Cr in the previous year. This was mainly on account of slump in the market for forgings and lower absorption of fixed overheads.
10.	Stainless India Ltd (SIL):
	SIL has ceased operation with effect from 27.10.2008. Building, Plant & Machinery and other assets have been disposed in the earlier years. MOU has been concluded with a buyer for transfer of free hold and lease hold land. State Government's permission for transfer of lease hold industrial land has been obtained and part of the said lease hold land has been transferred.
11.	Hospet Steels Ltd (HSL):
	HSL is an outcome of a strategic alliance between Kalyani Steels Limited and Mukand Ltd to manage and operate the composite manufacturing facility at Ginigera, Karnataka. Actual expenses incurred by HSL for carrying out its objectives are reimbursed by alliance constituents. In view of the same, no service charges are recovered by HSL. During the year it claimed reimbursement of Rs.105.10 Cr from the constituents and its profit for the year after tax was Rs.0.47 Cr. This was mainly on account of write back of provision for leave liability.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 29, 2015



FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015

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

To,
The Members,
Mukand Limited
Bajaj Bhavan, 3rd Floor
Jamnalal Bajaj Marg
226, Nariman Point
Mumbai - 400 021
Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mukand Limited** (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 the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015, 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 on 31st March, 2015 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;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

OTHER APPLICABLE LAWS:

- (i) The Indian Highways Act, 1956
- (ii) The Legal Metrology Act, 2009
- (iii) The Environment (Protection) Act, 1986
- (iv) The Water (Prevention and Control of Pollution) Act, 1974
- (v) The Air (Prevention and Control of Pollution) Act, 1981
- (vi) Hazardous Wastes (Management & Handling) Rules, 2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE)

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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, if any, 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.

We further report that during the audit period:

1. The Company by Special Resolution passed by Postal Ballot dt. 18th February, 2015 has approved a proposal to transfer its Special & Alloy Steel Business, having an installed capacity of 3,70,000 MT per annum, as a going concern by way of a slump sale to a subsidiary company (to be formed) for an enterprise value of approximately Rs. 1590 crores.

FOR ANANT B KHAMANKAR & CO.

ANANT KHAMANKAR
FCS No. - 3198
CP No. - 1860

DATE: May 29, 2015
PLACE: Mumbai



Independent Auditors' Report

To the Members of Mukand Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mukand Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, 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 conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, 2015, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone financial statements:

- (a) Note 18(b), relating to the Exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 52.13 crore (net of provisions) as at March 31, 2015 [Rs. 67.13 crores (net of provisions) as at March 31, 2014], where the management has, barring any significant uncertainties in future, relied upon the realizable values of financial assets of VCL to recover its Exposures.
- (b) Note 18(d), relating to the Exposures in Mukand Global Finance Limited (MGFL), a subsidiary company, aggregating Rs. 26.25 crores as at March 31, 2015 (Rs 26.25 crores as at March 31, 2014), where the

management has, barring any significant uncertainties in future, relied upon the projected future earnings from the business activities of MGFL.

- (c) Note 18(a), relating to the Exposures in Bombay Forgings Limited (BFL) aggregating Rs.81.73 crores as at March 31, 2015 (Rs. 79.90 crores as at March 31, 2014), where the management has, barring any significant uncertainties in future, relied upon the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.
- (d) Note 18(c), relating to the Exposures in Stainless India Limited (SIL), a associate company, aggregating Rs.7.31 crores as at March 31, 2015 (Rs 7.31 crores as at March 31, 2014), where the net worth of SIL has been fully eroded and there is no significant activities being carried out by SIL. The management has, barring any significant uncertainties in future, relied upon the valuation of land held by SIL.
- (e) Note 21(b), relating to the Exposures aggregating Rs. 126.80 crores as at March 31, 2015 (Rs. 134.78 crores as at March 31, 2014), in respect of road construction activity and our reliance on the management's expectation of its realisability.

Our report is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 20 on Contingent Liabilities;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Sumant Sakhardande

Partner

Membership No. 34828

Mumbai

May 29, 2015



Annexure To Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Mukand Limited on the standalone financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained the fixed assets register for quantitative details and situation of fixed assets. However, it is in the process of updating the same for accumulated depreciation and net block of the fixed assets.
- (b) During the year, all the fixed assets have not been physically verified by the management. However, there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) (a) The inventory (excluding stocks lying with third parties) has been physically verified 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.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As informed no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted unsecured loans to two subsidiary companies covered in the register maintained under Section 189 of the Act.
 - (a) The loans granted are repayable on demand. As informed, the Company has not demanded repayment of any such loan and interest during the year. Thus, there has been no default on the part of the companies to whom the money has been lent.
 - (b) As informed to us, in respect of the aforesaid loan, there is no overdue amount of loan.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, according to the information and explanations given to us, Order has been passed by the Company Law Board on the Company in respect of the aforesaid deposits which has been complied with by the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been delays in payment of income tax deducted at source, excise duty, service tax and value added tax which have not been regularly deposited and there have been delays in many cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value

added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Trade tax & Entry Tax	UP Trade Tax, Entry Tax	0.13	2001-02	High Court
Sales tax	Local Sales Tax, Central Sales Tax	0.02	1988-89, 1989-90	Tribunal
Sales tax	Local Sales Tax, Central Sales Tax	0.02	1989-90, 1990-91, 1991-92, 1996-97, 1998-99	Deputy Commissioner - Appeals
Entry Tax	Entry Tax	0.11	2002-03	Commissioner (Appeals)
Trade Tax	UP Trade Tax	3.30	2002-03 & 2003-04.	Tribunal

- (c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the Company are not more than fifty percent of its net worth. Further, the Company has not incurred cash losses during the financial year covered by our audit. However, the Company has incurred cash losses in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has generally been regular in the repayment of dues to financial institutions, banks or debenture holders except that as at 31 March, 2015 the company was in default in repayment of its dues to banks, principal amounting to Rs. 18.04 crore and interest amounting to Rs. 9.06 Crores for a period ranging from 5 days to 55 days.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No.34828

Place : Mumbai
Date : May 29, 2015



Balance Sheet as at 31st March, 2015

	Note No.	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	147.05	147.05
(b) Reserves and surplus	2	1,973.79	1,984.97
		2,120.84	2,132.02
(2) Non Current Liabilities			
(a) Long-term borrowings	3	1,501.58	1,108.09
(b) Deferred tax liabilities (net)	4	-	-
(c) Other long term liabilities	5	4.00	13.86
(d) Long-term provisions	6	39.31	35.68
		1,544.89	1,157.63
(3) Current Liabilities			
(a) Short-term borrowings	7	829.35	787.64
(b) Trade payables	8	868.26	850.24
(c) Other current liabilities	9	427.56	647.03
(d) Short-term provisions	10	5.81	4.29
		2,130.98	2,289.20
Total		5,796.71	5,578.85
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	11		
(i) Tangible assets		2,447.41	2,485.70
(ii) Intangible assets		0.15	0.24
(iii) Capital work-in-progress		26.37	50.28
		2,473.93	2,536.22
(b) Non-current investments	12	251.00	250.99
(c) Deferred tax assets (net)	4	45.32	42.15
(d) Long-term loans and advances	13	115.75	125.59
(e) Other non-current assets	14	48.28	48.28
		460.35	467.01
(2) Current Assets			
(a) Inventories	15	1,423.58	1,235.17
(b) Trade receivables	16	986.50	902.23
(c) Cash and Bank Balances	17	79.87	84.89
(d) Short-term loans and advances	18	188.18	192.56
(e) Other Current Assets	19	184.30	160.77
		2,862.43	2,575.62
Total		5,796.71	5,578.85
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements			
	1 to 39		

As per our attached report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828
Mumbai: May 29, 2015

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

S B Jhaveri
Chief Financial Officer

Suketu V Shah
Joint Managing Director

K J Mallya
Company Secretary

Mumbai: May 29, 2015



Statement of Profit and Loss for the year ended 31st March, 2015

	Note No.	2014-15 Rs in crore	2013-14 Rs in crore
I) GROSS REVENUE FROM OPERATIONS		3,129.14	2,812.17
Less Excise Duty		309.49	272.59
Net Revenue from Operations	21	2,819.65	2,539.58
II) OTHER INCOME	22	20.08	33.30
III) TOTAL REVENUE (I) + (II)		2,839.73	2,572.88
IV) EXPENSES			
a) Cost of Materials Consumed	23	1,384.24	1,315.64
b) Purchase of Stock in Trade		1.58	28.97
c) Changes in inventories of Finished Goods and Work-in-Progress / Contracts in Progress & Stock-in Trade	24	(137.32)	(175.83)
d) Employee benefits expense	25	159.01	145.52
e) Finance costs	26	266.08	243.89
f) Depreciation and amortization expenses		74.97	67.04
g) Other expenses	27	1,079.03	1,050.67
Expenditure transferred to Capital Accounts / Capital Work-in-Progress		(5.05)	(5.76)
Total Expenses		2,822.54	2,670.14
Profit/(Loss) before Exceptional items and tax		17.19	(97.26)
Add / (Less) :			
Exceptional Items (net)	28	(15.06)	(25.44)
V) PROFIT BEFORE TAX (III) - (IV)		2.13	(122.70)
VI) TAX EXPENSE:			
Deferred Tax (Charge) / Credit		(0.55)	33.91
Excess / (Short) provision for tax in respect of earlier years		-	0.78
		(0.55)	34.69
Profit/ (Loss) for the year (V) - (VI)		1.58	(88.01)
Weighted average number of Equity Shares outstanding during the year		141,405,861	76,294,840
Basic and diluted earnings per share (in Rs.)	30	0.11	(11.54)
Basic and diluted earnings per share excluding Exceptional Items (in Rs.)	30	1.18	(8.20)
Nominal value of share (in Rs.)		10.00	10.00
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	1 to 39		

As per our attached report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828
Mumbai: May 29, 2015

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

S B Jhaveri
Chief Financial Officer

Suketu V Shah
Joint Managing Director

K J Mallya
Company Secretary

Mumbai: May 29, 2015



Cash Flow Statement for the year ended 31st March, 2015

Rs. in crore

	2014-15	2014-15	2014-15	2013-14	2013-14	2013-14
A. Cash Flow arising from Operating Activities						
Profit / (Loss) before Tax and Exceptional Items			17.19			(97.26)
Add back :						
(1) Depreciation		74.97			67.04	
(2) Other Non-cash Expenditure/(Income) -(net)		1.46			(0.20)	
(3) Interest / Lease Charges (net)		253.76			226.24	
			330.19			293.08
			347.38			195.82
Deduct :						
(1) Investment Income		0.64			0.48	
(2) Surplus/(Loss) on sale of assets -(net)		10.23			19.25	
			10.87			19.73
Operating Profit before Working Capital changes			336.51			176.09
Less : Working Capital Changes						
(1) Increase in Trade and Other Receivables	86.92			141.73		
(2) Increase in Other Current Assets	23.53			17.81		
(3) Increase in Long Term Loans & Advances	7.70			13.81		
(4) Increase in Short Term Loans & Advances	9.45			24.52		
(5) Increase in Margin Money	-			5.61		
(6) Increase in Inventories	188.41			200.53		
(7) Decrease in Other Current Liabilities	43.05			3.11		
(8) Decrease in Other Long Term Liabilities	9.86			-		
		368.92			407.12	
Less:						
(1) Decrease in Margin Money	4.87			-		
(2) Increase in Trade Payables	21.77			201.48		
(3) Increase in Other Long Term Liabilities	-			1.84		
		26.64			203.32	
Net Working Capital changes			342.28			203.80
Cash Flow from Operations			(5.77)			(27.71)
Less : Direct taxes paid (net of refunds)			(17.53)			(1.49)
			11.76			(26.22)
Add : Exceptional items			-			-
Net Cash Inflow/(Outflow) from Operating Activities			11.76			(26.22)
B. Cash Flow arising from Investing Activities						
Inflow						
(1) Sale of Fixed Assets		10.79			19.66	
(2) Interest received on loans to subsidiaries and other companies		0.41			-	
(3) Dividends received		0.64			0.48	
(4) Decrease in Loans to Subsidiaries And Other Companies		15.00			-	
(5) Sale of Investments		0.01			5.24	
			26.85			25.38



Cash Flow Statement for the year ended 31st March, 2015 (Contd.)

Rs. in crore

	2014-15	2014-15	2014-15	2013-14	2013-14	2013-14
Deduct Outflow						
(1) Acquisition of Fixed Assets		25.04			42.72	
(2) Acquisition of Investments		0.01			1.52	
			25.05			44.24
Net Cash Inflow/(Outflow) from Investing Activities			1.80			(18.86)
C. Cash Flow arising from Financing Activities						
Inflow						
(1) Proceeds from issue of Share Capital		-			143.41	
(2) Increase in Term Loans (net)		75.15			-	
(3) Increase in Other Unsecured Loans (net)		270.16			391.63	
			345.31			535.04
Deduct Outflow						
(1) Redemption of Debentures		19.82			21.00	
(2) Decrease in Term Loans - (net)		-			113.88	
(3) Decrease in Working Capital Loans from Banks - (net)		27.59			37.90	
(4) Dividends paid		0.05			-	
(5) Interest / Lease charges - (net)		311.51			311.69	
(6) Expenditure towards increase in Authorised Capital and Share Issue Expenses		0.05			1.02	
			359.02			485.49
Net Cash Inflow / (Outflow) from Financing Activities			(13.71)			49.55
Net Increase / (Decrease) in Cash/Cash Equivalents			(0.15)			4.47
Add : Balance at the beginning of the year			30.73			26.26
Cash/Cash Equivalents at the close of the year			30.58			30.73

Note : Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2015 - Rs 49.29 crores; 31.03.2014 - Rs 54.16 crores ; 31.03.2013 - Rs 48.54 crores ;

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828
Mumbai: May 29, 2015

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

S B Jhaveri
Chief Financial Officer

Suketu V Shah
Joint Managing Director

K J Mallya
Company Secretary

Mumbai: May 29, 2015



Notes

(1) SHARE CAPITAL

Authorised

153,000,000 (31 March 2014 : 153,000,000) Equity Shares of Rs.10/- each
7,000,000 (31 March 2014 : 7,000,000) Preference Shares of Rs.10/- each

Issued

146,273,934* (31 March 2014 : 146,273,934*) Equity Shares of Rs.10/- each
5,626,320 (31 March 2014 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each

Total issued share capital

* includes 28,031 Equity Shares which have been kept in abeyance by the Stock Exchange Authorities

Subscribed and fully paid-up

141,405,861 (31 March 2014 : 141,405,861) Equity Shares of Rs.10/- each
5,626,320 (31 March 2014 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs 10/- each

Add: Forfeited shares (amounts originally paid-up)

Total subscribed and fully paid-up share capital

31st March, 2015 Rs. in crore	31st March, 2014 Rs. in crore
153.00	153.00
7.00	7.00
160.00	160.00
146.27	146.27
5.63	5.63
151.90	151.90
141.41	141.41
5.63	5.63
147.04	147.04
0.01	0.01
147.05	147.05

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity shares

At the beginning of the period

Add : issued during the period

Less : bought back during the year

Outstanding at the end of the period

31-Mar-15		31-Mar-14	
Nos. in crore	Rs.in crore	Nos. in crore	Rs.in crore
14.14	141.41	7.31	73.11
-	-	6.83	68.30
---	---	---	---
14.14	141.41	14.14	141.41

Preference shares (CRPS)

At the beginning of the period

Add : issued during the period

Less : bought back during the year

Outstanding at the end of the period

31-Mar-15		31-Mar-14	
Nos. in crore	Rs.in crore	Nos. in crore	Rs.in crore
0.56	5.63	0.56	5.63
---	---	---	---
---	---	---	---
0.56	5.63	0.56	5.63

b. Terms / rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended 31 March 2015, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2014 : Re. Nil).

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms of redemption of CRPS

Pursuant to the order of the Hon'ble High Court of Judicature at Bombay dated October 14, 2003, the Company had cancelled 22½ equity shares issued and unallotted and reduced 20% of the outstanding equity shares amounting to 5,626,320 equity shares. In lieu of cancelled shares, the company has issued 5,626,320 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each entitled for cumulative Preference dividend of 0.01% p.a. and redeemable in five equal annual installments starting from September, 2019. In the event of liquidation of the company before redemption, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

d. The Company does not have any holding company.

e. There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

f. Details of shareholders holding more than 5% shares in the company

Equity Shares of Rs. 10/- each fully paid	31st March, 2015		31st March, 2014	
	Numbers	% holding in the class	Numbers	% holding in the class
Jamnalal Sons Pvt. Ltd.	26,293,322	18.59	26,295,522	18.60
Life Insurance Corporation of India	7,228,076	5.11	7,228,076	5.11
Bajaj Holdings & Investments Ltd.	8,113,564	5.74	8,113,564	5.74
Baroda Industries Pvt. Ltd.	15,726,616	11.12	14,326,616	10.13
Niraj Bajaj	11,476,956	8.12	12,887,156	9.11
Rajesh V. Shah	7,200,842	5.09	7,200,842	5.09
Suketu V. Shah	7,319,018	5.18	7,169,018	5.07
CRPS of Rs. 10/- each fully paid				
Life Insurance Corporation of India	595,545	10.58	595,545	10.58
Jamnalal Sons Pvt. Ltd.	474,064	8.43	474,143	8.43



Notes (Contd.)

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- g. There are no shares reserved for issue under options and contracts / commitments for sale of shares/disinvestment.
- h. There are no unpaid calls from any Director and officer.

(2) RESERVES AND SURPLUS

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
Capital Reserve :		
As per last Account (Rs 47,439/-) (Previous year Rs 47,439/-)		
Capital Redemption Reserve:		
As per last Account	3.00	3.00
Securities Premium Account :		
As per last Account	299.69	225.59
Add : Additions during the year	-	75.12
Less : Share issue expenses	(0.06)	(1.02)
	299.63	299.69
Debenture Redemption Reserve :		
As per last Account	5.06	10.21
Add / (Less)		
- Transferred to Surplus	(5.06)	(5.15)
- Set aside during the year	-	-
	-	5.06
Revaluation Reserve :		
As per last Account	1,660.16	1,664.55
Add : Additions on revaluation	-	-
Less : Transferred to Statement of Profit & Loss	(4.39)	(4.39)
	1,655.77	1,660.16
General Reserve :		
As per last Account	238.03	232.88
Add / (Less)		
- Transferred to Surplus for Proposed Dividend and Tax thereon (Fy 2014-15 Rs Nil ; Fy 2013-14 : Rs 6,585/-)	(8.31)	
- Additional Depreciation (net of tax Rs 3.72 crore) pursuant to Schedule II to Companies Act. Refer Note 11(iii).		
- Transferred from Surplus being write back of Debenture Redemption Reserve	5.06	5.15
	234.78	238.03
Surplus :		
As per last Account	(220.97)	(132.96)
Surplus / (Deficit) as per annexed Statement of Profit and Loss	1.58	(88.01)
Transferred from Debenture Redemption Reserve	5.06	5.15
Transferred to Debenture Redemption Reserve	-	-
Transfer from General Reserve for Proposed Preference Dividend and tax thereon (Fy 2014-15 :Rs Nil ;Fy 2013-14 :Rs 6,585/-)		
Proposed Preference Dividend (Fy 2014-15: Rs 5,627/- ;Fy 2013-14: Rs 5,627/-)*		
Tax on Preference (Fy 2014-15 Rs 1,146/- ; Fy 2013-14 :Rs 958/-)*		
Transferred to General Reserve being write back of Debenture Redemption Reserve	(5.06)	(5.15)
	(219.39)	(220.97)
	1,973.79	1,984.97

* Refer Note No. 10 of the Notice convening 77th Annual General Meeting in connection with withdrawal of this recommendation in view of amendment to Section 123 of the Companies Act, 2013.



Notes (Contd.)

(3) LONG-TERM BORROWINGS

I) SECURED LOANS

a) Debentures

b) Term Loans :

- from Banks

- from Financial Institutions

- from Others

Total Secured Loans

II) UNSECURED LOANS

a) Fixed Deposits

b) Long term loans from Companies

c) Sales Tax Deferment Loan

Total Unsecured Loans

Total Long-term borrowings

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
	-	-
	206.99	100.90
	215.68	153.19
	62.69	63.95
	485.36	318.04
	485.36	318.04
	42.47	80.43
	973.29	708.69
	0.46	0.93
	1,016.22	790.05
	1,501.58	1,108.09

Nature of Security & Terms of repayment for Long Term Borrowings

(I)	Nature of Security	Terms of Repayment
(i)	<p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2015 - Rs.100.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>are secured by way of first pari-passu charge against mortgage/ hypothecation of Company's freehold land, immovable and movable fixed assets both present and future of the Company at Kalwe and Dighe, Dist. Thane, in the State of Maharashtra and leasehold land, immovable and movable fixed assets both present and future of the Company at Ginigera/ Kankapura, Dist. Ginigera in the State of Karnataka and such mortgage and charge shall rank pari-passu with the existing mortgages and charges created in favour of financial institutions, banks and a company for their term loans except term loans at (ii) to (xv) below. These loans are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.</p>	<p>36 monthly installments commencing from November 2016.</p> <p>48 monthly installments commencing from August 2016.</p> <p>48 monthly installments commencing from September 2016</p> <p>Term Loan of Rs.50 crores is repayable in 42 monthly installments commencing from September 2016. Term Loan of Rs.50 crores is repayable in 42 monthly installments commencing from November 2016.</p>
(ii)	<p>Term Loans of Rs.100.00 crore (balance outstanding as at 31.03.2015 - Rs.65.93 crore, Previous Year Rs.93.23 crore) from HDFC Ltd. :</p> <p>Term Loans of Rs.75.00 crore (balance outstanding as at 31.03.2015 - Rs.64.55 crore, Previous Year Rs.75.00 crore) from HDFC Ltd.:</p> <p>are secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge)</p>	<p>36 monthly installments commencing from July 2013 for a loan of Rs.50 crore and October 2013 for a loan of Rs.50 crore.</p> <p>36 monthly installments commencing from August 2014.</p>
(iii)	<p>Term Loan of Rs.60.00 crore (balance outstanding as at 31.03.2015 - Rs.60.00 crore, Previous Year Rs. 60.00 crore) from HDFC Ltd. :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from HDFC Ltd. :</p> <p>are secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge). Additional security is to be created by way of mortgage of 43.14 acres of leasehold land at Sinnar Dist - Nashik in the state of Maharashtra.</p>	<p>36 monthly installments commencing from February 2015.</p> <p>13 monthly installments commencing from April 2016.</p>



Notes (Contd.)

(I)	Nature of Security	Terms of Repayment
(iv)	Term Loan of Rs.275.00 crore (balance outstanding as at 31.03.2015 - Rs.48.61 crore, Previous Year Rs.120.56 crore) from a Bank is secured against mortgage of 50 acres of leasehold land at Dighe, Thane.	Term Loan of Rs.150 crore is fully paid during the year. Term Loan of Rs.125 crore is repayable in 36 equal monthly installments commencing from April 2013.
(v)	Term Loan of Rs.62.50 crore (balance outstanding as at 31.03.2015 - Rs.19.56 crores Previous Year Rs.39.93 crore) from a Bank is secured against two residential premises at Mumbai.	36 equal monthly installments commencing from March 2013.
(vi)	Term Loan of Rs.35.00 crore (balance outstanding as at 31.03.2015 - Rs.15.16 crore, Previous Year Rs.21.58 crore) from a Bank is secured against plant and machinery and other moveable assets of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka.	60 equal monthly installments commencing from April 2012.
(vii)	Loan of Rs.14.00 crore (balance outstanding as at 31.03.2015 - Rs.11.56 crore, Previous Year Rs.14.00 crore) from a company is secured against a residential premises at Delhi.	30 monthly installments commencing from October 2014.
(viii)	Loan of Rs.15.00 crore (balance outstanding as at 31.03.2015 - Rs.15.00 crore, Previous Year Rs.Nil crore) from a company is secured against extension of mortgage of 5 acres of leasehold land at Dighe Thane.	24 monthly installments commencing from June 2015.
(ix)	Loan of Rs.11.00 crore (balance outstanding as at 31.03.2015 - Rs.11.00 crore, Previous Year Rs.Nil crore) from a company is secured against extension of mortgage of 5 acres Leasehold Land at Dighe Thane and residential premises at Delhi.	30 monthly installments commencing from August 2015.
(x)	Loan of Rs.8.68 crore (balance outstanding as at 31.03.2015 - Rs.8.68 crore, Previous Year Rs.Nil crore) from a company is secured against by way of mortgage of residential premises at Mumbai.	30 monthly installments commencing from September 2015.
(xi)	Loan of Rs.17.50 crore (balance outstanding as at 31.03.2015 - Rs.Nil crore, Previous Year Rs.2.96 crore) from a company was secured against a residential premises at Delhi.	Fully paid during FY 2014-15.
(xii)	Loan of Rs.25.00 crore (balance outstanding as at 31.03.2015 - Rs.Nil crore, Previous Year Rs.11.25 crore) from a company was secured against mortgage of 5 acres of lease hold land at Dighe, Thane.	Fully paid during FY 2014-15.
(xiii)	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.28.42 crore, Previous Year Rs.38.04 crore) from a company is secured against various items of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at (i), (xvi) & (xvii).	58 monthly installments commencing from July 2012.
(xiv)	Term Loan of Rs.37.45 crore (balance outstanding as at 31.03.2015 - Rs.26.17 crore, Previous Year Rs.32.04 crore) from a company is secured against Plant & Machinery at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka of Sinter Plant, Hot Blast Stoves and Pulverising Plant.	58 monthly installments commencing from February 2013.
(xv)	Term Loans of Rs.8.00 crore from two companies (Rs.4 crore from each company) (balance outstanding as at 31.03.2015 - Rs.Nil crore, Previous Year Rs.8.00 crore) were secured against mortgage of a residential premises at Mumbai.	Fully paid during FY 2014-15.
(xvi)	Debentures 5,800,000, 10.50% (2006-15) Mortgage Debentures (balance outstanding as at 31.03.2015 Rs.Nil crore, Previous Year Rs.19.82 crore), were secured by way of first pari-passu charge against the same assets as given to lenders at (i) above.	Fully paid during FY 2014-15.
(xvii)	Term Loans from Banks, Financial Institutions and a company (balance outstanding as at 31.03.2015 Rs. Nil crore, Previous Year Rs.119.96 crore) : Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2015 - Rs. Nil crore, Previous Year Rs.7.50 crore) from a Bank : These were secured on pari-passu basis against the same assets as given to lenders at (i) above.	Fully paid during FY 2014-15. Fully paid during FY 2014-15.

(II) Effect and Progress of Restructuring Package

In terms of the Financial Restructuring Package (FRP) approved by the Corporate Debt Restructuring (CDR) Cell in July 2003 and April 2009, Company has effected the repayment of debentures and term loans and the balance outstanding as at 31.03.2015 is Rs. Nil. Lenders under CDR have discharged the Company by giving No Dues Certificate and by release of charge against the assets of the Company.

(III) For details of loans received from related parties, please refer Note No. 34

(IV) Deferred sales tax liability is to be paid in 5 annual instalments commencing from FY2012-13 to FY 2016-17.



Notes (Contd.)

(4) DEFERRED TAX ASSET / (LIABILITIES) (NET)

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
Deferred Tax Assets	166.22	166.96
Less : Deferred Tax Liabilities	120.90	124.81
	45.32	42.15
	45.32	42.15

Components of Deferred tax assets / (liabilities) are as under :

	As at 31-Mar-14 Rs in crore	Charge / (Credit) for the year 2014-15 Rs in crore	As at 31-Mar-15 Rs in crore
Deferred Tax			
Deferred Tax Asset on account of :			
a) Employee benefits, etc	10.21	(1.08)	11.29
b) Taxes, Duties, Cess, Interest to Banks/FIs', etc	10.13	5.30	4.83
c) Provision for doubtful debts	0.09	-	0.09
d) Unabsorbed Depreciation/ Business Loss, etc	146.53	(3.48)	150.01
	166.96	0.74	166.22
Deferred Tax liability on account of :			
a) Depreciation	124.81	3.91	120.90
b) Others	-	-	-
	124.81	3.91	120.90
Net Deferred Tax Asset/(Liability) \$	42.15	(3.17)	45.32

\$ Deferred Tax Asset aggregating Rs.26.47 crore (Previous year Rs.26.47 crore) was not recognised considering the principle of virtual certainty as stated in the Accounting Standard AS-22-Accounting for taxes on Income. For the year under consideration an amount of Rs.3.72 crores has been credited to general reserve on account of transitional provision in schedule II to the Act and Rs.0.55 crores has been debited to the statement of profit and loss.

(5) OTHER LONG-TERM LIABILITIES

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
Security Deposits	4.00	4.31
Acceptances / Payables for Capital Goods		9.55
	4.00	13.86

(6) LONG-TERM PROVISIONS

for Employee Benefits	39.31	35.68
	39.31	35.68

(7) SHORT-TERM BORROWINGS

I) SECURED LOANS

Working Capital Loans from Banks	623.46	651.05
Total Secured Loans	623.46	651.05

II) UNSECURED LOANS

Short Term Loans from Companies	205.89	136.59
Total Unsecured Loans	205.89	136.59
Total Short-term borrowings	829.35	787.64

Short Term Borrowings - Secured

Working Capital Facilities

- (a) Working Capital Facilities from the Banks and other non-funded facilities are secured by hypothecation of stocks (excluding machinery spares) and book debts. The said facilities are also secured by way of second and subservient pari passu charge against the same assets as given to Trustees for Debentures as shown at Note No.3. The said charge shall be second and subservient to all other first charges created in favour of Trustees for all the series of Debentures and Lenders for their term loans at (i), (xvi) and (xvii) at Note No.3(I).

Assets excluded from security given to secured lenders at Note No. 3 & 8.

Note : Security given for the debentures, term loans at Note No.3(I), and working capital facilities mentioned above exclude :

48 acres of grant land at Kalwe and Dighe, Dist. Thane in the State of Maharashtra.

Leasehold land at Dighe, Thane, as it is mortgaged to Lenders covered at Note No.3 (I) (ii), (iii), (iv), (viii), (ix) & (xii).

68.875 acres of Freehold land acquired at Ginigera / Kankapura, District Ginigera in the State of Karnataka.

Plant and Machinery of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) (vi).



Notes (Contd.)

Plant and Machinery of Sinter Plant, Hot Blast Stove and Pulverising Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) (xiv).

157.80 acres of freehold land in the State of Jharkhand, for Company's projects in that State.

- (b) Company has defaulted in repayment of current maturity of Long Term Debt to lenders to extent of Rs.20.24 crore (Previous year Rs.13.04 crore) which has been paid after close of the year.

(8) TRADE PAYABLES

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
Acceptances	456.34	374.60
Trade Payables	411.92	475.64
	868.26	850.24

- (a) "Trade Payables" include (i) Rs. 1.50 crore (Previous year Rs.0.88 crore) due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) (ii) Rs. 410.42 crore (Previous year Rs. 474.76 crore) due to other creditors.

- (b) Disclosure in respect of creditors registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME).

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006 is as under :

		Rs in crore
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
The principal amount and the interest due thereon remaining unpaid to suppliers		
a i) Principal	1.50	0.88
ii) Interest due thereon	-	0.01
b I Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME)	-	-
c I Normal interest accrued during the year, for all the delayed payments, as per the agreed terms.	-	0.16
II Normal interest payable for the period of delay in making payment, as per the agreed terms.	0.13	-
d I Total interest accrued during the year.	0.13	0.17
II Total interest accrued during the year and remaining unpaid.	0.13	0.21
e Included in (d) above is interest on amounts outstanding as at beginning of the accounting year.	-	0.04

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

(9) OTHER CURRENT LIABILITIES

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
Current Maturities of long-term debt	227.12	410.33
Interest accrued but not due on borrowings	8.99	15.12
Interest accrued and due on borrowings	44.83	33.22
Unpaid Dividends (represents amounts unclaimed)*	0.16	0.21
Unpaid matured deposits (represents amounts unclaimed)*	2.15	0.80
Liability towards Employee Benefits	8.56	9.88
Advances against Orders and Engineering Contracts	50.89	59.16
Statutory Liabilities	58.04	60.38
Acceptances / Payables for Capital Goods	26.75	46.79
Other Payables	0.07	11.14
	427.56	647.03

* No amounts are due & outstanding, to be credited to Investor Education & Protection Fund

(10) SHORT-TERM PROVISIONS

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
for Employee Benefits	5.20	3.96
for Equity / Preference Dividends & tax thereon		
for Warranty Costs	0.61	0.33
	5.81	4.29



Notes (Contd.)

(11) FIXED ASSETS

Rs. in crore

	GROSS BLOCK (At Cost / Book Value)					DEPRECIATION /AMORTISATION				NET BLOCK	
	As at 1st April, 2014	Additions/ Adjustments	Deductions/ Adjustments	Adjustments/ Additions/ (Deductions) to Revalued Assets	As at 31st March, 2015	As at 1st April, 2014	For the year	Deductions/ Adjustments	As at 31st March, 2015	As at 31st March, 2015	As at 31st March 2014
i) Tangible Assets											
Freehold Land	1,349.12	2.71	-	-	1,351.83	-	-	-	-	1,351.83	1,349.12
Leasehold Land	353.90	10.52	-	-	364.42	16.09	4.73 #	-	20.82	343.60	337.81
Railway Siding	13.82	-	-	-	13.82	3.89	1.02	-	4.91	8.91	9.93
Buildings and Roads	181.00	14.10	0.05	-	195.05	70.53	12.70	0.02	83.21	111.84	110.47
Plant and Machinery	1,438.78	25.65	1.84	-	1,462.59	768.52	69.61	1.38	836.75	625.84	670.26
Furniture,Fixtures,etc.	8.90	0.21	0.10	-	9.01	4.82	1.66	0.08	6.40	2.61	4.08
Office Machinery	2.97	0.10	-	-	3.07	1.77	0.97	-	2.74	0.33	1.20
Vehicles	4.77	0.28	0.59	-	4.46	1.94	0.61	0.54	2.01	2.45	2.83
	3,353.26	53.57	2.58	-	3,404.25	867.56	91.30	2.02	956.84	2,447.41	2,485.70
ii) Intangible Assets-Software	1.54	-	-	-	1.54	1.30	0.09	-	1.39	0.15	0.24
	1.54	-	-	-	1.54	1.30	0.09	-	1.39	0.15	0.24
Total (i) + (ii)	3,354.80	53.57	2.58	-	3,405.79	868.86	91.39	2.02	958.23	2,447.56	2,485.94
Previous year's Total	3,215.77	154.41	15.38	-	3,354.80	808.24	71.43	10.81	868.86	2,485.94	
iii) Capital Work-in-Progress, expenditure to date										26.37	50.28
										2,473.93	2,536.22

includes Rs 4.39 crore withdrawn from Revaluation Reserve

Fixed Assets :

(i) Revaluation :

Free-hold land at Kalwe / Dighe, Thane as at 30.6.1983 was revalued on 30.6.1984 and the addition to assets on account of this revaluation, aggregating Rs.12.27 crore was correspondingly credited to the Revaluation Reserve during the year ended 30th June, 1984. To reflect the current fair market value, the Company further revalued the freehold land at Kalwe as at 31.3.2001 during November, 2001. The registered valuer had carried out the valuation on the basis of the then market values of these lands. The addition to assets on account of this revaluation, aggregating Rs.114.36 crore was correspondingly credited to the Revaluation Reserve during the year ended 31st March, 2002. Company has further revalued the aforesaid land as at 31.03.2009 and an amount aggregating Rs.1212.37 crore has been added to assets and correspondingly credited to the Revaluation Reserve as at 31.03.2009.

Leasehold land at Dighe, Thane as at 31.03.2011 has been revalued to reflect the current Fair Market Value of this land. The valuation was carried out by a Registered Valuer. The addition to assets on account of this revaluation, aggregating Rs.334.34 crore has been correspondingly credited to the revaluation reserve as at 31.03.2011. An amount of Rs. 4.39 crore (Previous year Rs 4.39 crores) has been transferred from the revaluation reserve to the statement Profit & Loss towards charge of amortization of the said land for the year.

- (ii) Gross Block of Buildings as at 31st March, 2015 includes value of offices, residential flats and garages in co-operative societies/proposed co-operative societies/association of apartment owners aggregating Rs.6.31 crore at cost (Previous Year Rs.6.36 crore) [including cost of shares in co-operative societies Rs.7,000/- (Previous Year Rs.7,000/-)].
- (iii) Pursuant to the Companies Act, 2013 (the Act), becoming effective from 1st April 2014, the Company has reworked depreciation with reference to estimated useful life of fixed assets prescribed under schedule-II to the Act or useful life of fixed assets as per technical evaluation. As a result, the charge for depreciation is higher by Rs.4.36 crores for the year ended 31st March 2015. Further, based on transitional provision in Note 7 (b) of schedule-II, an amount of Rs.8.31 crores (net of deferred tax) has been adjusted during the year against the retained earnings.
- (iv) Fixed assets include net book value of assets at Ginigera Steel Plant aggregating Rs.1.05 crore which have been retired from active use and are held for disposal as tabulated hereunder. The said net book value is on the basis of realisable value as per valuation report of an approved valuer.

Assets held for disposal

Rs. in crore

	As at 1-Apr-14	Depreciation as at 31-Mar-15	Amount written-off	Net Block as at 31-Mar-15
Description				
Plant & Machinery	2.95	1.90	-	1.05

- (v) Fixed Assets include borrowing costs of Rs.4.63 crore capitalised during the year (Previous Year Rs.15.88 crore).
- (vi) As lessee: Future Rental obligations in respect of premises taken on lease – Operating Lease.

Rs. in crore

	As at 31-Mar-15	As at 31-Mar-14
1 For a period not later than one year.	1.97	1.94
2 For a period later than one year and not later than five years.	2.98	4.47
3 For a period later than five years.	-	-
Total	4.95	6.41



Notes (Contd.)

Lease rentals charged to revenue for the current year Rs.2.71 crore (Previous Year Rs. 2.98 crore).

These premises comprise residential flats, office premises and warehouses. The Agreements for lease are executed for tenure of 11 to 72 months with a provision for renewal and termination by either party giving a prior notice of 1 to 3 months.

(vii) As Lessor: Future Rental income in respect of premises/ plot of land given on lease – Operating Lease.

	As at 31-Mar-15	Rs. in crore As at 31-Mar-14
1 For a period not later than one year.	0.17	0.60
2 For a period later than one year and not later than five years.	0.04	0.03
3 For a period later than five years.	-	-
Total	0.21	0.63

These premises comprise office premises and a residential flat given on lease for tenure of two years with a provision for renewal in case of office premises.

Gross carrying amount of assets: Rs.4.53 crore. (Previous year Rs 4.07 crore)

Accumulated depreciation upto 31.03.2015: Rs.1.67 crore (Previous year Rs 1.55 crore)

Depreciation for the year: Rs.0.09 crore (Previous year Rs 0.09 crore)

(12) NON-CURRENT INVESTMENTS,

At Cost / Value after providing for diminution

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
I. Investments in Equity instruments :		
A. In Subsidiary Companies (Trade / Unquoted) :		
(i) Mukand Global Finance Ltd.		
11,749,500 Equity Shares of Rs.10/-each, fully paid-up	26.25	26.25
(ii) Mukand International Ltd.		
1,000 Ordinary Shares of Stg. Pound 1/-each, fully paid-up (Rs 50,000/-)	0.01	0.01
(iii) Mukand International Fze		
5 Ordinary Shares of AED 1/- million each, fully paid-up	6.25	6.25
(iv) Vidyavihar Containers Ltd		
11,976,762 Equity Shares of Rs.100/-each, fully paid-up	61.63	61.63
Less : Provision for diminution in the value of investments	27.73	27.73
	33.90	33.90
(v) Mukand Vijaynagar Steel Ltd.		
70,000 Equity Share of Rs.10/-each, fully paid-up	Refer D.b.(iv)	0.07
Less : Provision for diminution in the value of investments	below	0.07
(vi) Mukand Sumi Metal Processing Ltd		
16,400,000 Equity Shares of Rs.10/-each, fully paid-up	163.56	163.56
(vii) Mukand Alloy Steels Pvt Ltd		
9,900 (-) Equity Shares of Rs 10/- each, fully paid-up	0.01	
Sub-total - Subsidiary Companies	229.98	229.97
B. Trade (Unquoted) :		
In Associates :		
(i) Hospet Steels Ltd.		
70,004 (70,000) Equity Shares of Rs. 10/-each, fully paid up	0.07	0.07
In Others :		
In Joint Ventures		
(i) Mukand Vini Mineral Ltd (A Joint Venture Company)		
667,765 Equity Shares of Rs.10/-each, fully paid-up (Refer Note 36)	0.67	0.67
Sub-total - Trade	0.74	0.74
C. Other than trade (Quoted) :		
In Associates		
(i) Mukand Engineers Ltd.		
4,539,781 Equity Shares of Rs.10/-each, fully paid-up	19.78	19.78
D. Other than trade (Unquoted) :		
In Associates		
(i) Stainless India Ltd.		
6,097,200 Equity Shares of Rs.10/-each, fully paid-up	13.09	13.09
Less : Provision for diminution in the value of investments	(13.09)	(13.09)
	-	-



Notes (Contd.)

	31st March, 2015 Rs in crore	31st March, 2014 Rs in crore
(ii) Bombay Forgings Ltd		
28,800 Equity Shares of Rs.66.67 each fully paid-up	0.19	0.19
Sub-total : Associates	0.19	0.19
In Others		
(i) Lazard Creditcapital Ltd.		
100 Equity Shares of Rs.10/- each, fully paid-up (Rs.1,000/-) [Previous year (Rs. 1,000/-)]		
(ii) Pradip Realtors Pvt. Ltd.		
12 Equity Shares of Rs.10/-each, fully paid-up (Rs.120/-); [Previous year (Rs.120/-)]		
(iii) The Greater Bombay Co-operative Bank Ltd		
10 Equity Shares of Rs.25/-each, fully paid-up (Rs. 250/-) [Previous year (Rs. 250/-)]		
(iv) Mukand Vijaynagar Steel Ltd.		
13,999 (--) Equity Share of Rs.10/-each, fully paid-up	0.01	Refer A.(v) above
Less : Provision for diminution in the value of investments	0.01	
Sub-total - Others	-	
	250.69	250.68
II. Share Application Money :		
Mukand Vini Mineral Ltd (A Joint Venture Company) (Refer Note 36)	0.31	0.31
	251.00	250.99
Book Value		
Quoted Investments	19.78	19.78
Unquoted Investments	231.22	231.21
	251.00	250.99
Market Value		
Quoted Investments	12.14	11.80
Note : Aggregate diminution in value of Investments Rs 40.83 crore (Previous year Rs 40.89 crore)		
(13) LONG-TERM LOANS AND ADVANCES, Unsecured, considered good, unless otherwise specified		
Other Loans and Advances	0.13	0.13
Advances recoverable in cash or in kind or for value to be received	44.68	50.97
Capital Advances	9.43	
Advance payment of Income-tax (net)	30.09	47.62
Deposits with --		
Central Excise, etc.	11.12	10.44
Others \$	20.30	16.43
	31.42	26.87
	115.75	125.59
\$ Includes National Savings Certificates of the cost of Rs 74,000/- . (Previous year Rs. 74,000/-) deposited with government departments.		
(14) OTHER NON-CURRENT ASSETS		
MAT Entitlement Credit	48.28	48.28
	48.28	48.28



Notes (Contd.)

(15) INVENTORIES [For mode of valuation refer Note No. 32 (6)]

	31st March, 2015	31st March, 2014
	Rs in crore	Rs in crore
Raw Materials	127.91	74.39
Materials in Transit	41.29	58.77
Total Raw Materials	169.20	133.16
Work-in-Progress	254.09	187.00
Contracts in Progress [Refer Note No. 32 (8) (v) and Note No. 21]	294.59	292.15
Finished Goods	645.05	570.39
Stores, Spares, Components and Engineering Construction Materials	51.22	41.77
Materials in Transit	8.00	9.18
Total Stores, Spares, Components and Engineering Construction Materials	59.22	50.95
Fuel	1.34	1.19
Materials in Transit		0.26
Total Fuel	1.34	1.45
Loose Tools	0.09	0.07
	1,423.58	1,235.17

Current Assets

In the opinion of the Board of Directors of the Company, all items of 'Current Assets, Loans and Advances', continue to have a realizable value of at least the amounts at which they are stated in the Balance Sheet, unless otherwise stated.

(16) TRADE RECEIVABLES, UNSECURED

More than six months from the due date of payment :

Considered Good	349.11	439.60
Considered Doubtful	—	—
Less : Provision	—	—
	349.11	439.60
Others Trade Receivables :		
Considered Good	637.39	462.63
	986.50	902.23

(17) CASH AND BANK BALANCES

Cash on hand	3.67	4.34
(including cheques on hand Rs. 3.48 crore Previous year Rs. 4.13 crore and stamp papers on hand Rs. 0.06 crore Previous year Rs. 0.06 crore)		
Balances with Banks :		
(i) In Current Accounts	9.07	6.48
(ii) In Unpaid Dividend Accounts	0.16	0.21
(iii) In Margin Money Accounts #	49.29	54.16
(iv) In Deposit Accounts	1.11	0.58
	59.63	61.43
Remittances-in-Transit	16.57	19.12
	79.87	84.89
# under lien with Banks		



Notes (Contd.)

(18) SHORT-TERM LOANS AND ADVANCES, UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED

	31st March, 2015	31st March, 2014
	Rs in crore	Rs in crore
Loans to Subsidiaries :		
Vidyavihar Containers Ltd.	18.23	33.23
Other Loans and Advances	5.08	0.08
Advances recoverable in cash or in kind or for value to be received	154.42	149.64
Considered Doubtful	0.29	0.29
Less : Provision	(0.29)	(0.29)
	154.42	149.64
Balances, etc. with --		
Central Excise	10.27	9.48
Others	0.18	0.13
	10.45	9.61
	188.18	192.56

Short Term Loans and Advances, Trade Receivables, non-current investments etc.

- (a) The Company has investments of Rs.0.19 crore (Previous Year Rs.0.19 crore) in equity shares of Bombay Forgings Limited (BFL), and has trade receivables due from BFL / advances recoverable which stood at Rs.81.54 crore as at 31.03.2015 (Previous Year Rs.79.71 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered fixed assets of BFL as at 31st March, 2015 which is at Rs.66.94 crore (Previous Year Rs.70.34 crore), value of current assets aggregating Rs.15.20 crores and and future earnings from the ongoing business of BFL. The management considers the balance 'Exposures' to be 'Good' at the close of the year and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.
- (b) The Company has an investment of Rs.61.63 crore (Previous Year Rs. 61.63 crore) in equity shares of Vidyavihar Containers Ltd. (VCL) a wholly owned Subsidiary and has provided for diminution in the value of investments upto an amount of Rs.27.73 crore, (previous year Rs.27.73 crore). The Company has outstanding balances of loans amounting to Rs.18.23 crore (Previous Year Rs. 33.23 crore) (collectively referred to as 'Exposures'). After close of the year, the company has received an amount of Rs.5.00 crore towards outstanding loans. Management relies upon the estimation of future realizable values of financial assets of VCL to recover its exposures. The management barring unforeseen circumstances considers the balance 'Exposures' to be 'Good' at the close of the year and adequately covered.
- (c) The Company has an investment of Rs.13.09 crore (Previous Year Rs.13.09 crore) in equity shares of Stainless India Limited (SIL). The management has recognised the diminution in value of investments. It has trade receivables recoverable Rs.1.23 crore (Previous Year Rs. 1.23 crore) and has trade advances, aggregating Rs.6.08 crore (Previous Year Rs.6.02 crore).
- The management has recognised the diminution in the value of investments. The management, relies upon realisation from sale proceeds of land of SIL. The management considers the balance exposures aggregating Rs.7.31 crore to be "Good" at the close of the year and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.
- (d) The Company has an investment of Rs.26.25 crore (Previous Year Rs.26.25 crore) in equity shares of Mukand Global Finance Limited (MGFL), a wholly owned subsidiary, whose recovery is dependent upon realisation of the financial assets that MGFL stands invested into at the close of the year. The management considers the 'Exposure' to be 'Good' and adequately covered. Any ultimate shortfall if any, in the realization is not determinable at present.
- (e) For details of loans and advances given to related parties, please refer Note No. 34
- (f) Details of loans and advances in the nature of loans recoverable from subsidiaries/associates and shares held by loanees (stipulated under clause 32 of the listing agreement with Stock Exchanges).

		Rs.in crore			
		Outstanding amount		Maximum amount during the year	
Name of the Party		As at 31-Mar-15	As at 31-Mar-14	2014-15	2013-14
i]	Subsidiaries:				
	Vidyavihar Containers Ltd. – interest waived	18.23	33.23	33.23	33.23

(19) OTHER CURRENT ASSETS

	31st March, 2015	31st March, 2014
	Rs in crore	Rs in crore
Receivable Others		
Interest Receivable on Book debts	184.30	160.77
	184.30	160.77



Notes (Contd.)

(20) (a) CONTINGENT LIABILITIES NOT PROVIDED FOR :

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
(i) Disputed matters in appeal/contested in respect of:		
- Income Tax *	22.12	22.40
- Excise Duty, Customs Duty etc.	3.89	3.95
- Sales Tax, Works Contract Tax etc. **	4.90	4.90
- Other matters	0.24	0.24
* included in this amount (not provided in the Accounts) is the liability under Sec 115JB of the Income Tax Act, 1961 for Assessment Year 2005-06 as the Company's appeal is pending disposal. Company places reliance on certain judicial pronouncements and has also obtained a legal opinion on the matter.		
** In the matter of certain ex-parte assessments completed by Commercial Tax Officer in the State of Uttar Pradesh, Company is advised that liability if any, that may arise will be determined after the matter is remanded to the Assessing Officer and on completion of reassessment proceedings and therefore, the same is not included herein.		
(ii) Claims against the Company not acknowledged as debt as these are disputed and pending disposal at various fora.	16.93	15.50
For items (i) & (ii)		
The Company has taken legal and other steps to protect its interest in respect of these matters, which is based on legal advice and/or precedents in its own/other cases. It is not possible to make any further determination of the liability which may arise in these matters.		
(iii) Bills discounted with the Bankers and others		
Sale Bills discounted	1.53	3.91
(iv) Guarantees and Counter guarantees given by the Company on behalf of :-		
- Other Companies	99.95	70.15
(v) Bonds / Undertakings given by the Company under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	0.66	0.66
(vi) Bonds given by the Company against import of machinery under EPCG Scheme (Net of redemption applied for)	-	14.30
(vii) Demand for Annual Bonus for the financial years 1995-96 to 2006-07 by Staff and Officers' Association is pending at different stages in proceedings under The Industrial Disputes Act, 1947. Bulk of these employees are statutorily not covered by The Payment of Bonus Act, 1965 and many of the employees are also not covered by The Industrial Disputes Act, 1947. Liability arising there from cannot therefore be determined at present.		
(viii) Government of Maharashtra had served a Demand Notice on the Company for payment of electricity duty for power generated during the period 01.04.2000 to 30.04.2005 and penal interest thereon in Company's Captive Power Plant amounting to Rs.14.27 crore. The Writ Petition filed by the Company was disposed by the Hon'ble Bombay High Court on 7th November, 2009 quashing the said Demand Notice. Government of Maharashtra has however, filed an appeal in the Supreme Court of India against the aforesaid judgment of High Court.		
(ix) There have been delays in payment of tax deducted at source in earlier years and also in FY2014-15. Interest payable on delays has been accounted for in respect of cases where appropriate orders have been received from Income Tax authorities or at the time of Filing the Quarterly TDS Returns.		
(x) A claim towards difference in price of calibrated iron ore for the period 1st April, 2006 to 28th February, 2007 amounting to Rs.33.07 crore has been raised by a supplier in March 2007. The Company has been legally advised that the supplier cannot seek this price revision under a concluded agreement and hence no provision is made in the Accounts for the same. The issue along with method of review and re-fixing of price of calibrated iron ore effective on 1st of April each year in terms of agreement is referred to an arbitral tribunal whose award was pronounced on 28th February 2014. In terms of the said award, the supplier is directed to re-compute amount payable by the Company. Pending receipt of the revised claim, the final liability arising there from is not ascertainable. Moreover, the said supplier has also unilaterally increased the price of calibrated iron ore w.e.f. 1st April, 2007 and thereafter w.e.f. 1st April, every year. This issue too was settled by the aforesaid arbitral tribunal. In terms of the said award, the Company is required to submit certain details to the supplier for re-computing its claim in terms of the award. However, pending such determination of final price, the supplier has raised invoices at an ad-hoc interim mutually agreed price on the marketing contractor who in turn, has billed the Company at the same price and which liability, has been fully accounted for. An appeal has been preferred for challenging the said arbitration award.		

	Rs. in crore			
(b) COMMITMENTS	31-Mar-15			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for-	13.36			
ii) Commitments in respect of derivative instruments:	31-Mar-14			
Derivative instruments outstanding:	Amount in crore			
	As at 31-Mar-15	Equivalent	As at 31-Mar-14	Equivalent
	USD -	Rs -	USD 3.60	Rs 215.64
For Imports	EURO -	Rs -	EURO 0.12	Rs 9.55
	USD 0.08	Rs 5.23	USD -	Rs. -
For Exports	EURO 0.15	Rs 9.98	EURO -	Rs. -



Notes (Contd.)

Foreign Currency exposures that are not hedged by derivative instruments :

Amounts in brackets are for previous year.

Amount in crore

	Debtors	Equiv. Rs.	Creditors	Equiv. Rs.	Cash Bank Balances	Equiv. Rs.	Other Payables	Equiv. Rs.	Export Advance	Equiv. Rs.	Total	Equiv. Rs.
USD	0.16	9.97	5.95	372.18	-	-	-	-	0.26	16.44	6.38	398.59
	(0.10)	(5.75)	(2.04)	(122.27)	-	-	(0.01)	(0.44)			(2.15)	(128.46)
EURO	0.04	2.76	0.08	5.49	-	-	-	-	0.13	8.81	0.25	17.06
	(0.06)	(4.61)	(0.18)	(15.11)	-	-	-	-			(0.24)	(19.72)
AUD	-	-	0.0002	0.01	-	-	-	-			0.0002	0.01
	-	-	-	-	-	-	-	-			-	-
CHF	-	-	0.01	0.85	-	-	-	-			0.01	0.85
	-	-	(0.001)	(0.07)	-	-	-	-			(0.001)	(0.07)
SEK	-	-	0.18	1.31	-	-	-	-			0.18	1.31
	-	-	(0.07)	(0.63)	-	-	-	-			(0.07)	(0.63)

(21) REVENUE FROM OPERATIONS

Sale of Products and Services

1. Bars ,Rods and Coils - Alloy Steel	1,790.95	1,560.87
2. Bars ,Rods and Coils - Stainless Steel	983.73	867.50
3. Engineering Contracts & Job Work	326.10	356.58
4. Others	2.90	2.08
Total	3,103.68	2,787.03
Less : Excise Duty	309.49	272.59
Net Sale of Products and Services	2,794.19	2,514.44

Sales is net of early payment discounts aggregating Rs. 9.30 crore
(previous year Rs. 8.20 crore)

Other Operating Revenues

a) Sale of Scrap and Sundries	7.90	6.76
b) Sales-tax/VAT Refunds	0.59	1.96
c) Interest Received - from Banks	4.55	4.75
d) Insurance Claims etc.		0.26
e) Credit balances appropriated	1.50	2.05
f) Other Miscellaneous receipts	8.63	2.88
g) Excess provisions written back (net)	2.25	5.05
h) Surplus on account of sale of assets	0.04	1.43

Total Other Operating Revenues

Total Sales and Services and Other Operating Revenues

(a) Disclosure regarding Income from Engineering Contracts – Road Construction Division:		
(i) The amount of Contract revenue recognised as revenue during the year.	-	7.91
(ii) The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	750.31	751.25
(iii) The amount of advances received (Gross)	-	-
(iv) The amount of retentions (included in sundry debtors) (net balance)	-	-
(v) Amount due to customers	-	-
(vi) Amount due from customers	61.62	68.66

- (b) The Company in previous years executed road construction projects in the state of Uttar Pradesh for National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. The exposure on this account as at the end of the financial year aggregate Rs.126.80 crore (Previous Year: Rs.134.78 crore). The management has, keeping in view the accounting policy A(8)(v) adopted by the Company, technically determined the realisable value of Contracts in Progress compared to relatable revenues and claims raised on NHAI by CDS. The outcome of the Road Construction activity cannot be estimated with certainty at present. Pending claims as at 31.03.2015 aggregate Rs.223.36 crore (Previous Year: Rs.225.28 crore). Bulk of these claims are now being processed at the level of Tribunal as against the level of consulting engineers in the previous year. It is the opinion of the management that in view of the substantially large claims for incremental jobs executed, escalations and time over-runs to be settled progressively over a period of 2 to 3 years, losses currently expected are already recognized till the close of the year. Since realization of these amounts is a judgmental matter, the auditors have placed reliance on the Management's judgment of the losses currently expected in the contract considering reliability of amounts.



Notes (Contd.)

(c) Disclosure regarding Income from Contracts of Industrial Machinery Division to which Accounting Standard 7 applies :

	2014-15 Rs in crore	2013-14 Rs in crore
The amount of Contract revenue recognised as revenue during the year.	121.39	212.48
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto 31.03.2015.	1,479.97	1,358.58
The amount of advances received (Gross)	15.65	24.75
The amount of retentions (included in sundry debtors) (net balance)	54.07	71.40
Amount due to customers	-	-
Amount due from customers	195.70	223.32

(22) OTHER INCOME

a) Rent received	1.17	1.64
b) Surplus on account of sale of Premises	10.49	18.28
c) Interest Received - From Others	7.78	12.90
d) Dividends (Gross) :		
from Subsidiary	0.19	
from Trade Investments		0.45
from Mutual Fund Investments	0.45	0.03
	0.64	0.48
Total Other Income	20.08	33.30

(23) RAW MATERIALS CONSUMED

Opening Stocks	74.39	82.78
Add : Purchases	1,438.11	1,311.24
Add / Less : Materials on loan / (Sales) [net]	(0.35)	(3.99)
	1,512.15	1,390.03
Less : Closing Stocks	127.91	74.39
	1,384.24	1,315.64

Details of Imported and Indigenous Materials Consumed.

(a) **Raw Materials** (including materials taken on loan and after adjustments relating to return of materials taken on loan):

Important basic raw materials:		
Coke including Coke Fines	302.79	357.60
Iron Ore including Iron Ore Fines *	244.63	239.64
Scrap & Pig Iron #	454.00	350.14
Ferro Alloys	368.97	347.62
Structural & other Steel @	13.85	20.64
Other raw materials		-
	1,384.24	1,315.64

	2014-15		2013-14	
	% of total Consumption	Amount Rs.in crore	% of total Consumption	Amount Rs.in crore
Imported	39.87%	551.84	33.45%	440.06
Indigenous	60.13%	832.40	66.55%	875.58
	100.00%	1,384.24	100.00%	1,315.64

* Used for conversion to hot metal for making pig iron, blooms, billets and rounds

Excludes Internal Arisings

@ Includes for Capital jobs

(24) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS /CONTRACTS IN PROGRESS & STOCK-IN-TRADE

	2014-15 Rs in crore	2013-14 Rs in crore
Opening Stocks	1,049.54	865.86
Less :		
Closing Stocks	1,193.73	1,049.54
Variation in Stocks	(144.19)	(183.68)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	6.87	7.85
(Increase)/Decrease in Stocks	(137.32)	(175.83)



Notes (Contd.)

(25) EMPLOYEE BENEFITS EXPENSE

	2014-15 Rs in crore	2013-14 Rs in crore
Salaries, Wages, Bonus, Compensation and Other Payments	126.04	118.84
Contribution towards Employees' State Insurance, Provident and Other Funds	18.43	14.01
Welfare Expenses	14.54	12.67
	159.01	145.52

(26) FINANCE COSTS

Interest Expense (net) (Refer Note below)	267.31	255.57
Less :		
Interest Capitalised	4.63	15.88
	262.68	239.69
Other borrowing costs	3.40	4.20
	266.08	243.89

Note

Working Capital facilities from banks are against hypothecation of stock and book debts. Finance costs include interest on inventory and book debts. Company sells goods on credit on interest to customers to compensate it for such finance costs. Interest income generated from book debts amounting to Rs 112.14 crores (Previous year Rs 88.13 crores) is netted against same source of interest expense under finance costs.

(27) OTHER EXPENSES :

Stores, Spares, Components, Tools, etc. consumed (a)	441.95	414.38
Power and Fuel consumed	193.48	203.82
Machining and Processing charges	190.47	180.97
Sub-contracting expenses	45.02	37.73
Other Manufacturing expenses	58.47	53.92
Rent (net)	0.61	0.70
Repairs:		
to Buildings	2.02	1.44
to Plant and Machinery (b)	7.64	6.86
to Other assets	1.37	1.12
	11.03	9.42
Rates and Taxes	3.55	4.30
Insurance	1.62	1.59
Commission	4.29	3.66
Freight, Forwarding and Warehousing (net)	69.00	52.00
Directors' Fees and Travelling Expenses	0.35	0.14
Bad Debts, debit balances and claims written off	0.23	1.64
Less : Doubtful debts provided in earlier years	-	(0.10)
	0.23	1.54
Loss on assets sold	0.03	
Loss on assets discarded / impaired	0.28	0.45
Loss on Sale of Investments	0.05	
Loss on variation in foreign exchange rates (net)	13.72	39.03
Increase in Authorised Share Capital		0.25
Miscellaneous Expenses (c)	44.88	46.77
	1,079.03	1,050.67

(a) After adjusting sales/material on loan Rs 2.24 crore (Previous year Rs 1.55 crore).

(b) Excludes spares consumed for repairs.

(c) Includes non-recoverable excise duty Rs 0.11 crore and sales tax Rs 0.50 crore on sales (Previous year Rs 0.01 crore and Rs. 0.21 crore respectively).



Notes (Contd.)

(28) EXCEPTIONAL ITEMS (NET) INCLUDE:

i)	Surplus on account of assignment of leasehold land to a subsidiary
ii)	Ad hoc amount & differential interest paid to CDR Lenders (Refer Note below)
iii)	Loss on sale of investments in the shares of Bekaert-Mukand Wire Industries Pvt. Ltd.
iv)	Bad Debts written off on account of balance of sale price of shares (dues from Ispat Group now JSW Steel Ltd.)
v)	Provision for diminution in the value of investments in Vidyavihar Containers Ltd.
vi)	Bad debts written off
vii)	Write back of provision made for diminution in value of investments

2014-15	2013-14
Rs in crore	Rs in crore
-	7.83
(12.45)	(14.34)
-	(7.76)
-	(1.93)
-	(9.24)
(2.66)	-
0.05	-
(15.06)	(25.44)

Note :

During the previous year, the Company arrived at settlement with the Corporate Debt Restructuring members for an adhoc amount of Rs.24.90 crores payable in monthly installments till the maturity of the loans without any further interest thereon. This settlement was arrived at to compensate the Lenders for the lower interest charged by them during the period FY 2002-03 to FY 2011-12. A proportionate charge of Rs.12.45 crores has been made in the current year. An amount of Rs 1.89 crores being differential interest for FY 2012-13 was also charged in FY 2013-14.

(29) EARNINGS IN FOREIGN EXCHANGE

Exports (F.O.B. Value)
Dividend
Income from Engineering Contracts
Others (represents Management fees)

128.09	123.94
0.19	-
0.03	0.39
0.19	0.18
128.50	124.51

(30) COMPUTATION OF PROFIT FOR EARNINGS PER SHARE (EPS) :

Net Profit/(Loss) After Taxation as per Statement of Profit & Loss
Less : Dividends and tax thereon
Net Profit/(Loss) for calculation of basic / diluted EPS [including Exceptional Items (net)]
Net Profit/(Loss) for calculation of basic / diluted EPS [excluding Exceptional Items (net)]
Weighted average number of equity shares outstanding
Basic and diluted EPS (face value Rs.10/- per share) (in Rs.)
Including Exceptional items (net)
Excluding Exceptional items (net)

1.58	(88.01)
1.58	(88.01)
16.64	(62.57)
141,405,861	76,294,840
0.11	(11.54)
1.18	(8.20)

(31) (a) Stores, Spares, Components etc (net of sales) consumed :

i)	Stores, Spares, etc.
-	Imported
-	Indigenous

ii)	Components
-	Imported
-	Indigenous

2014-15		2013-14	
% of total Consumption	Amount Rs.in crore	% of total Consumption	Amount Rs.in crore
16.12%	69.90	16.65%	68.94
83.88%	363.78	83.35%	345.14
100.00%	433.68	100.00%	414.08
10.52%	0.87	10.00%	0.03
89.48%	7.40	90.00%	0.27
100.00%	8.27	100.00%	0.30
	441.95		414.38

(b) Value of imports (C.I.F. basis) (including in-transit).

Raw Materials
Stores, Spare Parts, Components and Fuel
Capital goods

2014-15	2013-14
Rs.in crore	Rs.in crore
507.97	435.60
62.72	61.36
3.72	7.04
574.41	504.00



Notes (Contd.)

(c) Expenditure in Foreign Currency

(Including amounts capitalised and amounts recovered)

	2014-15 Rs.in crore	2013-14 Rs.in crore
Interest and Bank charges (Net of tax)	2.50	2.06
Technical Consultancy / Services (Net of tax)	-	0.95
Foreign Travel	0.16	0.21
Legal and Professional fees	-	0.22
Other matters	0.35	0.51
	3.01	3.95

(d) Disclosures in respect of provisions for warranty costs:

	Op. Bal. as at 01.04.14	Provided during the year	Utilised during the year	Reversed/ Short provision during the year	Rs. in crore Closing Balance as at 31.03.15
	0.33	0.61	0.54	0.21	0.61

- (e) The Company had, during the Financial Year 1998-99, entered into a strategic alliance with Kalyani Steels Limited to set-up a steel plant to be operated by a company – Hospet Steels Limited.

Expenses and liabilities arising out of this alliance to Hospet Steels Limited are shared on the basis stipulated in the relevant Agreements, and its accounting in the books of the Company is carried out, accordingly.

Wherever, due to the terms of the alliance, estimations are required to be made in respect of expenses, liabilities, production, etc., the same have been relied upon by the auditors, being technical matters.

(f) Payment to Auditors

	2014-15 Rs.in crore	2013-14 Rs.in crore
(i) As Auditors	0.36	0.33
(ii) For Taxation Matters	0.04	0.11
(iii) For other services	0.23	* 0.17
(iv) For reimbursement of expenses	0.03	0.03
	0.66	0.64

* includes Rs 0.06 crore debited to Securities Premium Account towards services rendered for Rights Issue.

(32) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY

(1) Basis of preparation:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. These standards shall be deemed to be accounting standards until accounting standards are specified by the Central Government under section 133. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(2) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated and actual materialized results and estimates are recognized in the period, in which the results are known.

(3) Fixed Assets:

(a) Tangible Assets

Fixed Assets are stated at cost of acquisition or construction. However, fixed assets, which are revalued by the Company, are stated at their revalued book values.

Cost of acquisition comprise all costs incurred to bring the assets to their location and working condition upto the date assets are put to use. Cost of construction comprise of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets upto the date the assets are put to use.

(b) Intangible Assets

Intangible Assets are stated at their cost of acquisition less accumulated amortization and impairment losses. An asset is recognized, where it is possible that future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount on intangible assets is allocated over the best estimate of its useful life on a straight line basis or the period of agreement whichever is lower.

(c) Depreciation / Amortisation

- (i) The Company provides depreciation on all its assets on the "Straight Line Method" in accordance with the provisions of Section 123 (2) of the Companies Act, 2013 which was made effective from 01.04.2014. Company has reworked depreciation with reference to the estimated useful



Notes (Contd.)

life of fixed assets as prescribed under schedule II to the act or useful life of fixed assets as per technical evaluation.

- (ii) Software is amortised over a period of 3 years.
- (iii) Depreciation in respect of assets used for long term engineering contracts is provided on the estimated useful life of the assets.
- (iv) Assets costing less than Rs.5,000/- are fully depreciated at the rate of 100% in the year of purchase.
- (v) Depreciation on addition to assets or on sale / discardment of assets is calculated pro-rata from the month of such addition or upto the month of such sale / discardment, as the case may be.
- (vi) Cost of Leasehold land is amortized over the period of lease.
- (vii) Technical know-how is amortised over the period of agreement or six years, whichever is lower.

(4) Impairment of Assets :

An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets", when at balance sheet date there are indications of impairment and the carrying amount of the assets or where applicable the cash generating unit to which the assets belong, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

(5) Investments :

Investments are classified as current or long term in accordance with Accounting Standard 13 on "Accounting for Investments". Long term Investments are stated at cost of acquisition. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost of acquisition and fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

(6) Inventories :

Inventories are valued at lower of cost or net realizable value. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. The cost formulae used for determination of cost are either 'First in First Out' or 'Average Cost', as applicable.

(7) Foreign currency translations :

- (i) All transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transaction.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. The resultant gain or loss is accounted for during the year.
- (iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expenditure over the life of the contract. The outstanding forward contracts in case of firm commitments and highly probable forecast transactions are marked to market and its effect is recognised as income/ expenditure. Further, the exchange differences arising on such contracts are recognised as income / expenditure. Along with the exchange differences on the underlying assets/liabilities. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.
- (iv) Non monetary items such as investments are carried at historical costs using the exchange rates on the date of the transactions.

(8) Revenue Recognition :

- (i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- (ii) Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of Sales Tax/Value Added Tax. Excise Duty recovered is presented as a reduction from gross turnover. Sales are net of returns, discounts and rebates.
- (iii) Liability for Excise Duty and Customs Duty payable on goods held in bond at the year end is provided for.
- (iv) Export benefits under Duty Drawback Scheme is estimated and accounted in the year of export.
- (v) Accounting for Long Term Engineering Contracts:
Revenue from construction/project related activity for supply/commissioning of Plant & Equipment is recognised on the percentage of completion method, in proportion that the contract costs incurred for the work performed upto the reporting date bear to the estimated total contract costs.
Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.
At each reporting date, the contracts in progress (progress work) is valued and carried in the Balance Sheet under Current Assets.
- (vi) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive dividend is established.
Working facilities from banks are against hypothecation of stock and book debts. Finance costs include interest on inventory and book debts. Company sells goods on credit on interest to customers to compensate it for such finance costs. Interest income generated from book debts is netted against same source of interest expense under finance costs.
- (vii) Front-end fees paid on borrowings are amortised over the period of loans/debentures or over a period of three years whichever is shorter.
- (viii) Share / Debenture Issue expenses and premium on redemption of debentures are charged, first against available balance in securities premium account. This is in accordance with Section 52 of the Companies Act, 2013.

(9) Leases :

Operating lease:

Lease, where the lessor effectively retain substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease receipts and payments are recognized as income or expense in the Statement of Profit and Loss on a straight line basis over the lease term.



Notes (Contd.)

(10) Employee benefits :

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Statement of Profit and Loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the project unit cost method, on the basis of actuarial valuation carried out by third party actuaries at each balance sheet date. The Company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

(11) Borrowing cost :

Borrowing cost attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

(12) Taxation :

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(13) Segment Reporting Policies :

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment Transfers :

The Company generally accounts for inter segment transfers at cost. However, in case of its captive power plant of Steel Division at Ginigera, Karnataka, the inter segment transfers are accounted at the per unit comparable cost of energy purchased from the supplier of energy at that plant.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies :

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(14) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(15) Provisions and Contingent Liabilities :

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements.

(16) Cash Flow Statement :

The Cash Flow Statement is prepared by the "indirect method" set-out in Accounting Standard 3 on "Cash Flow Statement" and presents the Cash Flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.



Notes (Contd.)

(33) DISCLOSURES UNDER ACCOUNTING STANDARD 15 ON EMPLOYEE BENEFITS

		2014-15	2013-14			
		Rs.in crore	Rs.in crore			
(a)	(i) Details in respect of gratuity are as under :					
	<u>Liability to be recognised in Balance Sheet</u>					
	Present Value of Funded Obligations	39.79	34.62			
	Fair Value of Plan Assets	10.61	10.89			
	Net Liability	29.18	23.73			
	<u>Change in Plan Assets (Reconciliation of Opening & Closing Balances)</u>					
	Fair Value of Plan Assets as at beginning of the year	10.89	12.46			
	Expected Return on Plan Assets	0.96	0.96			
	Actuarial Gain / (Losses)	(0.06)	--			
	Contributions	2.54	0.94			
	Benefits Paid	(3.72)	(3.47)			
	Fair Value of Plan Assets as at the close of the year	10.61	10.89			
	<u>Reconciliation of Opening and Closing Balances of obligation</u>					
	Change in defined Benefit Obligation					
	Obligation as at beginning of the year	34.62	32.87			
	Current Service Cost	1.82	1.80			
	Interest Cost	3.12	2.71			
	Actuarial Losses / (Gain)	3.95	0.71			
	Benefits Paid	(3.72)	(3.47)			
	Obligation as at the close of the year	39.79	34.62			
	<u>Expenditure to be recognised during the year</u>					
	Current Service cost	1.82	1.80			
	Interest Cost	3.12	2.71			
	Expected Return on Plan Assets	(0.96)	(0.96)			
	Net Actuarial Losses / (Gains) Recognised during the year	4.01	0.71			
	Total Expenditure included in "Employees' Emoluments"	7.99	4.26			
	<u>Assumptions</u>					
	Discount Rate (per annum)	7.99%	9.00%			
	Expected rate of Return on Assets (per annum)	7.99%	8.85%			
	Salary Escalation Rate	5.75%	5.75%			
(ii)	During the year under review the expenditure debited in the accounts towards gratuity went up substantially on account of reduction in discount rate for computing accrued Gratuity liability from 9% in the previous year to 7.99% which has been considered by the Actuary considering present yield on Government securities.					
(iii)	The Company expects to contribute Rs.4.16 crore (Previous year Rs.1.68 crores) to its gratuity plan for the next year. In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the IALM - Mortality - Tables (2006-08) ultimate (Previous year LIC, 1994-96 ultimate tables).					
(iv)	Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.					
(v)	The composition of the plan assets, by category from the insurers, LIC are on the basis of overall investment by them for all such insured entities and hence, the disclosures as required by Accounting Standard 15 in 'Employee Benefits' have not been given, and Auditors have relied upon the same.					
(vi)	Other disclosures :					
			Rs.in crore			
	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
	Present Value of Funded Obligations	39.79	34.62	32.87	31.49	29.39
	Fair Value of Plan Assets	10.61	10.89	12.46	12.27	10.43
	Net Liability	29.18	23.73	20.41	19.22	18.96
	Experience Adjustments on Plan					
	Liabilities Loss / (Gain)	1.57	0.71	0.32	0.06	3.51
	Experience on Plan Assets-Loss / (Gain)	0.06	---	---	---	-
(b)	In terms of the strategic alliance with Kalyani Steels Limited, the Company has accounted for its share towards gratuity in respect of employees of Hospet Steels Ltd. amounting to Rs.0.57 crore (Previous Year Rs.0.44 crore) on the basis of an actuarial valuation. This is under a funded plan with LIC.					
(c)	In respect of certain employees of Road Construction Division, liability for gratuity is provided at actuals on the basis of amount due as at 31st March, 2015, since the projects are for shorter duration. Such liability as at 31st March, 2015 (including Rs.0.0008 crore for the year and net of payments of during the year Rs.0.005 crore) aggregate Rs.0.004 crore (Previous Year Rs.0.01 crore).					
(d)	An amount of Rs.6.84 crore (Previous year Rs.6.56 crore) as contribution towards defined contribution plans [including Rs. 0.66 crore (Previous year Rs.0.81 crore) in terms of strategic alliance referred in (b) above] is recognised as expense in the Statement of Profit and Loss.					



Notes (Contd.)

(34) RELATED PARTY DISCLOSURES

(a) Relationship :

- (i) Subsidiaries:
Mukand Global Finance Ltd., Mukand International Ltd. (MIL),
Vidyavihar Containers Ltd. (VCL), Mukand Vijayanagar Steel Ltd. upto March 30, 2015, Mukand International FZE (MIFZE),
Mukand Sumi Metal Processing Ltd. (MSMPL), Mukand Alloy Steels Pvt. Ltd. w.e.f. January 27, 2015.
- (ii) Other related parties where control exists :
Mukand Engineers Ltd. (MEL), Bombay Forgings Ltd. (BFL), Stainless India Ltd. (SIL), Hospet Steels Ltd. (HSL),
- (iii) Joint Ventures :
Mukand Vini Mineral Ltd. (MVML).
- (iv) Key Management Personnel :
Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah.
- (v) Other related parties where significant influence exists or where the related party has significant influence on the Company
Kalyani Mukand Ltd., Jamnalal Sons Pvt. Ltd. (JSPL), Adonis Laboratories Pvt Ltd.

(b) (i) Details of transactions with the related parties referred in (a) above :

(Rs.in crore)

Nature of transactions	Related parties as referred in					Total
	a (i) above	a (ii) above	a (iii) above	a (iv) above	a (v) above	
1. Purchase of Goods	55.01	3.07				58.08
	62.89	2.80				65.69
2. Sale of Goods	395.54	18.14				413.68
	459.67	12.35				472.02
3. Transfer of Fixed Assets / Business	-	-		0.01		0.01
	12.00	-		-		12.00
4. Services Received	8.21	60.40				68.61
	8.83	53.22				62.05
5. Services Rendered	34.34	70.32				104.66
	36.65	27.72				64.37
6. Remuneration to MDs				2.77		2.77
				2.56		2.56
7. Interest / Dividend Paid / (Received) Net	0.40	1.34			42.13	43.87
	-	2.68			15.16	17.84
8. Reimbursement of Expenses - Payments		-				-
		-				-
9. Reimbursement of Expenses - Receipts	2.13	-	-			2.13
	2.03	-	0.14			2.17
10. Finance taken including equity / (re-payment of loans & advances) - Net	20.00	-		-	102.75	122.75
	-	6.86		37.66	183.26	227.78
11. Finance given including equity / (re-payment of loans & advances) - Net	5.00	5.00				10.00
	43.90	(6.43)				37.47
12. Bad debts / Advances written off		2.66				2.66
		-				-
13. Balances at the close of the year:						
i) Amount Receivable	26.46	98.14			0.23	124.83
	21.04	90.65			0.23	111.92
ii) Amount Payable	37.58	11.94		0.20		49.72
	19.30	22.92		0.19		42.41
iii) Amount Receivable in respect of loans & advances	18.53	11.68	0.56			30.77
	33.48	15.70	0.61			49.79
iv) Amount Payable in respect of loans & advances		-			314.45	314.45
		9.46			208.01	217.47



Notes (Contd.)

(Rs.in crore)

Nature of transactions	Related parties as referred in					Total
	a (i) above	a (ii) above	a (iii) above	a (iv) above	a (v) above	
v) Property deposit taken		0.07				0.07
		0.07				0.07
14. Guarantees given by the Company	34.03	85.00	-			119.03
	32.63	65.00	-			97.63
15. Counter Guarantees given on behalf of the Company		-				-
		6.00				6.00
16. Collateral given on behalf of the Company				-	-	
				#	##	

3,869,089 Equity Shares and 546,652 Cumulative Redeemable Preference Shares of the Company.

3,869,089 Equity Shares of the Company.

(ii) Details in respect of material transactions with the related parties :

(Rs.in crore)

Purchase of Goods:	
Mukand International FZE	36.28
	23.66
Mukand Sumi Metal Processing Ltd	18.73
	39.23
Bombay Forgings Ltd	3.07
	2.80
Sale of Goods:	
Mukand International FZE	94.34
	83.60
Bombay Forgings Ltd	18.14
	12.35
Mukand Sumi Metal Processing Ltd	301.20
	376.07
Transfer of Fixed Assets / Business	
To a Managing Director	0.01
	-
Mukand Sumi Metal Processing Ltd	-
	12.00
Services Received:	
Hospet Steels Ltd	42.60
	33.82
Mukand Engineers Ltd	17.77
	19.29
Stainless India Ltd.	0.03
	0.11
Mukand Global Finance Ltd	0.36
	0.47
Mukand Sumi Metal Processing Ltd	7.85
	8.36
Services Rendered:	
Mukand Alloy Steels Pvt. Ltd.	0.01
	-
Mukand International FZE	0.19
	0.18
Mukand Engineers Ltd	70.32

	27.72
Mukand Sumi Metal Processing Ltd	34.07
	36.40
Mukand Global Finance Ltd	0.07
	0.07
Interest / Dividend Paid / (Received) Net	
Mukand International FZE	(0.19)
	-
Mukand Engineers Ltd	1.34
	2.68
Jamnalal Sons Pvt Ltd	41.83
	14.86
Adonis Laboratories Pvt Ltd	0.30
	0.30
Mukand Global Finance Ltd	0.41
	-
Mukand Sumi Metal Processing Ltd	0.18
	-
Bad debts written off	
Bombay Forgings Ltd	2.66
	-
Reimbursement of Expenses - Receipts	
Mukand International FZE	2.13
	2.03
Mukand Vini Minerals Ltd	-
	0.14
Finance taken including equity / (re-payment of loans & advances) - Net	
Stainless India Ltd.	-
	6.86
Jamnalal Sons Pvt Ltd	102.75
	183.26
Vidyavihar Containers Ltd	15.00
	-



Notes (Contd.)

Mukand Global Finance Ltd.	5.00
	-
Finance given including equity / (re-payment of loans & advances) - Net	
Mukand Engineers Ltd	(5.00)
	(6.43)
Mukand Sumi Metal Processing Ltd	-
	43.90
Mukand Global Finance Ltd	5.00
	-
Balances at the close of the year:	
i) Amount Receivable	
Mukand International FZE	24.17
	9.84
Bombay Forgings Ltd	75.94
	70.02
Stainless India Ltd.	1.23
	1.23
Mukand Sumi Metal Processing Ltd	2.29
	11.20
Mukand Engineers Ltd	20.97
	19.40
Kalyani Mukand Ltd	0.23
	0.23
ii) Amount Payable	
Mukand International FZE	36.31
	11.08
Mukand Global Finance Ltd	-
	0.07
Mukand Engineers Ltd	9.78
	18.20
Hospet Steels Ltd	2.16
	4.72
Mukand Sumi Metal Processing Ltd	1.27
	8.15
Remuneration to MD's	0.20
	0.19
iii) Amount Receivable in respect of loans & advances	
Vidyavihar Containers Ltd @	18.23
	33.23
Stainless India Ltd.	6.08
	6.02
Bombay Forgings Ltd	5.60
	9.68
Mukand Vini Minerals Ltd	0.56
	0.61
Mukand Sumi Metal Processing Ltd	0.25
	0.25
Mukand Global Finance Ltd	0.04
	-

Mukand Alloy Steels Pvt. Ltd.	0.01
	-
iv) Amount Payable in respect of loans & advances	
Mukand Engineers Ltd	-
	9.46
Jamnalal Sons Pvt Ltd	312.45
	206.01
Adonis Laboratories Pvt Ltd	2.00
	2.00
v) Property Deposit taken	
Mukand Engineers Ltd	-
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	85.00
	65.00
Mukand International FZE	34.03
	32.63
Counter Guarantees given on behalf of the Company	
Mukand Engineers Ltd	-
	6.00

Note: Figures in bold type relate to the current year and figures in normal type relate to previous year.

@ Interest Income not accounted out of prudence / Interest waived during the year.



Notes (Contd.)

(35) PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

i) Loans:	Purpose	Rs. in crore	
		Amount as at 31.03.2015	Amount as at 31.03.2014
Name of the Party			
Vidyavihar Containers Ltd.	To be utilized for its business	18.23	33.23
Adore Builders Ltd.	To be utilized for its business	5.00	-
High Seas Vyapar Pvt. Ltd.	To be utilized for its business	0.08	0.08
ii) Guarantees:			
Name of the Party			
Mukand Internation FZE	For its banking facilities	34.03	34.00
Mukand Engineers Ltd.	For its banking facilities	85.00	65.00
iii) Investments:			
For details please refer note no. 12 to the accounts			

(36) INFORMATION ON JOINT VENTURES :

Mukand Vini Minerals Ltd.

i) Jointly controlled entity – Mukand Vini Minerals Ltd.			
Country of incorporation	: India		
Percentage of ownership interest	: 48.80%.		
		As at 31-3-2015 Audited	As at 31-3-2014 Audited
ii) Contingent liabilities in respect of Joint Venture.			
a) Directly incurred by the Company.		-	-
b) Share of the Company in contingent liabilities incurred by jointly controlled entity (to the extent ascertainable)		-	-
iii) Capital commitments in respect of Joint Venture.			
a) Direct capital commitments by the Company.		-	-
b) Share of the Company in capital commitments of the jointly controlled entity		-	-
iv) Interest in the assets, liabilities, income and expenses with respect to jointly controlled entity.			
A Assets:			
a) Fixed Assets (Net Block) Capital Work in progress			-
b) Investments			-
c) Current Assets, Loans and Advances			-
Inventories			
Sundry Debtors			
Cash and Bank Balances		-	0.01
Loans and Advances			
Other Current Assets			
d) Preliminary expenses			
e) Other Non-current Assets		0.02	0.01
f) Pre-operative expenses		1.40	1.40
B Liabilities			
a) Loan Funds			
Secured Loans		-	-
Unsecured Loans		0.22	0.20
b) Current Liabilities and Provisions			
Liabilities		0.34	0.37
Provisions		-	-
c) Deferred Tax Liability		-	-
C Income		-	-
D Expenses		-	-
E Tax		-	-

Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India by its judgment dated September 24, 2014 cancelled allotment of all coal blocks in the Writ Petitions before it including the allotment received by Joint Venture Company, M/s. Mukand Vini Mineral Ltd.



Notes (Contd.)

- (37) Shareholders by way of a postal ballot have approved a transfer of Alloy Steel business as a going concern on slump sale basis on 18th February 2015 to a prospective subsidiary of the Company. Accordingly, Company has signed business transfer agreement dated 14th March 2015 for the said business with Mukand Alloy Steels Pvt. Ltd. a subsidiary of the Company. This agreement will be effective after approval of Lenders, release of charge by lenders, other authorities and fulfillment of conditions precedent as stipulated in the agreement. Company is in various stages of obtaining these approvals/ consents. Even after such approvals, the amount of consideration receivable is to change on account of debt to be transferred and changes in net working capital. In view of this, no further disclosures are deemed necessary in terms of Accounting Standard - 24 Discontinued Operations.
- (38) In accordance with Accounting Standard – 17 “Segment Reporting”, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these financial statements.
- (39) Previous years's figures have been regrouped / recast wherever necessary

As per our attached report of even date

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Sumant Sakhardande

Partner

Membership No. 034828

Mumbai: May 29, 2015

Niraj Bajaj

Chairman & Managing Director

Rajesh V Shah

Co-Chairman & Managing Director

Suketu V Shah

Joint Managing Director

S B Jhaveri

Chief Financial Officer

K J Mallya

Company Secretary

Mumbai: May 29, 2015



Independent Auditors' Report

To the Members of Mukand Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mukand Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and jointly controlled entity and for preventing and detecting frauds and other irregularities; the 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 were 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, 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 conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entity

as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the consolidated financial statements:

- (a) Note 18(a), relating to the Exposures in Bombay Forgings Limited (BFL) aggregating Rs. 81.73 crores as at March 31, 2015 (Rs. 79.90 crores as at March 31, 2014), where the management has, barring any significant uncertainties in future, relied upon the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.
- (b) Note 18(b) to the notes to the Consolidated Financial Statements, the realisability of the "Exposures" in certain investment companies (through wholly owned subsidiaries) aggregating Rs. 79.59 crores (Net) as at March 31, 2015 [Rs. 109.20 crores (net) at March 31, 2014] and the reliance upon amount realisable from the financial assets of these companies.
- (c) Note 18(c), relating to the Exposures in Stainless India Limited (SIL), an associate company, aggregating Rs.18.94 crores (net of provisions) as at March 31, 2015 [Rs. 18.94 crores (net of provisions) as at March 31, 2014], where the net worth of SIL has been fully eroded and there is no significant activities being carried out by SIL. The management has, barring any significant uncertainties in future, relied upon the valuation of land held by SIL.
- (d) Note 21(b), relating to the Exposures aggregating Rs. 126.80 crores as at March 31, 2015 (Rs. 134.78 crores as at March 31, 2014), in respect of road construction activity and our reliance on the management's expectation of its realisability.
- (e) The auditors of the Associate Company have expressed Emphasis of Matter in their audit report regarding Note 18(e) to the notes to the Consolidated Financial Statements, the Exposures towards overdue loans aggregating Rs. 8.05 crores as at March 31, 2015 (March 31, 2014 Rs. 10.15 crore) and interest receivable thereon aggregating Rs. 4.30 crore as at March 31, 2015 (March 31, 2014 Rs. 4.30 crore) that are due from investment companies whose net worth have eroded. The Management's assessment on the recoverability from the financial assets of these companies is subject to uncertainties and which, if do not materialise, could significantly impact the carrying values of the aforesaid loans and interest thereon. The group's share for the above loans and interest receivable is Rs. 4.46 crores as at March 31, 2015 (March 31, 2014 Rs. 5.21 crore).
- (f) The auditors of the Joint Venture entity have expressed Emphasis of Matter in their audit report regarding Note 34(vi) to the notes to the Consolidated Financial Statements, relating to de-allocation of coal block allocated to the Joint Venture raising doubts about its ability to continue as going concern.

Our opinion is not modified in respect of these matters.

Other Matter

- (a) We did not audit the financial statements of five subsidiaries and one joint controlled entity, whose financial statements reflects total assets of Rs. 249.81 crores as at March 31, 2015, total revenues of Rs. 206.08 crores and net cash flows amounting to Rs. (0.22) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net profit of Rs. 0.64 crores for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and an associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entity and an associate, is based solely on the reports of the other auditors.
- (b) The consolidated financial statements also include Group's share of net profit of Rs. 0.40 crores for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the



amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding Company, subsidiary companies, associate companies and jointly controlled entity incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, associate companies and jointly controlled entity incorporated in India, except for one director of the jointly controlled entity, who has not produced written representation as on March 31, 2015 that he is not disqualified from being appointed as a director under Section 164(2) of the Act, none of the directors of the Group companies, its associate companies and jointly controlled entity incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity – Refer Note 20 to the consolidated financial statements;
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies, associate companies and jointly controlled entity incorporated in India.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 29, 2015



Annexure To Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Mukand Limited on the consolidated financial statements for the year ended March 31, 2015]

- (i) (a) The Group, its associates and jointly controlled entity have maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the Holding Company is in the process of updating the same for accumulated depreciation and net block of the fixed assets.
- (b) During the year, the fixed assets of the Group, its associates and jointly controlled entity have been physically verified by the management of the respective entities and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to their size and the nature of their assets.
- (ii) (a) The inventory (excluding stocks lying with third parties) have been physically verified by the management of the Group and its associate 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.
- However, in case of jointly controlled entity and one associate, the provision of paragraph 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Order are not applicable.
- (b) The procedures of physical verification of inventory followed by the management of the Group, its subsidiaries and associate are reasonable and adequate in relation to their size and the nature of its business.
- (c) The Group, its Subsidiaries and associate are maintaining proper records of inventory. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Group, its associates and jointly controlled entity have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given by the management of the Group, its associate and jointly controlled entity, there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.

In respect of one of the associate, having regards to explanations that certain items of purchase/services availed are of special nature for which suitable alternative sources are not readily available for obtaining comparable quotations, there exists an adequate internal control system commensurate with the size of the entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.

During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the respective entities.

- (v) In our opinion and according to the information and explanations given by the management of the Holding Company and one associate, the respective entities have complied with the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, according to the information and explanations given to us, Order has been passed by the Company Law Board on the Holding Company and one associate in respect of the aforesaid deposits which has been complied with by the management of the respective entities.

Further, in our opinion and according to the information and explanations given by the management of three subsidiaries, one associate and jointly controlled entity, the respective entities have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

- (vi) We have broadly reviewed the books of account maintained by the Holding Company and one of its subsidiaries, in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

Further the Central Government of India has not prescribed the maintenance of cost records for any of the products of its two subsidiary companies and two of its associate companies under sub-section (1) of Section 148 of the Act and the rules framed there under.

In respect of jointly controlled entity, it has not commenced commercial operations and thus is not required to maintain cost records.

- (vii) (a) The Group, its associates and jointly controlled entity are generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it except in case of Holding Company there have been delays in payment of income tax deducted at source, excise duty, service tax and value added tax which have not been regularly deposited and there have been delays in many cases, in case of one of the subsidiary company, there has been slight delay in few cases and in case of another subsidiary company there has been delay in payment of profession tax.

According to the information and explanations given by the management of the Group, its associates and jointly controlled entity, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the Component	Name of the statute	Nature of dues	Amount Rs. in Crores	Period to which the amount relates	Forum where dispute is pending
Mukand Limited (Holding Company)	Trade tax & Entry Tax	UP Trade Tax, Entry Tax	0.13	2001-02	High Court
	Sales tax	Local Sales Tax, Central Sales Tax	0.02	1988-89, 1989-90	Tribunal
	Sales tax	Local Sales Tax, Central Sales Tax	0.02	1989-90, 1990-91, 1991-92, 1996-97, 1998-99	Deputy Commissioner - Appeals
	Entry Tax	Entry Tax	0.11	2002-03	Commissioner (Appeals)
	Trade Tax	UP Trade Tax	3.30	2002-03, 2003-04,	Tribunal
Vidyavihar Containers Ltd (Subsidiary Company)	Income Tax Act, 1961	Income Tax	15.29	AY 2009-10, 2010-11 and 2011-12	Appellate Authorities



Name of the Component	Name of the statute	Nature of dues	Amount Rs. in Crores	Period to which the amount relates	Forum where dispute is pending
Mukand Engineers Ltd (Associate Company)	Income Tax Act, 1961	Income Tax	0.86	2000-01 , 2001-2002	High Court of Bombay
	Income Tax Act, 1961	Income Tax	0.85	1999-2000 and 2005-2006	Income Tax Appellate Tribunal
	Income Tax Act, 1961	Income Tax	0.06	2010-2011 and 2011-12	Commissioner of Income Tax
	Income Tax Act, 1961	Income Tax	0.98	2002-2003 to 2011-2012	Income Tax Department Authorities
	Works Contracts Tax	Works Contracts Tax	0.76	2001-02 and 2002-03	High Court
	Works Contracts Tax	Works Contracts Tax	1.15	2001-02 to 2004-05	Sales Tax Department Authorities
	Entry Tax	Entry Tax	0.08	1999-00 to 2002-03	High Court, Odisha
	Entry Tax	Entry Tax	0.01	2003-04	Asst. Commissioner (Sales Tax)

(c) According to the information and explanations given by the management of the Group, its associates and jointly controlled entity, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective entities.

(viii) The Holding Company did not have accumulated losses at the end of the financial year however one of its subsidiary and associate company has accumulated losses which are more than fifty percent of the net worth of the respective entities. Further, the Holding Company and one of its associate company have not incurred cash losses during the financial year covered by audit but have incurred cash losses in the immediately preceding financial year. One of its subsidiary has incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.

As the commercial operations have not yet been commenced by the jointly controlled entity, there is no question of any accumulated losses at the end of

the financial year and incurring cash losses during the financial year covered by audit and in the immediately preceding financial year.

One of its Subsidiaries and associate company did not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.

One of its Subsidiary Companies is registered for a period of less than five years, hence clause (viii) of paragraph 3 of the Order is not applicable to the subsidiary.

(ix) According to the information and explanations given by the management of the two subsidiary companies and a jointly controlled entity, the respective entities do not have any borrowings from financial institution(s), bank(s) or debenture holder(s). One subsidiary company and two associate companies are regular in repayment of dues to banks and financial institutions. However the holding Company has defaulted in repayment of its dues to banks principal amounting to Rs. 18.04 crore and interest amounting to Rs. 9.06 Crores for a period ranging from 5 days to 55 days.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company and one of its associate company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the respective entity. Further according to the information and explanations given by the management of the subsidiaries, associates and jointly controlled entity, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions.

(xi) According to the information and explanations given by the management of the Holding Company and its two associate companies, the term loans have been applied for the purpose for which the loans were obtained.

Further, three subsidiary companies and jointly controlled entity have not obtained any term loans and accordingly, clause (xi) of paragraph 3 of the Order is not applicable to the respective entities.

(xii) During the course of examination of the books and records of the Group, its associates and jointly controlled entities, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No.34828

Place : Mumbai
Date : May 29, 2015



Consolidated Balance Sheet as at 31st March, 2015

	Note No.	31st March, 2015 Rs. in crore	31st March, 2014 Rs. in crore
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	147.05	147.05
(b) Reserves and Surplus	2	1,725.10	1,726.34
		1,872.15	1,873.39
(2) Minority Interest			
		110.03	108.81
(3) Non-Current Liabilities			
(a) Long Term Borrowings	3	1,546.32	1,161.58
(b) Deferred Tax Liabilities (net)	4	1.75	0.70
(c) Other Long Term Liabilities	5	4.00	13.86
(d) Long Term Provisions	6	39.69	35.79
		1,591.76	1,211.93
(4) Current Liabilities			
(a) Short Term Borrowings	7	841.54	793.01
(b) Trade Payables	8	881.40	854.54
(c) Other Current Liabilities	9	560.44	785.99
(d) Short Term Provisions	10	7.14	4.59
		2,290.52	2,438.13
Total		5,864.46	5,632.26
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		2,460.54	2,499.76
(ii) Intangible Assets		0.15	0.25
(iii) Capital Work-in- Progress		37.76	52.44
		2,498.45	2,552.45
(b) Non Current Investments	12	38.30	39.29
(c) Deferred Tax Asset (net)	4	45.34	42.16
(d) Long Term Loans and Advances	13	131.42	145.61
(e) Other Non Current Assets	14	50.07	49.09
		265.13	276.15
(2) Current Assets			
(a) Inventories	15	1,458.80	1,259.12
(b) Trade Receivables	16	1,009.75	932.85
(c) Cash and Bank Balances	17	89.75	98.04
(d) Short Term Loans and Advances	18	351.75	343.04
(e) Other Current Assets	19	190.83	170.61
		3,100.88	2,803.66
Total		5,864.46	5,632.26
Notes forming part of the Consolidated Financial Statements			
	1-35		

Consolidated Statement of Profit and Loss

	Note No.	2014-15 Rs. in crore	2013-14 Rs. in crore
For the year ended 31st March, 2015			
I) Gross Revenue from Operations	21	3,332.68	2,833.08
Less : Excise Duty		326.72	315.97
Net Revenue from Operations		3,005.96	2,517.11
II) Other Income	22	18.80	33.40
III) Total Revenue (I) + (II)		3,024.76	2,550.51
IV) Expenses			
a) Cost of Materials Consumed	23	1,541.96	1,292.85
b) Purchases of Stock-in-Trade		5.80	2.12
c) Changes in Inventories of finished goods, work-in-progress/contracts in progress and stock in trade	24	(147.01)	(182.72)
d) Employee Benefit Expenses	25	160.46	146.65
e) Finance Costs	26	275.72	253.95
f) Depreciation and Amortization Expenses (including share of Joint Ventures)		76.49	67.72
g) Other Expenses	27	1,087.91	1,081.19
Expenditure transferred to Capital Accounts / Capital Work- in-Progress		(5.05)	(5.76)
Total Expenses		2,996.28	2,656.00
V) Profit / (Loss) for the year before Exceptional Items & tax (III) - (IV)		28.48	(105.49)
Add / (Less) :			
Exceptional items - Expenditure	28	(15.11)	(12.59)
Profit / (Loss) before tax		13.37	(118.08)
(Less) :			
VI) Tax Expense :			
Net Current Tax		(0.15)	-
Net Deferred Tax Credit		(1.59)	32.96
Excess / (Short) provision for tax in respect of earlier years		0.13	0.49
Profit / (Loss) for the year before share of profits of associates (V) - (VI)		11.76	(84.63)
(Less) :			
Share of Profit in Associates (net)		0.60	0.66
Minority Interest		(1.22)	(0.53)
Profit / (Loss) for the year		11.14	(84.50)
Weighted average number of Equity Shares outstanding during the year		141,405,861	76,294,840
Basic and diluted earnings per share including Exceptional Items (in Rs.)	29	0.79	(11.08)
Basic and diluted earnings per share excluding Exceptional Items (in Rs.)		1.86	(9.43)
Nominal value of share (in Rs.)		10.00	10.00
Notes forming part of the Consolidated Financial Statements			
	1-35		

As per our attached report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Niraj Bajaj
Chairman &
Managing Director

For and on behalf of Board of Directors
Rajesh V Shah
Co-Chairman &
Managing Director

Suketu V Shah
Joint
Managing Director

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai: May 29, 2015

S B Jhaveri
Chief Financial Officer

K J Malliya
Company Secretary
Mumbai: May 29, 2015

As per our attached report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

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Membership No. 034828
Mumbai: May 29, 2015

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K J Malliya
Company Secretary
Mumbai: May 29, 2015



Consolidated Cash Flow Statement for the year ended 31st March, 2015

	Rs.in crore					
	2014-15	2014-15	2014-15	2013-14	2013-14	2013-14
A Cash Flow arising from Operating Activities						
Profit/(Loss) before Tax and Exceptional Items			28.48			(105.49)
Add back :						
a) Depreciation		76.49			67.72	
b) Other Non-cash Expenditure / (Income) - (Net)		4.72			12.43	
c) Loss / (Profit) on sale of Investment		-			4.99	
d) Finance and Lease Charges - (Net)		257.04			227.57	
			338.25			312.71
			366.73			207.22
Deduct :						
a) Investment Income		0.46			0.49	
b) Surplus/(Loss) on sale of assets - (Net)		10.23			19.26	
			10.69			19.75
Operating Profit before Working Capital changes			356.04			187.47
Less : Working Capital Changes						
a) Increase in Trade and Other Receivables	79.55			148.31		
b) Increase in Other Current Assets	20.22			17.65		
c) Increase in Other Non Current Assets	0.16			-		
d) Increase in Long Term Loans & Advances	3.08			19.08		
e) Increase in Short Term Loans & advances	19.79			17.35		
f) Increase in Margin Money / Escrow Balance	-			0.92		
g) Increase in Inventories	199.68			224.49		
h) Decrease in Other Current Liabilities	48.49			79.14		
i) Decrease in Other Long Term liabilities	18.62			-		
		389.59			506.94	
Less :						
a) Decrease in Margin Money / Escrow Balance	4.59			-		
b) Increase in Trade Payables	30.63			204.61		
c) Increase in Other Long Term liabilities	-			55.33		
		35.22			259.94	
Net Working Capital Changes			(354.37)			(247.00)
Cash Flow from Operations			1.67			(59.53)
Less : Direct taxes paid (net of refunds)			(16.37)			(0.69)
Net Cash Inflow / (Outflow) from Operating Activities			18.04			(58.84)
B Cash Flow arising from Investing Activities						
Inflow						
a) Sale of Fixed Assets		10.79			20.42	
b) Interest received on loans to Companies		-			0.52	
c) Dividends received		0.46			0.49	
d) Decrease in Loans to Companies		12.26			-	
e) Sale of Investments - (Net)		0.01			16.87	
			23.52			38.30
Deduct Outflow						
a) Acquisition of fixed assets		34.86			45.42	
b) Acquisition of Minority Interest		-			1.52	
c) Acquisition of Investments		-			0.03	
			34.86			46.97
Net Cash Inflow / (Outflow) from Investing Activities			(11.34)			(8.67)



Consolidated Cash Flow Statement for the year ended 31st March, 2015 (contd.)

				Rs.in crore		
	2014-15	2014-15	2014-15	2013-14	2013-14	2013-14
C Cash Flow arising from Financing Activities						
Inflow						
a) Proceeds from issue of Share Capital (Net)		-			143.41	
b) Proceeds from issue of Shares to Minority Stakeholders		-			29.48	
c) Increase in Term Loans - (Net)		75.15			-	
d) Increase in Working Capital Loans from Banks - (Net)		6.17			-	
e) Increase in Other Unsecured Loans - (Net)		270.17			391.62	
			351.49			564.51
Deduct Outflow						
a) Redemption of Debentures		19.82			21.00	
b) Decrease in Term Loans - (Net)		-			113.88	
c) Decrease in Working Capital Loans from Banks - (Net)		27.59			37.90	
d) Dividend paid		0.05			-	
e) Finance and Lease Charges - (Net)		314.38			313.25	
f) Expenditure towards Share Issue Expenses		0.05			1.02	
			361.89			487.05
Net Cash Inflow / (Outflow) from Financing Activities			(10.40)			77.46
Net Increase / (Decrease) in Cash/Cash Equivalents			(3.70)			9.95
Add : Balance at the beginning of the year			43.43			33.48
Cash/Cash Equivalents at the close of the year			39.73			43.43

Note :

- 1) Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2015 - Rs.49.87 Crores; 31.03.2014 - Rs.54.24 crore; 31.03.2013 - Rs.48.61 crore; and in Escrow Account : 31.03.2015 - Rs.0.15 Crores; 31.03.2014 - Rs.0.37 crore; 31.03.2013 - Rs.5.08 crore

As per our attached report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

For and on behalf of Board of Directors

Suketu V Shah
Joint Managing Director

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai: May 29, 2015

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai: May 29, 2015



Notes

1. SHARE CAPITAL

	31st March, 2015	31st March, 2014
	Rs.in crore	Rs.in crore
Authorised :		
7,000,000 (31 March 2014 : 7,000,000)		
Preference Shares of Rs.10/- each	7.00	7.00
153,000,000 (31 March 2014 : 153,000,000) Equity Shares of Rs.10/- each	153.00	153.00
	160.00	160.00
Issued :		
5,626,320 (31 March 2014 : 5,626,320)		
0.01% Cumulative Redeemable Preference Shares of Rs.10/- each	5.63	5.63
146,273,934 (31 March 2014 : 146,273,934)		
* Equity Shares of Rs.10/- each	146.27	146.27
* Includes 28,031 Equity Shares which have been kept in abeyance by the Stock Exchange Authorities	151.90	151.90
Subscribed and fully paid up :		
5,626,320 (31st March 2014 : 5,626,320)		
0.01% Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid up	5.63	5.63
73,114,129 (31 March 2012 : 73,114,129)		
Equity Shares of Rs.10/- each, fully paid up	141.41	141.41
Add :		
Forfeited Shares, amounts originally paid up	0.01	0.01
	141.42	141.42
	147.05	147.05

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 Mar 2015		31 Mar 2014	
	Nos. in crore	Rs.in crore	Nos. in crore	Rs. in crore
At the beginning of the period	14.14	141.41	7.31	73.11
Add : issued during the period	-	-	6.83	68.30
Less : bought back during the year	-	-	-	-
Outstanding at the end of the period	14.14	141.41	14.14	141.41
Preference shares (CRPS)				
At the beginning of the period	0.56	5.63	0.56	5.63
Add : issued during the period	-	-	-	-
Less : bought back during the year	-	-	-	-
Outstanding at the end of the period	0.56	5.63	0.56	5.63

b. Terms / rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended 31st March 2015, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2014 : Rs. Nil).

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms of redemption of CRPS

Pursuant to the order of the Hon'ble High Court of Judicature at Bombay dated October 14, 2003, the Company had cancelled 22 ½ equity shares issued and unallotted and reduced 20% of the outstanding equity shares amounting to

5,626,320 equity shares. In lieu of cancelled shares, the company has issued 5,626,320 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each entitled for cumulative Preference dividend of 0.01% p.a. and redeemable in five equal annual installments starting from September. 2019. In the event of liquidation of the company before redemption, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

- The Company does not have any holding Company.
- There are no bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.
- Details of shareholders holding more than 5% shares in the Company :

Equity Shares of Rs. 10/- each fully paid	31 Mar 2015		31 Mar 2014	
	Numbers	% holding in the class	Numbers	% holding in the class
Jamnalal Sons Pvt. Ltd.	26,293,322	18.59	26,295,522	18.60
Life Insurance Corporation of India	7,228,076	5.11	7,228,076	5.11
Bajaj Holdings & Investments Ltd.	8,113,564	5.74	8,113,564	5.74
Baroda Industries Pvt. Ltd.	15,726,616	11.12	14,326,616	10.13
Niraj Bajaj	11,476,956	8.12	12,887,156	9.11
Rajesh V. Shah	7,200,842	5.09	7,200,842	5.09
Suketu V. Shah	7,319,018	5.18	7,169,018	5.07
CRPS of Rs. 10/- each fully paid				
Life Insurance Corporation of India	595,545	10.58	595,545	10.58
Jamnalal Sons Pvt. Ltd.	474,064	8.43	474,143	8.43

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- There are no shares reserved for issue under options and contracts / commitments for sale of shares/disinvestment.
- There are no unpaid calls from any Director and officer.

2. RESERVES AND SURPLUS

	31st March, 2015	31st March, 2014
	Rs. in crore	Rs. in crore
Capital Reserve :		
As per last Account	0.50	0.18
Add: On Consolidation	-	0.32
	0.50	0.50
Capital Redemption Reserve:		
As per last Account	3.00	3.00
Securities Premium Account :		
As per last Account	299.69	225.59
Add / (Less) : Additions during the year	-	75.12
Share issue expenses	(0.06)	(1.02)
	299.63	299.69
Debenture Redemption Reserve :		
As per last Account	5.06	10.21
Add / (Less) : Transferred to Surplus	(5.06)	(5.15)
	-	5.06
Revaluation Reserve :		
As per last Account	1,660.16	1,664.55
Less: Transferred to Consolidated Statement of Profit and Loss	(4.39)	(4.39)
	1,655.77	1,660.16
Reserve Fund :		
As per last Account	2.77	2.77



Notes (contd.)

Add : Transferred from Surplus in terms of Section 45-I C (i) of Reserve Bank of India Act, 1934

Currency Fluctuation Reserve - On Consolidation

As per last Account

Add / (Less):

Increase / (Decrease) for the year on Consolidation

General Reserve :

As per last Account

Add/ (less) : Transferred to Surplus for Proposed Dividend & Tax thereon (F.Y. 2014-15 Rs.NIL; F.Y.2013-14 Rs.6,585/-)

Additional Depreciation (net of tax Rs.3.72 crore) pursuant to schedule II to the Companies Act, 2013. (Refer Note 11 b)

Transferred from Surplus being write back of Debenture Redemption Reserve

Surplus

As per last Account

Surplus / (Deficit) as per Statement of Profit and Loss

Consequent to Sale of Shares of Subsidiary Transferred from Debenture Redemption Reserve

Transferred from General Reserve for Proposed Preference Dividend and tax thereon (FY 2014-15 Rs.NIL; FY 2013-14 Rs.6,585/-)

Transferred to Reserve Fund in terms of Section 45-I C (i) of Reserve Bank of India Act, 1934

Proposed Preference Dividend (FY 2014-15 Rs.5,627/-; FY 2013-14 Rs.5,627/-)*

Tax on Preference Dividend (FY 2014-15 Rs.1,146/-; FY 2013-14 Rs.958/-)*

Transferred to General Reserve being write back of Debenture Redemption Reserve

* Refer Note No. 10 of the Notice convening 77th Annual General Meeting in connection with withdrawal of this recommendation in view of amendment to Section 123 of the Companies Act, 2013.

3. LONG TERM BORROWINGS

I. SECURED LOANS

a) Debentures

b) Term Loans :

- Banks

- Financial Institutions

- Others

Total Secured Loans

II. UNSECURED LOANS

Fixed Deposits

Long Term Loans from Companies

Sales Tax Deferment Loan

Total Unsecured Loans

TOTAL LONG TERM BORROWINGS

(I) Nature of Security & Terms of repayment for Long Term Borrowings - By Mukand

	Nature of Security	Terms of Repayment
(i)	<p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2015 - Rs.100.00 crore, Previous Year Rs.Nil crore) from a Bank :</p> <p>are secured by way of first pari-passu charge against mortgage/ hypothecation of Mukand's freehold land, immovable and movable fixed assets both present and future of Mukand at Kalwe and Dighe, Dist. Thane, in the State of Maharashtra and leasehold land, immovable and movable fixed assets both present and future of Mukand at Ginigera/Kankapura, Dist. Ginigera in the State of Karnataka and such mortgage and charge shall rank pari-passu with the existing mortgages and charges created in favour of financial institutions, banks and a company for their term loans except term loans at (ii) to (xv) below. These loans are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.</p>	<p>36 monthly installments commencing from November 2016.</p> <p>48 monthly installments commencing from August 2016.</p> <p>48 monthly installments commencing from September 2016</p> <p>Term Loan of Rs.50 crore is repayable in 42 monthly installments commencing from September 2016. Term Loan of Rs.50 crore is repayable in 42 monthly installments commencing from November 2016.</p>
(ii)	<p>Term Loans of Rs.100.00 crore (balance outstanding as at 31.03.2015 - Rs.65.93 crore, Previous Year Rs.93.23 crore) from HDFC Ltd. :</p> <p>Term Loans of Rs.75.00 crore (balance outstanding as at 31.03.2015 - Rs.64.55 crore, Previous Year Rs.75.00 crore) from HDFC Ltd.:</p> <p>are secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge)</p>	<p>36 monthly installments commencing from July 2013 for a loan of Rs.50 crore and October 2013 for a loan of Rs.50 crore.</p> <p>36 monthly installments commencing from August 2014.</p>
(iii)	<p>Term Loan of Rs. 60.00 crore (balance outstanding as at 31.03.2015 - Rs.60.00 crore, Previous Year Rs.60.00 crore) from HDFC Ltd. :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.50.00 crore, Previous Year Rs.Nil crore) from HDFC Ltd. :</p> <p>are secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge). Additional security is to be created by way of mortgage of 43.14 acres of leasehold land at Sinnar Dist - Nashik in the state of Maharashtra.</p>	<p>36 monthly installments commencing from February 2015.</p> <p>13 monthly installments commencing from April 2016.</p>
(iv)	Term Loan of Rs. 275.00 crore (balance outstanding as at 31.03.2015 - Rs.48.61 crore, Previous Year Rs.120.56 crore) from a Bank is secured against mortgage of 50 acres of leasehold land at Dighe, Thane.	Term Loan of Rs.150 crore is fully paid during the year.Term Loan of Rs.125 crore is repayable in 36 equal monthly installments commencing from April 2013.
(v)	Term Loan of Rs.62.50 crore (balance outstanding as at 31.03.2015 - Rs.19.56 crore Previous Year Rs.39.93 crore) from a Bank is secured against two residential premises at Mumbai.	36 equal monthly installments commencing from March 2013.
(vi)	Term Loan of Rs.35.00 crore (balance outstanding as at 31.03.2015 - Rs.15.16 crore, Previous Year Rs.21.58 crore) from a Bank is secured against plant and machinery and other moveable assets of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka.	60 equal monthly installments commencing from April 2012.



Notes (contd.)

(vii)	Loan of Rs.14.00 crore (balance outstanding as at 31.03.2015 - Rs.11.56 crore, Previous Year Rs.14.00 crore) from a company is secured against residential premises at Delhi.	30 monthly installments commencing from October 2014.
(viii)	Loan of Rs.15.00 crore (balance outstanding as at 31.03.2015 - Rs.15.00 crore, Previous Year Rs.Nil crore) from a company is secured against extension of mortgage of 5 acres of leasehold land at Dighe Thane.	24 monthly installments commencing from June 2015.
(ix)	Loan of Rs.11.00 crore (balance outstanding as at 31.03.2015 - Rs.11.00 crore, Previous Year Rs.Nil crore) from a company is secured against extension of mortgage of 5 acres Leasehold Land at Dighe Thane and residential premises at Delhi.	30 monthly installments commencing from August 2015.
(x)	Loan of Rs.8.68 crore (balance outstanding as at 31.03.2015 - Rs.8.68 crore, Previous Year Rs.Nil crore) from a company is secured against by way of mortgage of residential premises at Mumbai.	30 monthly installments commencing from September 2015.
(xi)	Loan of Rs.17.50 crore (balance outstanding as at 31.03.2015 - Rs.Nil crore, Previous Year Rs.2.96 crore) from a company was secured against a residential premises at Delhi.	Fully paid during FY 2014-15.
(xii)	Loan of Rs.25.00 crore (balance outstanding as at 31.03.2015 - Rs.Nil crore, Previous Year Rs.11.25 crore) from a company was secured against mortgage of 5 acres of lease hold land at Dighe, Thane.	Fully paid during FY 2014-15.
(xiii)	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2015 - Rs.28.42 crore, Previous Year Rs.38.04 crore) from a company is secured against various items of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at (i), (xvi) & (xvii).	58 monthly installments commencing from July 2012.
(xiv)	Term Loan of Rs.37.45 crore (balance outstanding as at 31.03.2015 - Rs.26.17 crore, Previous Year Rs.32.04 crore) from a Company is secured against Plant & Machinery at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka of Sinter Plant, Hot Blast Stoves and Pulverising Plant.	58 monthly installments commencing from February 2013.
(xv)	Term Loans of Rs.8.00 crore from two companies (Rs.4 crore from each company) (balance outstanding as at 31.03.2015 - Rs.Nil crore, Previous Year Rs.8.00 crore) were secured against mortgage of a residential premises at Mumbai.	Fully paid during FY 2014-15.
(xvi)	Debentures 5,800,000, 10.50% (2006-15) Mortgage Debentures (balance outstanding as at 31.03.2015 Rs.Nil crore, Previous Year Rs.19.82 crore), were secured by way of first pari-passu charge against the same assets as given to lenders at (i) above.	Fully paid during FY 2014-15.
(xvii)	Term Loans from Banks, Financial Institutions and a company (balance outstanding as at 31.03.2015 Rs.Nil crore, Previous Year Rs.119.96 crore); Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2015 - Rs.Nil crore, Previous Year Rs.7.50 crore) from a Bank : These were secured on pari-passu basis against the same assets as given to lenders at (i) above.	Fully paid during FY 2014-15. Fully paid during FY 2014-15.

(II) Effect and Progress of Restructuring Package - of Mukand

In terms of the Financial Restructuring Package (FRP) approved by the Corporate Debt Restructuring (CDR) Cell in July 2003 and April 2009, Mukand has effected the repayment of debentures and term loans and the balance outstanding as at 31.03.2015 is Rs. Nil. Lenders under CDR have discharged Mukand by giving No Dues Certificate and by release of charge against the assets of Mukand.

(III) For details of loans received from related parties, please refer Note No. 33

(IV) Deferred sales tax liability is to be paid in 5 annual instalments commencing from FY 2012-13 to FY 2016-17.

4. DEFERRED TAX ASSET / (LIABILITY) (NET)

	31st March, 2015	31st March, 2014
	Rs. in crore	Rs. in crore
Deferred Tax Asset (net)		
Deferred Tax Asset	166.24	166.97
Less : Deferred Tax Liability	120.90	124.81
	45.34	42.16
	45.34	42.16
Deferred Tax Liability (net)		
Deferred Tax Asset	18.28	11.75
Less : Deferred Tax Liability	20.03	12.45
	(1.75)	(0.70)
	(1.75)	(0.70)

	As at 31.03.2014	Charge/ (Credit) for the year 2014-15	As at 31.03.2015
a) Mukand :			
Components of Deferred tax assets/ (liabilities) are as under :			
Deferred Tax Asset on account of :			
Employee benefits, etc	10.21	(1.08)	11.29
Taxes, Duties, Cess, Interest to Banks/Fis, etc	10.13	5.30	4.83
Provision for doubtful debts	0.09	-	0.09
Unabsorbed Depreciation/ Business Loss, etc	146.53	(3.48)	150.01
	166.96	0.74	166.22
Deferred Tax liability on account of :			
Depreciation	124.81	3.91	120.90
Others	-	-	-
	124.81	3.91	120.90
Net Deferred Tax Asset/(Liability) \$	42.15	(3.17)	45.32

\$ Deferred Tax Asset aggregating Rs. 26.47 crore (Previous year Rs. 26.47 crore) was not recognised considering the principle of virtual certainty as stated in the Accounting Standard AS-22-Accounting for taxes on Income. For the year under consideration an amount of Rs. 3.72 crore has been credited to general reserve on account of transitional provision in schedule II to the Act and Rs.0.55 crore has been debited to the consolidated statement of profit and loss.

	As at 31.03.2014	Charge/ (Credit) for the year 2014-15	As at 31.03.2015
b) MGFL			
Deferred Tax Assets on account of :			
Depreciation	-	(0.01)	0.01
Provision for Employee Benefits	0.01	-	0.01
	0.01	(0.01)	0.02
Deferred Tax Liability on account of :			
Depreciation	-	-	-
Net Deferred Tax Asset	0.01	(0.01)	0.02



Notes (contd.)

c) MSMPL

	Rs. in crore		
	As at 31.03.2014	Charge (Credit) for the year 2014-15	As at 31.03.2015
Deferred Tax Assets on account of :			
Unabsorbed Depreciation / Business Loss	11.75	(6.53)	18.28
	<u>11.75</u>	<u>(6.53)</u>	<u>18.28</u>
Deferred Tax Liability on account of :			
Depreciation	12.45	7.58	20.03
Net Deferred Tax Asset	<u>(0.70)</u>	<u>1.05</u>	<u>(1.75)</u>

d) VCL

Deferred tax asset aggregating Rs.0.61 crore (Previous year 0.61 crore) has not been recognised by way of prudence in accordance with Accounting Standard AS-22 – Accounting for taxes on income.

5. OTHER LONG TERM LIABILITIES

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
Acceptances / Payables for Capital Goods	-	9.55
Other Liabilities	<u>4.00</u>	<u>4.31</u>
	<u>4.00</u>	<u>13.86</u>

6. LONG TERM PROVISIONS

for Employee Benefits	<u>39.69</u>	<u>35.79</u>
	<u>39.69</u>	<u>35.79</u>

7. SHORT TERM BORROWINGS

I. SECURED LOANS

Working Capital Loans from Banks	<u>629.63</u>	<u>651.05</u>
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II. UNSECURED LOANS

Short Term Loans from Companies	<u>211.89</u>	<u>141.95</u>
Share of Joint Ventures	<u>0.02</u>	<u>0.01</u>
	<u>841.54</u>	<u>793.01</u>

Short Term Borrowings - Secured

(I) Working Capital Facilities of Mukand

- (a) Working Capital Facilities from the Banks and other non-funded facilities are secured by hypothecation of stocks (excluding machinery spares) and book debts. The said facilities are also secured by way of second and subservient pari passu charge against the same assets as given to Trustees for Debentures as shown at Note No.3. The said charge shall be second and subservient to all other first charges created in favour of Trustees for all the series of Debentures and Lenders for their term loans at (i), (xvi) and (xvii) at Note No.3(I).

Assets excluded from security given to secured lenders at Note No. 3 & 8.

Note : Security given for the debentures, term loans at Note No.3(I), and working capital facilities mentioned above exclude :

48 acres of grant land at Kalwe and Dighe, Dist. Thane in the State of Maharashtra.

Leasehold land at Dighe, Thane, as it is mortgaged to Lenders covered at Note No.3 (I) (ii), (iii), (iv), (viii), (ix) & (xii).

68.875 acres of Freehold land acquired at Ginigera / Kankapura, District Ginigera in the State of Karnataka.

Plant and Machinery of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) (vi).

Plant and Machinery of Sinter Plant, Hot Blast Stove and Pulverising Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) (xiv).

157.80 acres of freehold land in the State of Jharkhand, for Company's projects in that State.

- (b) Mukand has defaulted in repayment of current maturity of Long Term Debt to a bank to the extent of Rs.20.24 crore (Previous year Rs.13.04 crore) which has been paid after close of the year.

- (II) Loan from other Companies to MGFL include Rs.6.00 crore availed against pledge of shares belonging to Shri Rajesh V. Shah, Shri Suketu V. Shah, Smt. Bansri Rajesh Shah, Smt. Neerja Shah and Smt. Jyoti Shah (Third Party Pledgors); (Previous Year Rs.5.35 crore against pledge of shares belonging to third party pledgors).

- (III) Working Capital Facilities from a bank to Mukand Sumi Metal Processing Ltd. are secured by exclusive charge on all the existing and future current assets and fixed assets and first charge on land situated at Lonand, District Satara. :

8. TRADE PAYABLES

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
Acceptances	<u>456.34</u>	<u>374.60</u>
Sundry Creditors	<u>425.06</u>	<u>479.94</u>
	<u>881.40</u>	<u>854.54</u>

9. OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt [Refer Note 7 (I) (b)]	<u>227.12</u>	<u>410.33</u>
Interest accrued but not due on borrowings	<u>8.83</u>	<u>15.71</u>
Interest accrued and due on borrowings	<u>45.40</u>	<u>33.22</u>
Unpaid Dividends (represents amounts unclaimed) #	<u>0.16</u>	<u>0.21</u>
Unpaid matured deposits (represents amount unclaimed) #	<u>2.15</u>	<u>0.80</u>
Liability towards Employee Benefits	<u>8.56</u>	<u>9.89</u>
Advances against Orders and Engineering Contracts	<u>29.90</u>	<u>51.56</u>
Liabilities for Property Development (Refer Note below)	<u>142.38</u>	<u>141.65</u>
Statutory Liabilities	<u>62.05</u>	<u>64.19</u>
Acceptance / Payables for Capital Expenditure	<u>33.23</u>	<u>46.79</u>
Others	<u>0.35</u>	<u>11.29</u>
Share of Joint Ventures	<u>0.31</u>	<u>0.35</u>
# No amounts are due & outstanding, to be credited to Investor Education and Protection Fund	<u>560.44</u>	<u>785.99</u>

Note :

VCL has entered into a development agreement for its land at Vidyavihar for a consideration of residential flats to be made available to VCL at the developer's own cost and an additional consideration as compensation payable for Government dues. Advances received against reservation / allotment of flats in this regard amounting to Rs. 117.10 crore (excluding compensation for TDR) (Previous Year Rs. 116.56 crore) has been included in other current liabilities under the head "Advance Towards Property Development". As per the accounting policy on recognition of income consistently followed by VCL, the consideration will be accounted for in the year in which the possession of constructed flats is handed over and the sale of land is completed.

10. SHORT TERM PROVISIONS

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
for Employee Benefits	<u>5.24</u>	<u>3.99</u>
for NPA as per RBI Prudential Norms (Refer Note No. 18)	<u>1.06</u>	<u>-</u>
for Standard Assets as per RBI Prudential Norms	<u>0.23</u>	<u>0.27</u>
for Warranty Costs	<u>0.61</u>	<u>0.33</u>
for Proposed Preference Dividend (FY 2014-15 Rs. 5,627/-, FY 2013-14 Rs. 5,627/-)	<u>-</u>	<u>-</u>
for Tax on Preference Dividend (FY 2014-15 Rs. 1,146/- FY 2013-14 Rs. 958/-)	<u>-</u>	<u>-</u>
	<u>7.14</u>	<u>4.59</u>



Notes (contd.)

11. FIXED ASSETS

Rs.in crore

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at 1st April, 2014	Additions/ Adjustments	Deductions/ Adjustments	Additions to Revalued Assets	As at 31st March, 2015	As at 1st April, 2014	For the year	Adjustments/ Deductions during the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
(i) Tangible Assets											
Land (Including Leasehold Land)	1,707.88	13.23	-	-	1,721.11	16.15	4.73 (*)	-	20.88	1,700.23	1,691.73
Railway Siding	13.82	-	-	-	13.82	3.88	1.03	-	4.91	8.91	9.94
Buildings	181.44	14.10	0.05	-	195.49	70.84	12.83	0.02	83.65	111.84	110.60
Plant and Machinery	1,448.63	26.22	1.85	-	1,473.00	769.61	70.90	1.38	839.13	633.87	679.02
Furniture, Fixtures, etc.	12.38	0.34	0.19	-	12.53	6.89	2.70	0.16	9.43	3.10	5.49
Vehicles	4.94	0.28	0.59	-	4.63	1.96	0.63	0.55	2.04	2.59	2.98
Sub-Total	3,369.09	54.17	2.68	-	3,420.58	869.33	92.82	2.11	960.04	2,460.54	2,499.76
(ii) Intangible Assets -											
Software	1.56	-	0.01	-	1.55	1.31	0.09	-	1.40	0.15	0.25
Goodwill	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	1.56	-	0.01	-	1.55	1.31	0.09	-	1.40	0.15	0.25
Share of Joint Ventures	-	-	-	-	-	-	-	-	-	-	-
Total (i) + (ii)	3,370.65	54.17	2.69	-	3,422.13	870.64	92.91	2.11	961.44	2,460.69	2,500.01
Previous year's Total	3,226.32	156.24	11.91	-	3,370.65	809.29	72.10	10.75	870.64	2,500.01	
(iii) a) Capital Work-in-Progress, expenditure to date										36.43	51.09
(iii) b) Capital Work-in-Progress, Share of Joint Ventures										1.33	1.35
Total (iii)										37.76	52.44
										2,498.45	2,552.45

* Includes Rs. 4.39 crore (Previous year Rs.4.39 crore) withdrawn from Revaluation Reserve

a) Revaluation:

Mukand :

Free-hold land at Kalwe / Dighe, Thane as at 30.6.1983 was revalued on 30.6.1984 and the additions to assets on account of this revaluation aggregating Rs.12.27 crore was correspondingly credited to the Revaluation Reserve during the year ended 30.06.1984. To reflect the current fair market value, Mukand further revalued the freehold land at Kalwe as at 31.3.2001 during November, 2001. The registered valuer had carried out the valuation on the basis of the then market value of this land. The addition to assets on account of this revaluation, aggregating Rs.114.36 crore was correspondingly credited to the Revaluation Reserve during the year ended 31st March, 2002. Mukand has further revalued the aforesaid land as at 31.03.2009 and an amount aggregating Rs.1,212.37 crore has been added to assets and correspondingly credited to the Revaluation Reserve as at 31.03.2009.

Leasehold land at Dighe, Thane as at 31.03.2011 has been revalued to reflect the current Fair Market Value of this land. The valuation was carried out by a Registered Valuer. The addition to assets on account of this revaluation, aggregating Rs.334.34 crore has been correspondingly credited to the revaluation reserve as at 31.03.2011. An amount of Rs.4.39 crore (Previous year Rs.4.39 crore) has been transferred from the revaluation reserve to the statement of profit & loss towards amortization charge of the said land for the year.

b) Pursuant to the Companies Act, 2013 (the Act), becoming effective from 1st April 2014, Mukand has reworked depreciation with reference to estimated useful life of fixed assets prescribed under schedule-II to the Act or useful life of fixed assets as per technical evaluation. As a result, the charge for depreciation is higher by Rs.4.36 crore for the year ended 31st March 2015. Further, based on transitional provision in Note 7 (b) of schedule-II, an amount of Rs.8.31 crore (net of deferred tax Rs.3.72 crore) has been adjusted during the year against the retained earnings. In case of MSMPL, the charge for depreciation is higher by Rs.0.67 crore.

c) Fixed assets include net book value of assets at Ginigera Steel Plant of Mukand aggregating Rs.1.05 crore which have been retired from active use and are held for disposal as tabulated hereunder. The said net book value is on the basis of realisable value as per valuation report of an approved valuer

Assets held for disposal.

Rs. in crore

Description	As at 01.04.2014	Depreciation as at 31.03.2015	Amount written-off	Net Block as at 31.03.2015
Plant & Machinery	2.95	1.90	0.00	1.05

d) Fixed Assets include borrowing costs of Rs.4.63 crore capitalised during the year (Previous year Rs.15.88 crore)

e) As Lessee: Future Rental obligations in respect of premises taken on lease by Mukand – Operating Lease.

	As at 31.3.2015	Rs. in crore As at 31.3.2014
For a period not later than one year.	1.97	1.94
For a period later than one year and not later than five years.	2.98	4.47
For a period later than five years.	-	-
Total	4.95	6.41

Lease rental charged to revenue for the current year Rs.2.71 crore (Previous Year Rs.2.98 crore)

These premises comprise residential flats, office premises and warehouses. The Agreements for lease are executed for tenure of 11 to 72 months with a provision for renewal and termination by other party giving a prior notice of 1 to 3 months.

f) As Lessor: Future Rental income in respect of premises given on lease by Mukand – Operating Lease.

	As at 31.3.2015	As at 31.3.2014
For a period not later than one year.	0.12	0.43
For a period later than one year and not later than five years.	0.04	0.03
For a period later than five years.	-	-
Total	0.16	0.46

These premises comprise office premises and a residential flat given on lease for tenure of two years with a provision for renewal in case of office premises.

Gross carrying amount of assets: Rs.3.13 crore (Previous year Rs.2.67 crore).

Accumulated depreciation upto 31.03.2015: Rs.0.97 crore (Previous year Rs. 0.89 crore).

Depreciation for the year: Rs.0.05 crore (Previous year Rs. 0.04 crore).

g) Gross Block of buildings as at 31st March, 2015 includes value of offices, residential flats and garages in co-operative societies/ proposed co-operative societies/ association of apartment owners aggregating Rs.6.31 crore at cost (Previous Year Rs.6.36 crore) [including cost of shares in co-operative societies Rs.7,000/- (Previous Year Rs.7,000/-)].



Notes (contd.)

12. NON-CURRENT INVESTMENTS

At Cost / Value after providing for diminution [Refer Note 18 (a), (b) and (c)]

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
A. Trade (Unquoted)	-	-
B. Others (Quoted)	32.88	32.24
C. Others (Unquoted)	16.60	16.63
Less : Provision for diminution in the value of investments	11.18	9.58
	5.42	7.05
	38.30	39.29

	Book Value as at		Market Value as at	
	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
Quoted Investments	32.88	32.24	12.53	12.10
Unquoted Investments	5.42	7.05		
	38.30	39.29		

Investments in Equity Shares of Associates / Joint Ventures.

Name of the Associate	Rs. in crore	
	As at 31st March 2015	As at 31st March 2014
(i) Mukand Engineers Limited		
Including Goodwill of Rs.7.99 crore	19.78	19.78
Share of post acquisition accumulated Profits/Reserves	12.39	11.74
Share of current Profit	0.64	0.65
	32.81	32.17
(ii) Stainless India Limited	13.68	13.68
Including Goodwill of Rs.7.02 crore.		
Share of post acquisition accumulated Loss	(13.68)	(13.68)
Share of current (Loss)	-	-
	-	-
(iii) Bombay Forgings Limited	0.19	0.19
Share of post acquisition accumulated profits	8.32	8.33
Share of current Profit / (Loss)	(0.04)	(0.01)
Less: Provision for diminution in value of investments.	(7.85)	(7.85)
	0.62	0.66
(iv) Hospet Steels Ltd.	0.10	0.10
Share of post acquisition loss	(0.10)	(0.10)
	-	-

Note: Share of current profit in Associate Companies is after considering prior period items.

13. LONG TERM LOANS AND ADVANCES, Unsecured, considered good, unless otherwise specified

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
Loans and Advances	0.59	5.26
Advances recoverable in cash or in kind or for value to be received	44.68	50.97
Capital Advances	9.43	-
Advance payment of Income-tax (net)	44.37	61.59
Balances, etc. with --		
Port Trust, Central Excise, etc.	11.24	10.56
Others	21.11	17.23
	32.35	27.79
	131.42	145.61

14. OTHER NON-CURRENT ASSETS

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
MAT Entitlement Credit	49.58	48.76
Others	0.49	0.33
	50.07	49.09

15. INVENTORIES

[For mode of valuation refer Note No.30 F]

Raw Materials	146.94	90.78
Raw Materials in Transit	38.53	58.42
Total Raw Materials	185.47	149.20
Work-in-Process	254.09	187.00
Contracts in Progress [Refer Accounting Policy 30 H (v) and Note 21]	294.59	292.15
Finished Goods	663.97	578.22
Stores, Spares, Fuel, Components and Engineering Construction Materials	51.22	41.78
Stores in Transit	7.94	9.16
Total Stores, Spares, Fuel, Components and Engineering Construction Materials	59.16	50.94
Fuel	1.34	1.19
Fuel in Transit	-	0.26
Total Fuel	1.34	1.45
Loose Tools	0.09	0.07
Stock-in-trade of Property Development business	0.09	0.09
	1,458.80	1,259.12

16. TRADE RECEIVABLES, (Unsecured)

[Refer Note 18 (a) and (c)]

More than six months from the due date of payment :		
Considered good	349.15	439.60
Considered doubtful	-	-
Less : Provision	-	-
	349.15	439.60
Others :		
Considered good	660.60	493.25
	1,009.75	932.85

17. CASH AND BANK BALANCES

Cash on hand (including cheques on hand Rs. 3.48 crore; Previous year Rs. 4.13 crore and stamp papers on hand Rs. 0.06 crore Previous year Rs. 0.06 crore)	3.69	4.36
Balances with Banks :		
(i) In Current Accounts	13.04	13.67
(ii) In Unpaid Dividend Accounts	0.16	0.21
(iii) In Escrow Account	0.15	0.37
(iv) In Margin Money Accounts #	49.87	54.24
(v) In Deposit Accounts	6.27	6.07
	69.49	74.56
Remittances-in-Transit	16.57	19.12
Share of Joint Ventures	-	-
	89.75	98.04
# under lien with Banks		



Notes (contd.)

18. SHORT TERM LOANS AND ADVANCES

Unsecured, considered good, unless otherwise specified

	31st March, 2015 Rs.in crore	31st March, 2014 Rs.in crore
Loans and Advances	127.65	138.00
Considered doubtful	27.50	27.50
Less : Provision	(27.50)	(27.50)
	-	-
	127.65	138.00
Advances recoverable in cash or in kind or for value to be received	190.60	185.11
Considered doubtful	0.29	0.29
Less : Provision	(0.29)	(0.29)
	-	-
	190.60	185.11
Balances, etc. with --		
Port Trust, Central Excise, etc.	33.19	19.67
Others	0.18	0.13
	33.37	19.80
Share of Joint Ventures	0.13	0.13
	351.75	343.04

Long / Short Term Loans & Advances, Trade Receivables, Non-current Investments, Other Current Assets etc.

- (a) Mukand has investments of Rs.0.19 crore (Previous Year Rs.0.19 crore) in equity shares of Bombay Forgings Limited (BFL), and has trade receivables due from BFL/advances recoverable which stood at Rs.81.54 crore as at 31st March 2015 (Previous Year Rs.79.71 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered assets of BFL as at 31st March, 2015 which is at Rs.66.94 crore (Previous Year Rs.70.34 crore), value of current assets aggregating Rs.15.20 crore and relies upon the future earnings from the ongoing business of BFL. The management considers the balance 'Exposures' to be 'Good' at the close of the year and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.

- (b) MGFL has outstanding Loans and interest dues aggregating Rs.59.49 crore (Previous year Rs.64.34 crore) due from Companies. The network of these Companies has eroded. These loans have been renewed for further periods. During the year, MGFL has, made provision of Rs.1.06 crore on Loan given and written off Interest Receivable of Rs.0.93 crore in respect of an investment Company as per Non-Systemically Important Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2015. The Management believes that ultimate losses that may result on account of these loans / interest dues will depend upon the amount that would be realised from the financial assets of these companies.

During the year, MGFL's investments of 12,00,000, 10% Non Cumulative Redeemable Preference Share of Rs.100/- each fully paid up, with maturity / redemption date of 13th October, 2014, in each company aggregating to Rs.6.00 crore were converted into fully paid of Equity of shares of the face value Rs.100/- each, in the ratio of one fully paid up Equity share of the face value of Rs.100/- each for one 10% Non-Cumulative Redeemable Preference Share of the face value of Rs.100/- each fully paid up.

MGFL had investments aggregating to Rs.8.10 crore (At Cost) in Equity Shares (aggregating to Rs.6.00 crore) and in Preference shares (aggregating to Rs.2.10 crore) of companies whose net worth has eroded. The Company's investments in an investment Company aggregating to Rs.1.74 crore (At Cost) were fully provided for diminution in the value during the financial year 2007-2008. During the current

year, the Company has fully provided for the diminution in the value of investment in an investment Company amounting to Rs.1.59 crore. The Management believes that the ultimate losses that may result on account diminution in value of such investments will depend upon the amount that would be realised from the financial assets of these companies.

- (c) Mukand / MGFL has an investment of Rs.13.68 crore (Previous Year Rs.13.68 crore) in equity shares of Stainless India Limited (SIL). For the purpose of Consolidation of Accounts, the said value of investment has been reduced to Rs. Nil by accounting for share of post acquisition losses.

VCL has loans aggregating Rs. 39.13 crore (Previous Year Rs.39.13 crore). VCL has provided during FY 2010-11 an amount of Rs.15.00 crore and Rs.15.00 crore during the year 2013-14 as doubtful of recovery against these loans. VCL has not provided for interest on these loans as a matter of financial prudence for FY2007-08 to FY 2013-14. SIL has not adhered to repayment of the loan as agreed in the undertaking given by SIL to pay the amount of loan as per the repayment schedule.

Mukand has also trade debts Rs.1.23 crore (Previous Year Rs.1.23 crore) and has trade advances, aggregating Rs.6.08 crore (Previous Year Rs.6.08 crore). The balance exposure aggregates Rs.7.31 crore.

The management has recognised the diminution in value of investments. The management, relies upon the estimated realisable values of land of SIL. The management considers the balance 'Exposures' to be 'Good' at the close of the year and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.

- (d) Details of loans and advances in the nature of loans recoverable from associates (stipulated under clause 32 of the listing agreement with Stock Exchanges).

Name of the Party	Rs. in crore			
	Outstanding Amount		Maximum Amount during the year	
	As at 31.03.15	As at 31.03.14	2014-15	2013-14
Stainless India Ltd. (Net of provisions)	11.63	11.63	11.63	11.63
Mukand Vini Mineral Ltd.	0.44	0.40	0.44	0.40

- (e) MEL has, as at 31st March, 2015 loans aggregating Rs.6.55 crore (Previous Year Rs.10.15 crore) and interest recoverable aggregating Rs.4.30 crore (Previous Year Rs.4.30 crore) due from investment companies. The net worth of these companies has eroded. On the undertaking by these companies to pay the principal amount along with interest, (accrued upto 31st March, 2003) MEL had agreed to waive interest on these loans with effect from 1st April, 2003. As a matter of prudence, MEL had already stopped accounting for interest income on these loans with effect from 1st April, 2003. The management of MEL, based on its assessment of the estimated realisable values of the financial assets of these companies, believes that the MEL would still be able to recover the loans and interest as mentioned above.

During the year, one of the investment companies referred to above has paid an amount of Rs.1.50 crore as an installment towards the same. Pending compliance of the pre-conditions, the amount received has been shown as advance received under the head "Other Current Liabilities".

- (f) As per the understanding reached by Mukand with Commerzbank AG as recorded in the Consent Terms filed in the Debt Recovery Tribunal, MEL during financial year FY 2002-03 joined as a surety under the said Consent Decree to pay a sum of Rs.7.60 crore in the manner specified in the Consent terms, whereby MEL became entitled to assignment of the entire outstanding debt of Rs.16.09 crore due by Mukand to the Bank together with the security held by the Bank. MEL discharged its obligations under the said Consent Terms and the aforesaid debt has been assigned in its favour.

During the year 2009-10, MEL re-participated along with other secured creditors in restructuring of Mukand's debts to receive the payment of principal amount and interest only over a period of 9 years (earlier 12 years), on similar lines, as other secured creditors, who have accepted the Financial Restructuring Package (FRP) approved by the Corporate Debt Restructuring Cell for Mukand. The Principal amount alongwith interest aggregating Rs.6.30 crore has been repaid by March 31, 2015 as per the said FRP. MEL has ceded pari-passu charge on certain current assets and fixed assets of Mukand.



Notes (contd.)

19. OTHER CURRENT ASSETS

	31st March, 2015	31st March, 2014
	Rs.in crore	Rs.in crore
Interest receivable [Refer Note 18 (b) & 26]	190.83	170.61
	190.83	170.61

20. (a) CONTINGENT LIABILITIES NOT PROVIDED FOR :

	31.3.2015	31.3.2014
	Rs. in crore	Rs. in crore
(i) Disputed matters in appeal/contested in respect of:		
- Income Tax *	38.91	39.19
- Excise Duty, Customs Duty etc.	3.89	3.95
- Sales Tax, Works Contract Tax etc. **	4.90	4.90
- Other matters	0.59	0.59

* included in this amount (not provided in the Accounts) is the liability under Sec 115JB of the Income Tax Act, 1961 for Assessment Year 2005-06 as Mukand's appeal is pending disposal. Mukand places reliance on certain judicial pronouncements and has also obtained a legal opinion on the matter.

** In the matter of certain ex-parte assessments completed by Commercial Tax Officer in the State of Uttar Pradesh, Mukand is advised that liability if any, that may arise will be determined after the matter is remanded to the Assessing Officer and on completion of reassessment proceedings and therefore, the same is not included herein.

(ii) Claims against the Company not acknowledged as debt	16.93	15.50
(iii) Bills discounted with the Bankers and others Sale Bills discounted	1.53	3.91
(iv) Guarantees and Counter guarantees given on behalf of :-		
- Associates	85.00	65.00
- Others	-	-
(v) Bonds / Undertakings given by Mukand/ MSMPPL under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	0.93	0.66
(vi) Bonds given by Mukand/ MSMPPL against import of machinery under EPCG Scheme	6.30	14.30
(vii) Share in the contingent liabilities of Associates	1.92	1.27
(viii) Share in the contingent liabilities of Joint Ventures	-	-

(ix) Demand for Annual Bonus for the financial years 1995-96 to 2006-07 by Staff and Officers' Association of Mukand is pending at different stages in proceedings under The Industrial Disputes Act, 1947. Bulk of these employees are statutorily not covered by The Payment of Bonus Act, 1965 and many of the employees are also not covered by The Industrial Disputes Act, 1947. Liability arising there from cannot therefore, be determined at present.

(x) Government of Maharashtra has served a Demand Notice on Mukand for payment of electricity duty for power generated during the period 01.04.2000 to 30.04.2005 and penal interest thereon in Mukand's Captive Power Plant amounting to Rs.14.27 crore. The Writ Petition filed by Mukand was disposed by the Hon'ble Bombay High Court on 7th November, 2009 quashing the said Demand Notice. Government of Maharashtra, has however, filed an Appeal in the Supreme Court of India against the aforesaid judgment of High Court.

(xi) There have been delays in payment of tax deducted at source by Mukand in earlier years and also in FY2014-15. Interest payable on delays has been accounted for in respect of cases where appropriate orders have been received from Income Tax authorities or at the time of filing Quarterly TDS Returns.

(xii) A claim towards difference in price of calibrated iron ore for the period 1st April, 2006 to 28th February, 2007 amounting to Rs.33.07 crore has been raised by a supplier in March 2007 on Mukand. Mukand has raised invoices at an ad hoc interim mutually agreed price on the marketing contractor who in turn, has billed Mukand at the same price and which liability, has been fully accounted for. An appeal is also being preferred for challenging the said arbitration award. been legally advised that the supplier cannot seek this price revision under a concluded agreement and hence no provision is made in the Accounts for the same. The issue along with method of review and re-fixing of price of calibrated iron ore effective on 1st of April each year in terms of agreement is referred to an arbitral tribunal whose award was pronounced on 28th February 2014. In terms of the said award, the supplier is directed to re-compute amount payable by Mukand. Pending receipt of the revised claim, the final liability arising there from is not ascertainable. Moreover, the said supplier has also unilaterally increased the price of calibrated iron ore w.e.f. 1st April, 2007 and thereafter w.e.f. 1st April, every year.

This issue too was settled by the aforesaid arbitral tribunal. In terms of the said award, Mukand is required to submit certain details to the supplier for re-computing its claim in terms of the award. However, pending such determination of final price, the supplier has raised invoices at an ad-hoc interim mutually agreed price on the marketing contractor who in turn, has billed the Company at the same price and which liability, has been fully accounted for. An appeal has been preferred for challenging the said arbitration award.

	31.3.2015	31.3.2014
	Rs. in crore	Rs. in crore
(b) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	13.46	4.94

21. REVENUE FROM OPERATIONS

	2014-15	2013-14
	Rs.in crore	Rs.in crore
(i) REVENUE FROM OPERATIONS		
(a) Sale of Products and Services		
1. Steel Products	2,983.90	2,466.44
2. Engineering Contracts and Job Work	314.36	322.20
3. Others	0.21	0.24
Total	3,298.47	2,788.88
Less : Excise Duty	326.72	315.97
Net Sales	2,971.75	2,472.91
(b) Interest from Financing Activities	7.69	9.37
(c) Income from Property Development Activities	1.54	1.88
(i) Total Revenue from Operations	2,980.98	2,484.16
(ii) Other Operating Revenues		
a) Sale of Scrap and Sundries	7.00	6.76
b) Sales-tax / VAT Refunds	0.59	1.96
c) Interest Received from Banks	4.55	4.75
d) Insurance Claims etc.	-	0.26
e) Credit balances appropriated	1.50	2.05
f) Other Miscellaneous receipts	8.63	3.60
g) Bad debts recovered	-	3.85
h) Excess provisions written back (net) (Including for Non Performing Assets)	2.67	8.29
i) Surplus on account of sale of Assets	0.04	1.43
(ii) Total Other Operating Revenues	24.98	32.95
Total Sales and Services and Other Operating Revenues	3,005.96	2,517.11



Notes (contd.)

- a) Disclosure regarding Income from Engineering Contracts of Mukand – Road Construction Division:

	Rs. in crore	
	FY 2014-15	FY 2013-14
The amount of Contract revenue recognised as revenue during the year.	-	7.91
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	750.31	751.25
The amount of advances received (Gross)	-	-
The amount of retentions (included in sundry debtors) (net balance)	-	-
Amount due to customers	-	-
Amount due from customers	61.62	68.66

- b) Mukand in previous years executed road construction projects in the state of Uttar Pradesh for National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. The exposure on this account as at the end of the financial year aggregate Rs.126.80 crore (Previous Year: Rs.134.78 crore). The management has, keeping in view the accounting policy at Note No.30 H(v) adopted by Mukand, technically determined the realisable value of Contracts in Progress compared to relatable revenues and claims raised on NHAI by CDS. The outcome of the Road Construction activity cannot be estimated with certainty at present. Pending claims aggregate Rs.223.36 crore (Previous Year: Rs. 225.28 crore). Bulk of these claims are now being processed at the level of Tribunal as against the level of consulting engineers in the previous year.

It is the opinion of the management that in view of the substantially large claims for incremental jobs executed, escalations and time over-runs to be settled progressively over a period of 2 to 3 years, losses currently expected are already recognized till the close of the year. Since realization of these amounts is a judgmental matter, the auditors have placed reliance on the Management's judgment of the losses currently expected in the contract considering reliability of amounts.

- c) Disclosure regarding Income from Contracts of Industrial Machinery Division of Mukand to which Accounting Standard 7 applies :

	Rs. in crore	
	2014-15	2013-14
The amount of Contract revenue recognised as revenue during the year.	121.39	212.48
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	1,479.97	1,358.58
The amount of advances received (Gross)	15.65	24.75
The amount of retentions (included in sundry debtors) (net balance)	54.07	71.40
Amount due to customers	-	-
Amount due from customers	195.70	223.32

22. OTHER INCOME

	2014-15	2013-14
	Rs. in crore	Rs. in crore
a) Rent received	0.46	1.47
b) Surplus on sale of premises	10.49	18.28
c) Interest Received from Others	7.39	13.16
d) Dividends (Gross) :		
from Trade Investments (long term)	-	0.45
from Other Investments (short term)	0.46	0.04
	0.46	0.49
Total Other Income	18.80	33.40

23. RAW MATERIALS CONSUMED

	2014-15	2013-14
	Rs. in crore	Rs. in crore
Opening Stocks	90.78	85.83
Add : Purchases	1,598.47	1,301.79
Less : Sales / Materials given on loan	0.35	3.99
	1,688.90	1,383.63
Less : Closing Stocks	146.94	90.78
	1,541.96	1,292.85

24. CHANGES IN INVENTORIES OF FINISHED GOODS. WORK-IN-PROGRESS/ CONTRACTS IN PROGRESS AND STOCK-IN-TRADE

	2014-15	2013-14
Opening Stocks	1,057.46	865.95
Less : Closing Stocks	1,212.74	1,057.46
Variation in Stocks	(155.28)	(191.51)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	8.27	8.79
(Increase) / Decrease in Stocks	(147.01)	(182.72)

25. EMPLOYEE BENEFITS EXPENSE

	2014-15	2013-14
Salaries, Wages, Bonus, Compensation and Other Payments	127.39	119.90
Contribution towards Employees' State Insurance, Provident and Other Funds	18.43	14.01
Welfare Expenses	14.64	12.74
	160.46	146.65

26. FINANCE COSTS

	2014-15	2013-14
Interest Expenses (Net) (Refer Note below)	276.95	265.63
Less :		
Interest Capitalised	4.63	15.88
	4.63	15.88
	272.32	249.75
Other Borrowing Costs	3.40	4.20
	275.72	253.95

Note:

Working Capital facilities obtained from banks by Mukand are against hypothecation of stock and book debts. Finance costs include interest on inventory and book debts. Mukand / MSMPPL sell goods on credit on interest to customers to compensate it for such finance costs. Interest income generated from book debts amounting to Rs.112.36 crore (previous year Rs.88.33 crore) is netted against same source of interest expense under finance costs.

27. OTHER EXPENSES

	2014-15	2013-14
Stores, Spares, Components, Tools, etc. consumed	442.27	414.52
Power and Fuel consumed	194.00	203.97
Machining and Processing charges	183.07	176.57
Sub-contracting expenses	45.02	37.73
Other Manufacturing expenses	58.68	54.07
Property Development Expenses	1.54	1.88
Rent (net)	1.17	1.39
Repairs:		
to Buildings	2.07	1.46
to Plant and Machinery	7.76	6.89
to Other assets	1.38	1.13
	11.21	9.48
Rates and Taxes	3.55	4.30
Insurance	1.78	1.78
Commission	5.45	4.28
Freight, Forwarding & Warehousing (net)	72.70	57.55
Directors' Fees and Travelling Expenses	0.35	0.14
Bad Debts, debit balances & claims written off	1.16	9.26
Less : Doubtful debts provided in earlier years	-	(0.10)
	1.16	9.16



Notes (contd.)

	2014-15 Rs. in crore	2013-14 Rs. in crore
Provision for doubtful debts / advances	-	12.50
Provision for Non-Performing Assets	1.06	-
Provision for diminution in value of Investments	1.59	-
Loss on assets discarded / impaired	0.28	0.45
Loss on assets sold (net)	0.03	-
Loss on variation in foreign exchange rates (net)	14.86	38.35
Loss on sale of investments	-	4.99
Expense for Increase in Authorised Share Capital	-	0.25
Miscellaneous Expenses	48.14	47.83
	1,087.91	1,081.19

Mukand had, during the Financial Year 1998-99, entered into a strategic alliance with Kalyani Steels Limited to set-up a steel plant to be operated by a Company – Hospet Steels Limited.

Expenses and liabilities arising out of this alliance to Hospet Steels Limited are shared on the basis stipulated in the relevant Agreements, and its accounting in the books of Mukand is carried out, accordingly.

Wherever, due to the terms of the alliance, estimations are required to be made in respect of expenses, liabilities, production, etc., the same have been relied upon by the auditors, being technical matters.

28. EXCEPTIONAL ITEMS (NET) INCLUDE:

i) Ad hoc amount paid to CDR Lenders by Mukand (Refer Note below)	(12.45)	(14.34)
ii) Bad debts written off on account of balance of sale price of shares (dues from Ispat Group now JSW Steel Ltd.)	-	(1.93)
iii) Surplus on sale of shares of Bakeart Mukand Wire Industries Pvt. Ltd.	-	3.72
iv) Bad debts written off	(2.66)	-
v) Share of Associates	-	(0.04)
	(15.11)	(12.59)

Note:

During the previous year, Mukand arrived at settlement with the Corporate Debt Restructuring members for an adhoc amount of Rs.24.90 crore payable in monthly installments till the maturity of the loans without any further interest thereon. This settlement was arrived at to compensate the Lenders for the lower interest charged by them during the period FY 2002-03 to FY 2011-12. A proportionate charge of Rs.12.45 crore has been made in the current year. An amount of Rs 1.89 crore being differential interest for FY 2012-13 was also charged in FY 2013-14.

29. COMPUTATION OF PROFIT FOR EARNINGS PER SHARE :

Net Profit /(Loss) after taxation as per Statement of Profit & Loss	11.14	(84.50)
Less : Dividends and tax thereon (Rs. 6,773/- & Rs. 6,585/- for FY 2014-15 and FY 2013-14 respectively)	-	-
Net Profit /(Loss) for calculation of basic/diluted EPS [including exceptional items]	11.14	(84.50)
Net Profit /(Loss) for calculation of basic/diluted EPS [excluding exceptional items]	26.25	(71.91)
Weighted average number of equity shares outstanding	141,405,861	76,294,840
Basic and diluted EPS in Rs (Face Value Rs.10 per share) [including exceptional items]	0.79	(11.08)
Basic and diluted EPS in Rs (Face Value Rs.10 per share) [excluding exceptional items]	1.86	(9.43)

30. BASIS AND PRINCIPLES OF CONSOLIDATION

- The consolidated financial statements of the group have been prepared based on a line-by-line consolidation of the financial statements of Mukand Limited and its subsidiaries using uniform accounting policies for like transactions and other events in similar circumstances except for the changes in accounting policy discussed more fully below. All material inter-company balances and transactions are eliminated on consolidation. Mukand Limited and all the subsidiaries have closed books of accounts as at March 31, 2015 as year-end for the purpose of preparing the consolidated financial statements of the group.
- Investment of the Company in associates is accounted as per the equity

method prescribed under notified Accounting Standard 23 – “Accounting for Investment in Associates in Consolidated Financial Statements” under Company Accounting Standard Rules 2006 (as amended) and the relevant provisions of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. These standards shall be deemed to be accounting standards until accounting standards are specified by the Central Government under section 133.

- Interest in Jointly Controlled Entity is accounted as per the Proportionate Consolidation Method prescribed under Notified Accounting Standard 27 – ‘Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements’ under Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. These standards shall be deemed to be accounting standards until accounting standards are specified by the Central Government under section 133.
- Assets and liabilities of subsidiaries are translated into Indian rupees at the rate of exchange prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian rupees at average of twelve months closing rates and the resulting net translation adjustment aggregating Rs.0.40 crore (Previous Year Rs.0.78 crore) has been adjusted to Reserves.
- Accordingly, the Consolidated Financial Statements (CFS) includes the results of four wholly owned subsidiaries, two subsidiary, one joint venture and four associates. The names, country of incorporation and proportion of ownership is given hereunder :

Name of the Company	Country of Incorporation	Percentage of shareholding	Consolidated as
Mukand Global Finance Ltd. (MGFL)	India	100.00	Subsidiary
Vidyavihar Containers Ltd. (VCL)	India	100.00	Subsidiary
Mukand International Ltd. (MIL)	UK	100.00	Subsidiary
Mukand International FZE (MIFZE)	UAE	100.00	Subsidiary
Mukand Sumi Metal Processing Ltd. (MSMPL)	India	60.07	Subsidiary
Mukand Alloy Steels Pvt. Ltd. (MASPL) w.e.f 27.01.2015	India	99.00	Subsidiary
Mukand Vini Mineral Ltd. (MVML)	India	48.80	48.80:51.20 Joint Venture
Mukand Engineers Ltd. (MEL)	India	36.11	Associate
Bombay Forgings Ltd. (BFL)	India	24.00	Associate
Stainless India Ltd. (SIL)	India	48.30	Associate
Hospet Steels Ltd. (HSL)	India	39.00	Associate

Significant accounting policies and notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

Intra-group balances, intra-group transactions and unrealised profits have been eliminated in preparing these accounts.

The excess of the cost to the Parent Company of its investments in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statement as goodwill and amortized over a period of five years. However, such excess or deficit arising after the acquisition date on account of currency fluctuation in respect of foreign subsidiaries is transferred to Currency Fluctuation Reserve.



Statement of significant accounting policies and practices.

A] Basis of preparation:

The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. These standards shall be deemed to be accounting standards until accounting standards are specified by the Central Government under section 133. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

B] Use of Estimates:

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated and actual materialized results and estimates are recognized in the period, in which the results are known.

C] Fixed Assets:

a) Tangible Assets:

- (i) Fixed Assets except leasehold land are stated at cost of acquisition or construction. However, fixed assets, which are revalued are stated at their revalued book values.
- (ii) Cost of acquisition comprise all costs incurred to bring the assets to their location and working condition upto the date assets are put to use. Cost of construction comprise of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets upto the date the assets are put to use.

(b) Intangible Assets:

Intangible Assets are stated at their cost of acquisition less accumulated amortization and impairment losses. An asset is recognised, where it is possible that future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount on intangible assets is allocated over the best estimate of its useful life on a straight line basis or the period of agreement whichever is lower.

(c) Depreciation/ Amortisation:

- (i) The Company provides depreciation on all its assets on the "Straight Line Method" in accordance with the provisions of Section 123 (2) of the Companies Act, 2013 which was made effective from 01.04.2014. Company has reworked depreciation with reference to the estimated useful life of fixed assets as prescribed under schedule II to the act or useful life of fixed assets as per technical evaluation.
- (ii) Software is amortised over a period of 3 years. At MEL ERP Software is amortised over a period of 5 years.
- (iii) Depreciation in respect of assets used for long term engineering contracts is provided on the estimated useful life of the assets.
- (iv) Assets costing less than Rs.5,000/- are fully depreciated at the rate of 100% in the year of purchase.
- (v) Depreciation on addition to assets or on sale / discardment of assets is calculated pro-rata from the month of such addition or upto the month of such sale / discardment, as the case may be.
- (vi) Cost of Leasehold land is amortized over the period of lease.
- (vii) Technical know-how is amortised over the period of agreement or six years, whichever is lower.
- (viii) By the foreign subsidiaries –on methods and at rates applicable under local laws or at such rates so as to write-off the value of assets over its useful life.

D] Impairment of Assets :

An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets", when at Balance Sheet there are indications of impairment and the carrying amount of the assets or where applicable the cash generating unit to which the assets belong, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Consolidated Statement of Profit and Loss.

E] Investments:

Investments are classified as current or long term in accordance with Accounting Standard 13 on "Accounting for Investments". Long term Investments are stated at cost of acquisition. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost of acquisition and fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the Consolidated Statement of Profit and Loss.

F] Inventories:

The inventories resulting from intra group transactions have been stated at cost by eliminating unrealized profit on such transactions.

Inventories are valued at lower of cost or net realisable value. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. The cost formulae used for determination of cost are either 'First in First Out' or 'Average Cost', as applicable.

Inventories of shares/other securities are valued at lower of aggregate costs as compared to the aggregate market value for each category of inventories.

G] Foreign currency translations :

- (i) All transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transaction.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. The resultant gain or loss is accounted for during the year.
- (iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expenditure over the life of the contract. The outstanding forward contracts in case of firm commitments and highly probable forecast transactions are marked to market and its effect is recognised as income/ expenditure. Further, the exchange differences arising on such contracts are recognised as income or expenditure along with the exchange differences on the underlying assets/liabilities. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.
- (iv) Non monetary items such as investments are carried at historical costs using the exchange rates on the date of the transactions.
- (v) In accordance with the approval obtained by MIL from the Inland Revenue Department, the currency of accounting of MIL was changed from GBP to USD from 1.04.1997.

H] Revenue Recognition:

- (i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- (ii) Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of Sales Tax/ Value Added Tax. Excise Duty recovered is presented as a reduction from gross turnover. Sales are net of returns, discounts and rebates.
- (iii) Liability for Excise Duty and Customs Duty payable on goods held in bond at the year end is provided for.
- (iv) Export benefits under Duty Drawback Scheme is estimated and accounted in the year of export.



Notes (contd.)

(v) Accounting for Long Term Engineering Contracts:

Revenue from construction/project related activity for supply/commissioning of Plant & Equipment is recognised on the percentage of completion method, in proportion that the contract costs incurred for the work performed upto the reporting date bear to the estimated total contract costs.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.

At each reporting date, the contracts in progress (progress work) is valued and carried in the Balance Sheet under Current Assets.

(vi) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive dividend is established.

(vii) Front-end fees paid on borrowings are amortised over the period of loans/debentures or over a period of three years whichever is shorter.

(viii) Share / Debenture Issue expenses and premium on redemption of debentures are charged, first against available balance in securities premium account. This is in accordance with Section 52 of the Companies Act, 2013.

(ix) MGFL follows the prudential norms for income recognition and provisioning for bad and doubtful debts and other non-performing assets as prescribed by the Reserve Bank of India, for Non-Banking Finance Companies.

(x) Income from property development activities is recognised in terms of agreements with developers, where applicable, when the construction of the flats and conveyance of the land is completed.

(xi) Income from EDP Services provided by MEL is accounted on accrual basis.

I] Leases:

Operating lease:

Lease, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease receipts and payments are recognized as income or expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term.

J] Employee Benefits :

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Consolidated Statement of Profit and Loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the project unit cost method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. The obligations recognized in the Balance Sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognized immediately in the Consolidated Statement of Profit and Loss.

K] Borrowing Costs:

Borrowing cost attributable to the acquisition or construction of qualifying assets, as notified in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

L] Taxation:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred

tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date unrecognised deferred tax assets are re-assessed. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. It writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as MAT Credit Entitlement. It reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Foreign Subsidiaries

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

M] Segment Reporting Policies :

Identification of segments:

The operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions operate.

Inter segment Transfers:

The Company generally accounts for inter segment transfers at cost. However, in case of Mukand's Captive Power Plant of Steel Division at Ginigera, Karnataka, the inter-segment transfers at the per unit comparable cost of energy purchased from supplier of energy at that plant.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

N] Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.



Notes (contd.)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

O] Provisions and Contingent Liabilities:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Consolidated Financial Statements.

P] Cash Flow Statement:

The Cash Flow Statement is prepared by the "indirect method" set-out in Accounting Standard 3 on "Cash Flow Statement" and presents the Cash Flows by operating, investing and financing activities.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

31. DISCLOSURES UNDER ACCOUNTING STANDARD 15 ON EMPLOYEE BENEFITS

(i) Details in respect of gratuity (including share in associates) are as under :

	Rs. in crore	
	2014-15	2013-14
Liability to be recognised in Balance Sheet		
Present Value of Funded Obligations	42.20	36.71
Fair Value of Plan Assets	12.51	12.65
Net Liability	29.69	24.06
Change in Plan Assets (Reconciliation of opening & Closing Balances)		
Fair Value of Plan Assets as at beginning of the year	12.65	13.91
Expected Return on Plan Assets	1.10	1.08
Actuarial (Gain) / Losses	(0.06)	-
Contributions	2.89	1.22
Benefits Paid	(4.07)	(3.56)
Fair Value of Plan Assets as at the close of the year	12.51	12.65
Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at beginning of the year	36.71	34.66
Current Service Cost	2.17	2.10
Interest Cost	3.30	2.86
Actuarial Losses / (Gain)	4.09	0.65
Benefits Paid	(4.07)	(3.56)
Obligation as at the close of the year	42.20	36.71
Expenditure to be recognised during the year		
Current Service cost	2.11	2.10
Interest Cost	3.28	2.86
Expected Return on Plan Assets	(1.10)	(1.08)
Net Actuarial Losses / (Gains) Recognised during the year	4.15	0.65
Total Expenditure included in "Employees' Emoluments"	8.44	4.53

Rs. in crore

	2014-15	2013-14
Assumptions		
Discount Rate (per annum) %	7.87 to 7.99	8.00 to 9.00
Expected rate of Return on Assets (per annum) %	7.99 to 8.00	8.00 to 8.85
Salary Escalation Rate %	5.75 to 6.50	4.00 to 6.50
(ii) During the year under review the expenditure debited by Mukand in the accounts towards gratuity went up substantially on account of reduction in discount rate for computing accrued Gratuity liability from 9% in the previous year to 7.96% which has been considered by the Actuary considering present yield on Government securities.		
(iii) Mukand expects to contribute Rs.4.16 crore (Previous Rs.1.68 crore) to its gratuity plan for the next year. In assessing the Mukand's post retirement liabilities, Mukand monitors mortality assumptions and uses up-to-date mortality tables, the base being the IALM - Mortality - Tables (2006-08) ultimate (Previous year LIC, 1994-96 ultimate tables).		
(iv) Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.		
(v) The composition of the plan assets, by category from the insurers, LIC are on the basis of overall investment by them for all such insured entities and hence, the disclosures as required by Accounting Standard 15 in 'Employee Benefits' have not been given, and Auditors have relied upon the same.		

Rs. in crore

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Funded Obligations	39.79	34.62	32.87	31.49	29.39
Fair Value of Plan Assets	10.61	10.89	12.46	12.27	10.43
Net Liability	29.18	23.73	20.41	19.22	18.96
Experience Adjustments on Plan Liabilities					
Loss / (Gain)	1.57	0.71	0.32	0.06	3.51
Experience on Plan Assets-Loss / (Gain)	0.06	-	-	-	--

- (vi) In respect of certain employees of Road Construction Division of Mukand, liability for gratuity is provided at actuals on the basis of amount due as at 31st March, 2015. Similarly, In respect of employees of Bombay Forgings Limited and Stainless India Limited, liability for gratuity is provided at actuals on the basis of amount due as at 31st March, 2015.
- (vii) An amount of Rs.6.84 crore (Previous year Rs.6.56 crore) as contribution towards defined contribution plans including Rs.0.66 crore (Previous year Rs.0.81 crore) in terms of strategic alliance is recognised as expense by Mukand in the Consolidated Statement of Profit and Loss.



Notes (contd.)

32. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015

A. Business Segment

Rs. in Crore

Particulars	Steel	Industrial Machinery	Road Construction	Power Plant	Others	Eliminations	Total
Segment Revenue :							
External Revenue	3,148.12	174.00	1.28	-	9.28	-	3,332.68
Inter-Segment Revenue	-	2.05	-	36.74	0.63	(39.42)	-
Total Revenue	3,148.12	176.05	1.28	36.74	9.91	(39.42)	3,332.68
Less : Excise Duty							326.72
Net Revenue							3,005.96
Segment Results before interest and tax :	246.49	15.42	(1.40)	30.44	(2.62)	-	288.33
Inter-Segment Margin		0.21	-	-	0.58	(0.79)	-
Minority Interest	1.22						1.22
Total Segment Results before interest and tax :	245.27	15.63	(1.40)	30.44	(2.04)	(0.79)	287.11
Add : Unallocated Income (net of Expenses)							9.53
Add : Share of Profit in Associates							0.60
Less : Finance and Lease Charges							(269.38)
Less : Exceptional Items (net) (Including share in Associates)							(15.11)
Less : Tax Expense (net)							(1.74)
Add : Excess Provision for tax							0.13
Net Profit							11.14
Other Information							
Segment Assets	4,682.51	602.80	128.45	43.71	137.32	(6.05)	5,588.74
Un-allocated Assets							275.72
Total Assets							5,864.46
Segment Liabilities	949.93	81.97	0.02	0.88	213.13	(16.48)	1,229.45
Minority Interest	110.03						110.03
Un-allocated Liabilities (Including Loan Funds)							2,652.83
Total Liabilities							3,992.31
Capital Expenditure							
Segment Capital Expenditure	34.08	3.04	-	-	-	-	37.12
Un-allocated Capital Expenditure							2.37
Total Capital Expenditure							39.49
Depreciation & Amortisation							
Segment Depreciation & Amortisation	70.50	2.22	-	3.21	0.15	-	76.08
Un-allocated Depreciation & Amortisation							0.41
Total Depreciation & Amortisation							76.49
Significant Non-Cash Expenditure							
Segment Non-Cash Expenditure	0.04	0.19	-	-	3.58	-	3.81
Un-allocated Non-Cash Expenditure							-
Total Significant Non-Cash Expenditure							3.81

Notes :

- Finance and Lease Charges excludes interest charged to Segment Results (net of eliminations) Rs.6.34 crore.
- Segment Result is after adjusting prior period items.
- Share of Profit in Associates is after considering prior period items.

B. Geographical Segment :

Rs. in Crore

Particulars	India	Rest of the World	Total
Segment Revenue	3,169.22	163.46	3,332.68
Carrying cost of Segment Assets	5,569.58	19.16	5,588.74
Additions to Fixed Assets & Intangible Assets	37.12	-	37.12

32. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2014

A. Business Segment

Rs. in Crore

Particulars	Steel	Industrial Machinery	Road Construction	Power Plant	Others	Eliminations	Total
Segment Revenue :							
External Revenue	2,631.95	173.38	9.41	-	18.34	-	2,833.08
Inter-Segment Revenue	-	5.52	-	45.49	0.29	(51.30)	-
Total Revenue	2,631.95	178.90	9.41	45.49	18.63	(51.30)	2,833.08
Less : Excise Duty							315.97
Net Revenue							2,517.11
Segment Results before interest and tax :	53.48	46.01	(6.73)	40.76	(2.46)	-	131.06
Inter-Segment Margin		0.74	-	-	0.76	(1.50)	-
Minority Interest	0.53						0.53
Total Segment Results before interest and tax :	52.95	46.75	(6.73)	40.76	(1.70)	(1.50)	130.53
Add : Unallocated Income (net of Expenses)							8.92
Add : Share of Profit in Associates							0.66
Less : Finance and Lease Charges							(245.47)
Less : Exceptional Items (net) (Including share in Associates)							(12.59)
Add : Tax Expense (net)							32.96
Add : Excess Provision for tax							0.49
Net Loss							(84.50)
Other Information							
Segment Assets	4,404.07	612.53	136.42	46.80	145.41	(2.80)	5,342.43
Un-allocated Assets							289.13
Total Assets							5,631.56
Segment Liabilities	939.90	97.08	0.17	0.58	220.70	(16.50)	1,241.93
Minority Interest	108.81						108.81
Un-allocated Liabilities (Including Loan Funds)							2,407.43
Total Liabilities							3,758.17
Capital Expenditure							
Segment Capital Expenditure	51.56	9.73	-	-	-	-	61.29
Un-allocated Capital Expenditure							-
Total Capital Expenditure							61.29
Depreciation & Amortisation							
Segment Depreciation & Amortisation	62.42	2.05	0.01	2.61	0.03	-	67.12
Un-allocated Depreciation & Amortisation							0.60
Total Depreciation & Amortisation							67.72
Significant Non-Cash Expenditure							
Segment Non-Cash Expenditure	0.50	1.04	-	-	7.62	-	9.16
Un-allocated Non-Cash Expenditure							-
Total Significant Non-Cash Expenditure							9.16

Notes :

- Finance and Lease Charges excludes interest charged to Segment Results (net of eliminations) Rs.8.48 crore.
- Segment Result is after adjusting prior period items.
- Share of Profit in Associates is after considering prior period items.

B. Geographical Segment :

Rs. in Crore

Particulars	India	Rest of the World	Total
Segment Revenue	2,678.21	154.87	2,833.08
Carrying cost of Segment Assets	5,329.91	12.52	5,342.43
Additions to Fixed Assets & Intangible Assets	61.29	-	61.29



Notes (contd.)

(C) Other Disclosures :

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organizational structure as well as the differential risk and returns of these segments.

Business segment has been disclosed as primary segment.

Types of products and services in each business segment:

Steel – billets, blooms, rounds, wire rods, bars, rods and sections, bright bars and wires of special & alloy steel and stainless steel.

Power Generation for captive use.

Industrial Machinery - EOT and other cranes, steel structurals, material handling equipment, processing plant and equipment, etc.

Road Construction

Others -- Comprise Segments of property development and income from operations of Non-Banking Financial Activities.

The segments as reported above include trading activity of the respective segments.

Inter segment revenues are recognized at cost except in respect of segment of power generation.

The Segment Information include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

33. Related Party Disclosures

(a) Relationship :

(i) Other related parties where control exists :

Mukand Engineers Ltd. (MEL), Bombay Forgings Ltd. (BFL), Stainless India Ltd. (SIL), Hospet Steels Ltd. (HSL),

(ii) Joint Ventures :

Mukand Vini Mineral Ltd. (MVML).

(iii) Key Management Personnel :

Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah.

(iv) Other related parties where significant influence exists or where the related party has significant influence on the Company :

Kalyani Mukand Ltd., Jamnalal Sons Pvt. Ltd. (JSPL), Adonis Laboratories Pvt Ltd. (ALPL), Sumitomo Corporation, Japan, Sumitomo Corporation Asia Pte Ltd.

(b) (i) Details of transactions with the related parties in (a) above:

(Rs.in crore)					
Nature of transactions	Related Parties as referred in				Total
	a (i) above	a (ii) above	a (iii) above	a (iv) above	
1. Purchase of Goods	3.07				3.07
	2.80				2.80
2. Sale of Goods	18.14				18.14
	12.35				12.35
3. Transfer of Fixed Assets	-			0.01	0.01
	-			-	-
4. Purchase of Shares of a company				0.03	0.03
5. Services Received	60.43			-	60.43
	53.29			-	53.29
6. Services Rendered	70.35				70.35
	27.76				27.76
7. Remuneration to MDs			2.77		2.77
			2.56		2.56
8. Interest / Dividend Paid / (Received) Net	1.34	0.05		42.13	43.52
	2.68	0.05		15.16	17.89
9. Reimbursement of Expenses - Receipts	-	-			-
	-	0.14			0.14
10. Finance taken including equity / (re-payment of loans & advances) - Net	-		-	102.75	102.75
	6.86		37.66	183.26	227.78
11. Finance given including equity / (re-payment of loans & advances) - Net	5.00	0.04		-	5.04
	(6.43)	0.04		-	(6.39)
12a. Bad debts / Advances written off	2.66				2.66
	-				-
12b. Provision for doubtful recovery of loans	-				-
	12.50				12.50
13. Balances at the close of the year:					
i) Amount Receivable	98.14			0.23	98.37
	90.67			0.39	90.90
ii) Amount Payable	11.94				11.94
	22.93				22.93
iii) Amount Receivable in respect of loans & advances	20.81	1.05			21.86
	27.33	1.05			28.38

(Rs.in crore)

Nature of transactions	Related Parties as referred in				Total
	a (i) above	a (ii) above	a (iii) above	a (iv) above	
iv) Amount Payable in respect of loans & advances	-			314.45	314.45
	9.46			208.01	217.47
v) Property Deposit taken	0.07				0.07
	0.07				0.07
14. Guarantees given by the Company	85.00	-			85.00
	65.00	-			65.00
15. Counter Guarantees given on behalf of the Company	-				-
	6.00				6.00
16. Collateral given on behalf of the Company			#	##	

3,869,089 Equity Shares and 546,652 Cumulative Redeemable Preference Shares of the Company.

3,869,089 Equity Shares of the Company.

ii) Details in respect of material transactions with related parties

(Rs. in Crore)

Purchase of Goods:	
Bombay Forgings Ltd	3.07
	2.80
Sale of Goods:	
Bombay Forgings Ltd	18.14
	12.35
Transfer of Fixed Assets	
To a Managing Director	0.01
	-
Services Received:	
Hospet Steels Ltd	42.60
	33.82
Mukand Engineers Ltd	17.77
	19.29
Stainless India Ltd.	0.06
	0.18
Services Rendered:	
Mukand Engineers Ltd	70.35
	27.76
Interest / Dividend Paid / (Received) Net	
Mukand Vini Minerals Ltd.	0.05
	0.05
Mukand Engineers Ltd	1.34
	2.68
Jamnalal Sons Pvt Ltd	41.83
	14.86
Adonis Laboratories Pvt Ltd	0.30
	0.30
Bad Debts / Advances Written Off	
Bombay Forgings Ltd	2.66
	-
Provision for doubtful recovery of loans	
Stainless India Ltd.	-
	12.50
Reimbursement of Expenses - Receipts	
Mukand Vini Minerals Ltd	-
	0.14
Finance taken including equity / (re-payment of loans & advances) - Net	
Stainless India Ltd.	-
	6.86
Jamnalal Sons Pvt Ltd	102.75
	183.26
Finance given including equity / (re-payment of loans & advances) - Net	
Mukand Engineers Ltd	(5.00)
	(6.43)



Notes (contd.)

	(Rs. in Crore)
Mukand Vini Minerals Ltd.	0.04
	0.04
Balances at the close of the year:	
i) Amount Receivable	
Bombay Forgings Ltd	75.94
	70.02
Stainless India Ltd.	1.23
	1.23
Mukand Engineers Ltd	20.97
	19.42
Kalyani Mukand Ltd	0.23
	0.23
Sumitomo Corp. Japan	-
	0.16
ii) Amount Payable	
Stainless India Ltd.	-
	0.01
Mukand Engineers Ltd	9.78
	18.20
Hospet Steels Ltd	2.16
	4.72
iii) Amount Receivable in respect of loans & advances	
Stainless India Ltd. (Net of Provisions)	15.21
	17.65
Bombay Forgings Ltd	5.60
	9.68
Mukand Vini Minerals Ltd	1.05
	1.05
iv) Amount Payable in respect of loans & advances	
Mukand Engineers Ltd	-
	9.46
Jamnalal Sons Pvt Ltd	312.45
	206.01
Adonis Laboratories Pvt Ltd	2.00
	2.00
v) Property Deposit taken	
Mukand Engineers Ltd	0.07
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	85.00
	65.00
Counter Guarantees given on behalf of the Company	
Mukand Engineers Ltd	-
	6.00

Note: Figures in bold type relate to the current year and figures in normal type relate to previous year.

34. OTHER NOTES OF SUBSIDIARIES / ASSOCIATES

i) Statement of Net Assets and Profit or Loss Attributable To Owners and Minority Interest

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (Rs.Crore)	As % of consolidated profit or loss	Amount (Rs.Crore)
Mukand Limited	90.78	2120.84	47.16	1.58
Indian Subsidiaries				
Mukand Global Finance Ltd. (MGFL)	1.63	37.98	(60.59)	(2.03)
Vidyavihar Containers Ltd. (VCL)	(4.80)	(112.08)	(18.51)	(0.62)
Mukand Sumi Metal Processing Ltd. (MSMPL)	11.83	276.42	91.34	3.06
Mukand Alloy Steels Private Ltd. (MASPL)	-	(0.01)	(0.59)	(0.02)
Foreign Subsidiaries				
Mukand International Ltd. (MIL)	-	(0.02)	-	-

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (Rs.Crore)	As % of consolidated profit or loss	Amount (Rs.Crore)
Mukand International FZE (MIFZE)	0.53	12.29	23.28	0.78
Indian Joint Ventures				
Mukand Vini Mineral Ltd. (MVML)	0.03	0.85	-	-
Associates				
Mukand Engineers Ltd. (MEL)	-	-	19.10	0.64
Bombay Forgings Ltd. (BFL)	-	-	(1.19)	(0.04)
Stainless India Ltd. (SIL)	-	-	-	-
Hospet Steels Ltd. (HSL)	-	-	-	-
TOTAL	100.00	2,336.31	100.00	3.35
a) Adjustments arising out of consolidation.		(354.13)		9.01
b) Minority Interest				
Indian Subsidiaries - MSMPL		(110.03)		(1.22)
Foreign Subsidiaries		-		-
TOTAL		(464.16)		7.79
Consolidated Net Assets/ Profit after tax		1,872.15		11.14

ii) MGFL has complied with the Prudential Norms relating to Income Recognition, Accounting Standards, Asset Classification and Provisioning for Bad and Doubtful Debts as required by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. MGFL has also made provision on Standard Assets as on 31st March, 2015 as prescribed by Reserve Bank of India (RBI) in their Notifications No. DNBS. 222 CGM(US)2011 and No. DNBS. 223 CGM (US) 2011 both dated January 17, 2011. Various Returns required to be filed with RBI have been filed with RBI in time.

iii) Since the assets size of MGFL is less than Rs.500 crore, it is exempted from compliance of Credit Concentration Norms of Reserve Bank of India circular No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10/11/2014. As a matter of prudent practice, MGFL continued the disclosure in respect of CRAR, Exposure to Real Estate Sector, and Maturity Pattern of certain items of Assets and Liabilities.

iv) SIL's operations have been suspended w.e.f. 27.10.2008. For past several years SIL's net worth has been fully eroded. The accounts have however been prepared under going concern assumption.

v) The management of VCL plans to, and is hopeful of, reviving in the foreseeable future, economically viable non-industrial commercial activity. The accounts of VCL have been drawn up based on the going concern assumption based on the VCL management's perception of the future of VCL.

vi) Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India by its judgment dated September 24, 2014 cancelled allotment of all coal blocks in the Writ Petitions before it including the allotment received by Joint Venture Company, M/s. Mukand Vini Mineral Ltd.

vii) Shareholders of Mukand by way of a postal ballot have approved a transfer of Alloy Steel business as a going concern on slump sale basis on 18th February 2015 to a prospective subsidiary of Mukand. Accordingly, Mukand has signed business transfer agreement dated 14th March 2015 for the said business with Mukand Alloy Steels Pvt. Ltd. a subsidiary of Mukand. This agreement will be effective after approval of Lenders, release of charge by lenders consent from other authorities and fulfillment of conditions precedent as stipulated in the agreement. Mukand is in various stages of obtaining these approvals/ consents. Even after such approvals, the amount of consideration receivable is to change on account of debt to be transferred and changes in net working capital. In view of this, no further disclosures are deemed necessary in terms of Accounting Standard - 24 Discontinued Operations.

35. Previous Year's figures have been regrouped / recast wherever necessary

As per our attached report of even date		For and on behalf of Board of Directors	
For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.103523W	Niraj Bajaj Chairman & Managing Director	Rajesh V Shah Co-Chairman & Managing Director	Suketu V Shah Joint Managing Director
Sumant Sakhardande Partner Membership No. 034828 Mumbai: May 29, 2015		S B Jhaveri Chief Financial Officer	K J Malliya Company Secretary
			Mumbai: May 29, 2015



FINANCIAL HIGHLIGHTS

(Rs. in crore)

REVENUE ACCOUNTS

Accounting year	Income from operations	Gross profit/ (loss)	Profit/ (Loss) after tax	Retained funds	Total dividend	Equity dividend (%)
1999-2000	712.3	24.0	5.9	23.5	0.4 +	-
2004-2005	1,523.9	241.8	185.7	240.7	-	-
2009-2010	1,994.2	125.2	61.9	116.6	8.6 ++	10
2010-2011	2,599.1	129.2	46.6	105.9	8.5 ++	10
2011-2012	2,593.6	(42.7)	(93.5)	(27.8)	-	-
2012-2013	2,137.1	16.5	(39.5)	24.7	-	-
2013-2014	2,572.9	(55.7)	(88.0)	(21.0)	-	-
2014-2015	2,839.7	77.1	2.1	76.5	-	-

CAPITAL ACCOUNTS

Accounting year	Net fixed assets	Total assets	Share capital	Net worth
1999-2000	604.6 *	1,265.0	30.7	395.8 *
2004-2005	823.7 *	1,610.9	78.8	506.0 *
2009-2010	2,147.8 *	3,529.5	78.8	1,847.6 *
2010-2011	2,455.8 *	3,982.2	78.8	2,220.5 *
2011-2012	2,494.3 *	4,957.3	78.8	2,125.8 *
2012-2013	2,553.6 *	5,163.5	78.8	2,082.0 *
2013-2014	2,536.2 *	5,578.9	147.0	2,132.0 *
2014-2015	2,473.9 *	5,840.0	147.0	2,120.8 *

* Including effect of revaluation.

+ Dividend on preference shares including tax thereon.

++ Dividend on equity/preference shares including tax thereon.



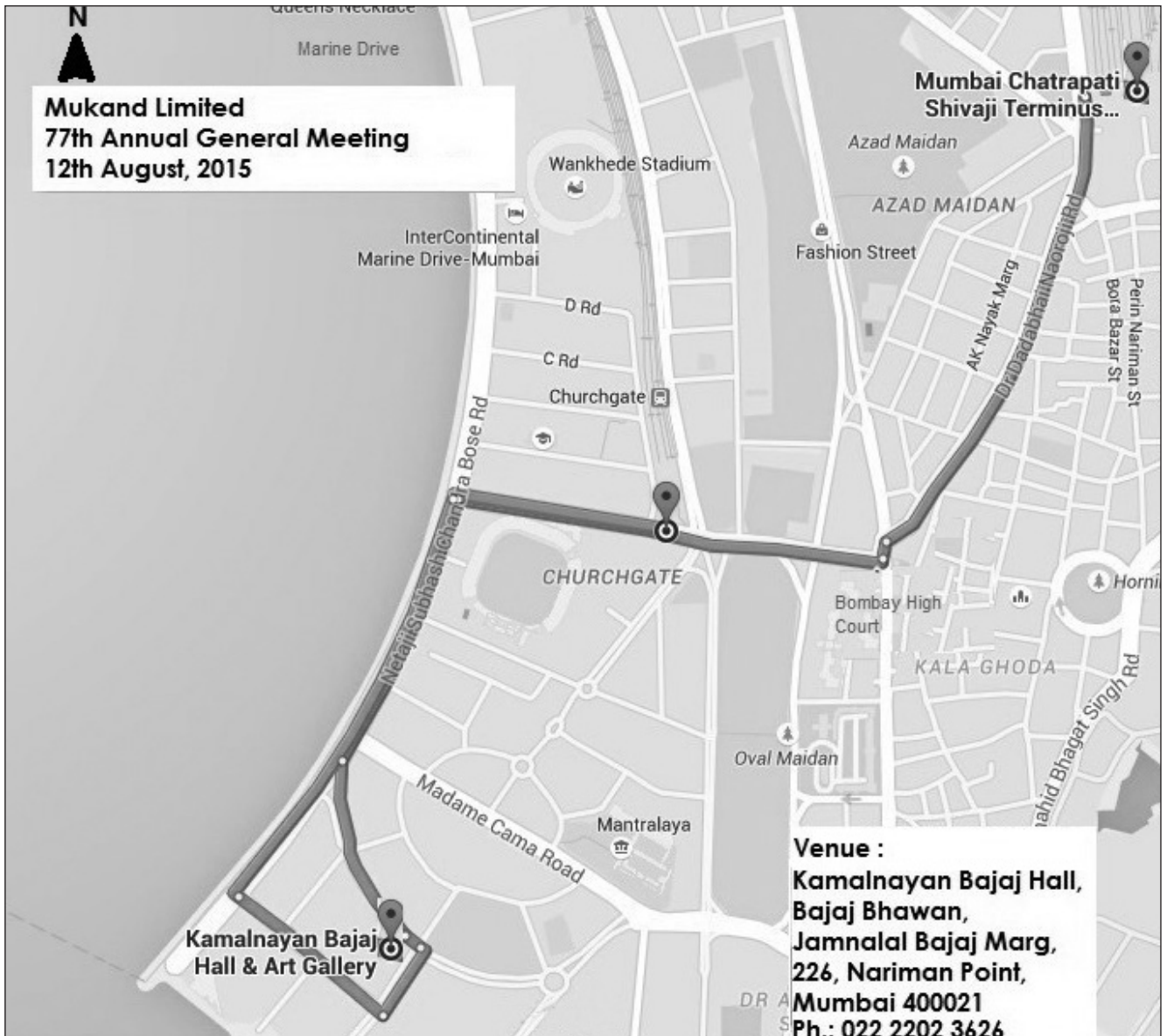
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VENUE OF AGM - ROUTE MAP





MUKAND LTD.

(CIN No.: L99999MH1937PLC002726)

Registered Office: Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021
Tel: 022-61216666, Fax: 022-22021174, E-mail: investors@mukand.com, Website: www.mukand.com

ATTENDANCE SLIP

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

DP Id*	
--------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of shares	
---------------	--

Name of the shareholder : _____

Address of the Shareholder : _____

We/I hereby record our/my presence at the **77th Annual General Meeting** of the Company held on Wednesday, August 12, 2015 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021.

* Applicable for investors holding shares in electronic form.

Signature of the member/proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.



MUKAND LTD.

(CIN No.: L99999MH1937PLC002726)

Registered Office: Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021
Tel: 022-61216666, Fax: 022-22021174, E-mail: investors@mukand.com, Website: www.mukand.com

PROXY FORM

Form No. MGT-11

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

CIN : L99999MH1937PLC002726

Name of the company : MUKAND LIMITED

Registered office : Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai 400021
Tel: 022-61216666, Fax: 022-22021174,
E-mail: investors@mukand.com, Website: www.mukand.com

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id /DP Id :

I/We, being the member (s) of shares of Mukand Ltd. hereby appoint:

- | | | | |
|----|-----------------|-----------------|--------------------|
| 1. | Name : | Address: | |
| | E-mail Id:..... | Signature:..... | or failing him/her |
| 2. | Name : | Address: | |
| | E-mail Id:..... | Signature:..... | or failing him/her |
| 3. | Name : | Address: | |
| | E-mail Id:..... | Signature:..... | |

as my/our proxy to attend and vote for me/us and on my/our behalf at the 77th Annual General Meeting of the Company, to be held on the Wednesday, August 12, 2015 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business

1. Adoption of audited standalone financial statements and audited consolidated financial statements for the year ended 31st March, 2015 and the Report/s of Directors' and Auditors' thereon.
2. Re-appointment of Shri Narendra J. Shah (DIN: 00047403) as Director, who retires by rotation.
3. Re-appointment of Shri Niraj Bajaj (DIN: 00028261) as Director, who retires by rotation.
4. Ratification of appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors and fixing their remuneration.

Special Business

6. Appointment of Smt. Bharti R Gandhi (DIN: 00306004) as an Independent Director.
7. Ratification of remuneration to Cost Auditor.
8. Approval of Material Related Party Transactions.

Signed this..... day of..... 2015.

Affix
Re. 1/-
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

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. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.



MUKAND LIMITED, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.
www.mukand.com

Mukand Ltd.Kalve Works : Thane-Belapur Road
Dighe, Thane

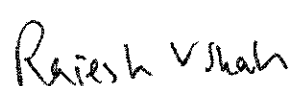

Maharashtra, India 400 605

T 91 22 2172 7500 / 7700 F 91 22 2534 8179

Regd. Office : Bajaj Bhawan, Jammalal Bajaj Marg,
226 Nariman Point, Mumbai, India 400 021
www.mukand.com**Form A**

CIN : L27100MH1980PLC000000

1	Name of the Company	Mukand Limited
2	Annual financial statements for the year ended	31 st March 2015
3	Type of Audit observation	Unqualified/Matter of emphasis.
4	Frequency of observation - Matter of emphasis	a) Regarding exposures of Vidyavihar Containers Ltd – qualified since FY 2000-01, now a matter of emphasis from FY 2013-14 in view of provision made in the accounts, the recovery of amounts during FY 2014-15 and after close of the year. b) Regarding exposures of Bombay Forgings Ltd – since FY 2009-10. c) Regarding exposures of Stainless India Ltd – since FY 2009-10. d) Regarding exposures of Mukand Global Finance Ltd – since FY 2006- 07. e) Regarding exposures of Road Construction activity – since FY 2007-08.


Chairman & Managing Director
Chairman of Audit Committee
Co-Chairman & Managing Director
Chief Financial Officer.For HARIBHAKTI & Co. LLP
Chartered Accountants
FRN 103523W
SUMANT SAKHARDANDE
PARTNER
Membership No.34828

For MUKAND LIMITED


R. J. MALLYA
Company Secretary