MUKAND
Infinite resolve

76th Annual Report 2013-14

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	
Pradip P Shah	
Amit Yadav	

Company Secretary

K J Mallya

Auditors

Haribhakti & Co., Chartered Accountants

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 (Steel Plant, Thane)
R Sampath Kumar Upto May 2, 2014	Chief Executive (Steel Plant, Ginigera)
B K Tiwari With effect from May 3, 2014	Chief Operating Officer (Steel Plant, Ginigera)
C H Sharma	Technical Advisor, Steel
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

ANNUAL GENERAL MEETING

Wednesday, August 13, 2014 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.

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MUKAND LIMITED
(CIN No.: L99999MH1937PLC002726)
Regd.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

To
The Members,
NOTICE is hereby given that the 76th ANNUAL GENERAL MEETING of the Members of MUKAND LTD. will be held on Wednesday, the 13th August, 2014 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 Statement of Profit & Loss for the year ended 31st March, 2014, the Balance Sheet as at that date and the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend on 0.01% Cumulative Redeemable Preference Shares.
3. To appoint a director in the place of Shri Vinod S. Shah (DIN : 00033327) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :
   "RESOLVED THAT the vacancy caused by the retirement of Shri Amit Yadav (DIN : 02768784), who retires by rotation at this meeting, be not filled up."
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :
   "RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 and rules made thereunder and pursuant to recommendation of the Audit Committee of the Board of Directors M/s. Haribhakti & Co., Chartered Accountants (Registration No. 103523W), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 81st Annual General Meeting in the calendar year 2019 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) on such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors, plus applicable service tax and out-of-pocket expenses incurred by them for the purpose of audit of the accounts of the Company for the financial years ending 31st March, 2015 and thereafter."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**
   "RESOLVED THAT pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Shri Dhirajlal S. Mehta (DIN : 00038366) in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company to hold office for a period of 5 consecutive years upto the conclusion of the 81st Annual General Meeting in the calendar year 2019."
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**
   "RESOLVED THAT pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Dr. N. P. Jain, IFS (Retd.) (DIN : 00460220) in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company to hold office for a period of 5 consecutive years upto the conclusion of the 81st Annual General Meeting in the calendar year 2019."
8. 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 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Shri N. C. Sharma (DIN : 00054922) in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company to hold office for a period of 5 consecutive years upto the conclusion of the 81st Annual General Meeting in the calendar year 2019."
9. 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 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Shri Prakash V. Mehta (DIN : 00001366) in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company to hold office for a period of 5 consecutive years upto the conclusion of the 81st Annual General Meeting in the calendar year 2019."
10. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution :**
    "RESOLVED THAT pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Shri Pradip P. Shah (DIN : 00066242) in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an independent director of the Company to hold office for a period of 5 consecutive years upto the conclusion of the 81st Annual General Meeting in the calendar year 2019."
11. 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 Sangeeta 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, 2015 as approved by the Board of Directors of the Company, subject to the approval of the Central Government, be and is hereby ratified."

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. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER 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. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, M/s. Haribhakti & Co., Chartered Accountants, are eligible to hold office for a period of five years upto 2019. The appointment of M/s. Haribhakti & Co., Chartered Accountants as auditors for five years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 81st Annual General Meeting, in the calendar year 2019 and to authorize the Board of Directors to fix their remuneration for the financial year ending 31st March, 2015 and thereafter has been put up for the approval of members.
5. As regards the re-appointment of retiring director viz. Shri Vinod Shah referred to in item No. 3 and appointment of S/Shri Dhirajlal S. Mehta, N. P. Jain (IFS, Retd.), N. C. Sharma, Prakash V. Mehta and Shri Pradip P. Shah as Independent Directors referred to in item No. 6 to 10 of the Notice respectively, 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.
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 2nd August, 2014 to Wednesday, the 13th August, 2014** (both days inclusive).
7. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the 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. a) The payment of dividend on 0.01% Cumulative Redeemable Preference Shares upon declaration by the Members at the forthcoming Annual General Meeting, will be made on or after 18th August, 2014 as under :
    i. To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd.(CDSL) as at the end of the day on Friday, 1st August, 2014 ; and
    ii. To all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the Company on or before Friday, 1st August, 2014.

    b) It is suggested for convenience of Members that they should notify change in their addresses and / or Bank Mandate details, if any, preferably on or before Friday, 1st August, 2014, in respect of :-
    i. shares held in physical form - to Company's Share Transfer Agent (STA) ; and
    ii. shares held in dematerialized (demat) form - to their respective Depository Participants (DPs) to enable printing of these particulars on dividend warrants, to minimize chances of loss due to fraudulent encashment of warrants.
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). Members are requested to keep the same updated.
12. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the shareholders in respect of shares held in demat form to the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through National Electronic Clearing Service (NECS) wherever complete core banking details are made available by the Depositories or are available with the STA / Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as provided by the shareholders to their Depositories in respect of shares held in demat form or to the STA / the Company in respect of shares held in physical form.
13. Members who have neither received nor encashed their dividend warrant(s) for any of the financial years from 2006-07 upto 2012-13, are requested to write to the STA of the Company mentioning the relevant Folio Number(s)/ DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).
14. 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.
15. Members / Proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
16. 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.
17. 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 STA. In respect of shares held in electronic/demat form, the members may please contact their respective DPs.
18. 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.
19. **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 einward.ris@karvy.com.**
20. 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.
21. 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 301 of the Companies Act, 1956 and 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' shareholdings under Section 307 of the Companies Act, 1956 and 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.
22. Please note that for security reasons, no article / baggage will be allowed at the venue of the meeting.

23 **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 (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 at the end of the day on Monday, 30th June, 2014 being the Cut-off date [Record date for the purpose of Rule 20 (3) (vii) of the Rules] fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Karvy Computershare Pvt. Ltd. (Karvy).

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 the member 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. The Portal will remain open for voting from: 7th August, 2014 (9.00 a.m.) till 9th August, 2014 (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. Mukand Ltd., Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021, so as to reach by 5.00 p.m. on 9th August, 2014. 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 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. General instructions:

i. The E-voting period commences from 9.00 a.m. on 7th August, 2014 and ends on 5.00 p.m. on 9th August, 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of 1st August, 2014 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

ii. The Company has appointed Shri Anant Khamankar, Practising Company Secretary (FCS No. 3198 CP No. 1860), having address at 21, Sethi Mansion, 3rd Floor, Kumtha Street, Ballard Estate, Mumbai 400 038 as the Scrutiniser to conduct the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.

iii. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutiniser’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company/Meeting.

iv. **In the event of a poll, please note that the members who have exercised their right to vote by electronic means/ through ballot form as above shall not be eligible to vote by way of poll at the meeting.** The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).

v. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 76th Annual General Meeting of the Company scheduled to be held on Wednesday, 13th August, 2014. At the said Annual General Meeting, the Chairman shall declare the results of voting on the resolutions set out in the Notice. The results declared along with the Scrutiniser’s Report shall be placed on the Company’s website **www.mukand.com** and on the website of Karvy - **www.evoting.karvy.com,** within two days of the passing of the resolutions at the 76th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges.

By Order of the Board of Directors
For MUKAND LTD.

Mumbai K.J. MALLYA
Dated : June 30, 2014 Company Secretary

ANNEXURE TO THE NOTICE

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

Item No.s 6 to 10 of the Notice

Section 149(10) of the Companies Act, 2013 (“the Act”), the provisions of which came into force w.e.f. 1st April, 2014, provides that an independent director shall hold office for a term upto five consecutive years on the Board of the Company, but he shall be eligible for re-appointment on passing of a special resolution by the Company. Further Section 149(13) provides that provisions of Section 152(6) & 152(7) of the Act in respect of retirement of directors by rotation shall not be applicable to appointment of Independent Directors. Schedule IV of the Act also lays down a Code for Independent Directors.

Further, as required by the Clause 49 of the Listing Agreement with Stock Exchanges, the Company is required to have at least one-half of its Board comprising Independent Directors. Accordingly, as on 31st March, 2014, the Company was having S/Shri Dhirajlal S. Mehta, N. P. Jain (IFS, Retd.), N. C. Sharma, Prakash V. Mehta, Pradip P. Shah & Amit Yadav on its Board as Independent Directors. Mr. Amit Yadav has ceased to be an independent director as per the provisions of the Act effective from 1st April, 2014 and will be retiring by rotation at this meeting.

Considering the aforementioned provisions of the Act, the resolution seeks the approval of members for the appointment of the Independent Directors viz. S/Shri Dhirajlal S. Mehta, N. P. Jain (IFS, Retd.), N. C. Sharma, Prakash V. Mehta and Shri Pradip P. Shah as per the Resolutions at Item Nos. 6 to 10 of the Notice for a period of 5 years upto the conclusion of the 81st Annual General Meeting in the calendar year 2019 and they are not liable to retire by rotation as per the aforementioned provisions of the Act.

The Company has received necessary disclosures from the Directors as required by the provisions of the Act and the Companies (Appointment & Qualification of Directors) Rules, 2014 including a declaration of independence stating that they meet the criteria of independence. The Company has received requisite notice(s) in writing alongwith requisite security deposit(s) from member(s) proposing their candidature pursuant to the provisions of Section 160 of the Act.

In the opinion of the Board of Directors, all the Independent Directors proposed to be appointed as per Item Nos. 6 to 10 of the Notice, fulfill the conditions of being Independent specified in the Act and the Rules made thereunder and are independent of the management of the Company. The Board considers that their continued association would be of immense benefit to the Company.

None of the Directors, Key Managerial Personnel or their relatives except for S/Shri Dhirajlal S. Mehta, N. P. Jain (IFS, Retd.), N. C. Sharma, Prakash V. Mehta and Pradip P. Shah in the capacity of directors/shareholders of the Company are interested or concerned in the said resolutions.

The Board recommends the Resolutions at Item Nos. 6 to 10 of the Notice for approval of the Members.

Item No. 11 of the Notice

The Board at its meeting held on 29th May, 2014, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors CMA Sangeeta 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 31st March, 2015, 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. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned in the said resolution.

The Board recommends the Resolution at Item Nos. 11 of the Notice for approval of the Members.

By Order of the Board of Directors
For MUKAND LTD.

Mumbai K.J. MALLYA
Dated : June 30, 2014 Company Secretary

1.0 The Directors present the 76th Annual Report and audited statements of accounts of the Company for the year ended March 31, 2014.

2.0 Financial Results:

2.01 The gross revenue from operations for the year under review increased by 20% to Rs.2,812 crore as against Rs.2,348 crore in the previous year mainly on account of increase in sale of special and alloy steel.

2.02 Loss before exceptional items has reduced to Rs.97.26 crore as against Rs.156.03 crore in the previous year due to improved operations in the last quarter of the current year.

3.0 Dividend:

The Directors do not recommend any dividend on equity shares in view of the losses incurred during the year. The Directors recommend a dividend of 0.01% on cumulative redeemable preference shares. The dividend and tax thereon aggregate Rs.6,540/- for the year and the same will be paid by transfer from the general reserve.

4.0 Performance:

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

5.0 Joint Ventures:

5.01 With Sumitomo Corporation, Japan :

Mukand Sumi Metal Processing Ltd. (MSMPL) is a subsidiary formed under a Joint Venture with Sumitomo Corporation, Japan by hiving off the business of cold finished bars and wires from Mukand Ltd. This Joint Venture has commenced operations from July 2013. In the coming years, this Joint Venture will fuel faster growth in volume and lead to improved margins. During the year under review, shares of Rs.43.90 crore were allotted to the Company in MSMPL for i) Rs.31.90 crore for transfer of current assets ii) Rs.12.00 crore for assignment of lease of the 40 acres of land at Lonand, Dist. Satara in the State of Maharashtra and it acquired shares aggregating Rs.1.52 crore. The Joint Venure Partner has brought in Rs.29.26 crore. Thus, shareholding between Mukand and Sumitomo is in the ratio of 60 : 40.

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

Based on the terms of the Letter of Intent dated 5th August, 2008 from the Ministry of Coal (MoC), Government of India, allocating the Rajhara North (Central and Eastern) Non Coking Coal Block in Jharkhand to the Company and Vini Iron & Steel Udyog Ltd. (VISUL), the Company formed a JV Company viz., Mukand Vini Mineral Pvt. Ltd. (now known as Mukand Vini Mineral Ltd.) for captive mining of the coal block. The JV Company was in the process of obtaining various statutory permissions / approvals and clearances for development of the coal block. Meanwhile, the Company received a letter dated February 17, 2014 from the MoC conveying de-allocation of the aforesaid coal block. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand at Ranchi challenging the de-allocation. The Hon'ble Court has ordered that no coercive steps be taken against the Petitioner Company. Hearing of the Petition is pending.

6.0 Finance:

6.01 Issue of Rights Shares:

During the year under review, the Company had offered Equity Shares of Rs.10/- each for cash at a price of Rs.21/- per share (including premium of Rs.11/- per share) on Rights Basis to the existing shareholders of the Company. Accordingly, an aggregate of 6,82,91,732 equity shares were allotted to the eligible shareholders against the valid applications on March 15, 2014. Consequent to allotment of the aforesaid shares, the paid-up equity share capital of the Company increased from Rs.73.11 crore to Rs.141.41 crore.

Out of the aggregate proceeds of Rs.143.41 crore from the aforesaid Rights Issue, the Company had utilized Rs.70 crore towards the payment of secured loan dues to the lenders and Rs.73.41 crore towards working capital requirement by 31st March 2014 as stated in the Letter of Offer dated 30th January, 2014.

6.02 Fixed Deposits:

The Company has, during the year, transferred Rs.0.07 crore of unclaimed deposits and interest thereon to the Investor Education and Protection Fund set up by the Government of India. In view of the provisions of the Companies Act, 2013 having been notified during the year in progress and limits computed there under, the Company cannot temporarily accept or renew deposits w.e.f. April 1, 2014.

7.0 Industrial Relations:

The Company continues to maintain cordial relations with its employees. The Company actively strives to train and motivate all employees to participate in Total Quality Management activities.

8.0 Corporate Social Responsibility (CSR):

8.01 By the Company:

The Company 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, Mukand 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. Janakidevi Bajaj Gram Vikas Sanstha supports the Company in all these endeavours.

At the Steel Plant at Ginigera in the State of Karnataka, 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 check-up camps for the benefit of the villagers in and around the Company's plant.

8.02 By the Group:

In addition to the activities carried out by the Company, the Bajaj Group is involved in a number of CSR projects in the areas of education, health care, economic and environmental development, social and urban development through various trusts and group companies. 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.

9.0 Statutory disclosures:

9.01 The statutory disclosures in accordance with section 217 (1) (e) of the Companies Act, 1956, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are made in Appendix-I to the report.

9.02 A statement showing details of employees covered within the purview of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Appendix-II to the report.

9.03 The Company has five wholly-owned Subsidiary Companies, viz., Mukand International FZE, Mukand Global Finance Limited, Vidyavihar Containers Limited, Mukand International Limited and Mukand Vijayanagar Steel Limited and a subsidiary, viz., Mukand Sumi Metal Processing Ltd.

A statement pursuant to Section 212 of the Companies Act, 1956 setting out the details of these subsidiaries is attached to the Balance Sheet. The Government has granted general exemption to companies from compliance u/s 212 of the Companies Act, 1956 subject to fulfilment of certain conditions. The Company has satisfied the stipulated conditions and is therefore, entitled to the said exemption from attaching the financial statements of subsidiary companies to the Accounts of the Company for the Financial Year 2013-14. A summary of key financials of the subsidiaries is included in the Annual Report. The Annual Accounts of these subsidiaries and the related detailed information are available to the shareholders of the Company and other investors seeking such information at any point of time at the Registered Office of the Company. The Annual Accounts are also available for inspection by any investor at the Registered Office of the Company and that of the Subsidiary Company concerned.

9.04 Consolidated Financial Statements (CFS), pursuant to clause 32 of the Listing Agreement, have been prepared by the Company in accordance with the requirements of Accounting Standard 21 prescribed under the Companies Act, 1956.

9.05 Segment-wise disclosure of revenues, results, assets and liabilities on the basis of products segments are separately given in a tabular form in the Consolidated Financial Statement.

9.06 A report on corporate governance, pursuant to clause 49 of the Listing Agreement along with the certificate from Auditors regarding compliance of conditions of corporate governance is annexed to this Report.

10.0 Directors' Responsibility Statement:

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

I. In the preparation of the annual accounts, the applicable accounting standards have been followed;

II. Appropriate accounting policies have been selected and applied consistently. 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, 2014, and of the Loss of the Company for the year ended March 31, 2014;

III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. The Annual Accounts have been prepared on a going concern basis.

11.0 Directors:

Shri Vinod S Shah, non Independent Director, retires by rotation and is eligible for re-appointment. Shri Amit Yadav, representative of Life Insurance Corporation of India, ceases to be an Independent Director within the meaning of explanation to section 149 (7) of the Companies Act, 2013(the Act) with effect from 1st April, 2014. He retires by rotation at the forthcoming Annual General Meeting. The Board has decided not to fill up the vacancy caused by the retirement of Shri Amit Yadav. The Board places on record its sincere appreciation of wise counsel and valuble guidance provided by Shri Amit Yadav during his tenure on the Board.

Shri Dhirajlal S. Mehta, Dr. N. P. Jain, IFS (Retd.), Shri N. C. Sharma, Shri Prakash V. Mehta and Shri Pradip P. Shah who are Independent Directors have filed requisite declarations with the Company as per section 149 (7) of the Act to the effect that they meet the criteria of independence as specified in section 149 (6) of the Act. Accordingly, requisite resolutions are being proposed to be passed at the forthcoming Annual General Meeting to appoint them as Independent Directors for a term of 5 years as provided under section 149 (10) of the Act.

12.0 Auditors:

12.01 Messrs Haribhakti & Co., Chartered Accountants, Mumbai, Auditors of the Company, retire and are eligible for re appointment.

12.02 The Company has appointed M/s. Joshi, Apte & Co., Cost Accountants as Cost Auditors to carry out the audit of cost records relating to Steel Plants of the Company for the Financial Year 2013-14. The Cost Audit Report for the Financial Year 2012-13 was filed with the Ministry of Corporate Affairs on September 26, 2013 before the due date.

13.0 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 217 of the Companies Act, 1956.

14.0 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	**Rajesh V. Shah**
Chairman & Managing Director	**Co-Chairman & Managing Director**

Mumbai, May 29, 2014.

Resilience

Economy

Delivering higher economic value has been a challenge not only for corporations but also nations around the globe. Although it continues to remain a challenge for us in the year ahead, indications are that it may be a little less formidable.

Global activity has broadly strengthened and is expected to improve further in the year 2014-15, with most of the impetus coming from developing economies. The global GDP rate for the year 2013 was marginally lower at 3.0% while much of this growth was witnessed in the emerging and developing markets which was at 4.7%. The Indian GDP rate for the same period stood at 4.4%

The Indian industry was faced with multiple unfavourble agents such as low global demand, stubborn inflation, high interest rates, fluctuating currency markets and oscillating policies which together resulted in a lacklustre economic growth in the country. The continuing deterioration in the global growth has affected the Indian economy more than some of the other developing economies, possibly due to India's shift towards a service led economy from the traditional labour and capital intensive manufacturing economy.

Steel Industry

Global as well as Indian steel makers continue to face the problem of supply outpacing demand. The Indian steel production marked a growth of 4.1% while persistent weakness in demand from key end-user industries such as automobiles, consumer durables and infrastructure led to the domestic steel consumption registering only a marginal growth of 0.6% in the finanacial year 2014.

The mismatch in domestic supply and demand necessitated higher steel exports, which also benefited from favourable exchange rate conditions. This led to an export growth of 4.1% and the automobile exports also grew by 7.21%.

Related industry

Automobile

Slow rise in per capita income, high fuel prices along with high taxes resulted in a slow down of the automobile industry. According to the Society of Indian Automobile Manufacturers (SIAM), the overall domestic sales during April-March 2014 grew marginally by 3.53 % over the same period last year riding mainly on the growth in scooter and motorcycle sales.

The sales of two wheelers during the year April-March 2014 registered a growth of 7.31% over the previous year, while the sales of passenger vehicles declined by 6.05% over the same period.

Raw materials

Steel is an input intensive product and the availability and prices of these inputs can impact margins.

India is a mineral rich nation. It ranks fourth globally in terms of iron ore production. In FY13, the country produced 136.02 million tonnes of iron ore. However, mining activity in 166 mines in Karnataka were banned by the Honourable Supreme Court in the year 2011. While the Supreme Court over the year allowed Category A and B mines to resume mining operations in the state, the stringent requirement of fulfilling various conditions from different authorities has resulted in only 25 of these mines commencing operations until now. This has led to only 60% of the 30 million tonnes per year requirement in Karanataka currently being met. The e-auction system has artificially hiked up the price of iron ore by 20% to 25%. The e-auction system also throws up a monopolistic situation when iron ore supplies and suppliers are scarce. Further, the Supreme Court has imposed a ban on 24 mines in the state of Odisha which has further created pressure on iron ore prices in Karnataka.

Due to falling supplies, domestic iron ore prices continue to be on the higher side compared to international prices. The continuing short supply of iron ore has affected the steel players in terms of utilization of full capacity and planning of long term strategies.

International coking coal contract prices declined by over 8% during the first 9 months of FY14, but the depreciation of the INR vis-à-vis the USD largely offset this benefit for Indian steelmakers who import coking coal. However, a further 9% decline in average contract prices of coking coal for Q4FY14 is likely to have a positive bearing on their margins.

On the other hand, domestic prices for ferro alloys increased on account of the increase in power cost.

Speciality Steel division

The net turnover of the steel division was Rs.2,371 crore for the year FY 2014 as compared to Rs.1,912 crore for the same period in the previous year and the profit before interest was Rs.84 crore compared to profit before interest of Rs. 44 crore in the previous year.

The specialty steel division of the Company recorded a rise in sale of 24% over the previous year. The enhanced production of steel was mainly due to the improved availability of iron ore and also the company's shift towards using iron ore fines after the commissioning of the sintering facility in Ginigera. The new steel products, especially import substitutes, developed successfully by the company also contributed to the growth in sales.

Sales in the value added segment, viz., special steel wire rods and black bars, also marked an increase in the year that was and the company hopes to further increase its sales in these segments.

The company introduced several cost saving measures while simultaneously increasing its capacity through improved processes and the introduction of balancing facilities. The commissioning of the sinter facility in Ginigera enabled the company to use 50% iron ore fines in lieu of the more expensive iron ore lumps. The hot blast stove and pulverised coal injection systems were also commissioned thereby reducing the consumption of coke. The entire fuel requirements in the Ginigera facility are currently met from flue gasses of the blast furnaces. The company has been able to take advantage of all these facilities since March 2014.

Mukand has the capability to use 0% to 100% stainless steel scrap thus giving it the flexibility to link its procurement to prevailing nickel prices. The hardening and tempering facilities have enabled the company to expand its customer base to the oil and gas sectors as well.

These cost saving measures coupled with the commitment and effort of the employees, gave a boost to the Company's production.

The Company has continued to be actively involved in Total Quality Management activities and continues to win awards in quality and delivery from industry bodies and customers.

Despite the lacklustre performance of the automobile industry in the year that has gone by, several auto makers have announced green field capacity expansion plans in India in the year ahead.

The Company is confident of further improvement in performance in all the areas, viz., production, productivity, value added product mix, turnover and costs, thereby achieving higher operating margins in the year in progress. The European markets are also picking up while the Company hopes to considerably increase its presence in the South East Asian markets with the help of Sumitomo Corporation, Japan.

Industrial Machinery division

Industrial environment

The Index of Industrial production registered a negative growth of 0.1 % in April - March, 2014 over the index of April - March 2013. This was mainly due to the decline in production in the Manufacturing and Mining sectors. Though the Indian economy is regaining its footing, the manufacturing output declined, thereby lending itself to be called the Achilles heel of the Indian economy. The growth figures in the eight core industries in the year under review too were dismal.

The net turnover of the division was Rs.165 crore in the year under review as compared to Rs.163 crore of the previous year and the profit before interest was at Rs.47 crore compared to Rs.28 crore in the previous corresponding year.

According to Centre for Monitoring Indian Economy's CapEx database, some big ticket projects overshot their deadline in 2013-14 due to various reasons like disruption of operations due to natural calamities, land acquisition problems and difficulties faced in getting environmental clearances or supply linkages. A majority of these projects belong to the metals and chemicals sectors. Thus it is not surprising that although the division had an adequate order book at the beginning of the year, the execution of these orders could not progress as planned due to the downturn in the economic environment of the customer industry. This negative growth trend in industrial production affected the revenues of the Industrial Machinery Division of the Company. New capital investments planned in the steel and non ferrous sectors also have been deferred and the slow economic growth resulted in poor order bookings during the year.

In 2014-15, economic growth is expected to pick up to 6%, as a speeding up in advanced economies bolsters external demand and government action opens some structural bottlenecks that have impeded industry and investment. Several financial institutions have indicated that the consumer price inflation will ease below the double-digit rates seen in recent years. Better growth prospects in the US and the euro zone will likely bolster external demand, as will competitiveness gains from currency depreciation. This will induce customer confidence across several industries in India.

Finance

Over the years, the total concessional loan under Corporate Debt Restructuring (CDR) had reduced considerably through repayments as per schedule. The Company was forced to borrow from bankers and other lenders at higher interest rates to fund the loan repayments and working capital requirements due to lack of retained earnings.

During the last two years, the Company incurred capital expenditure of Rs.170 crore to install facilities to reduce costs, increase productivity and increase sales of value added products. The financing for this was done through long term borrowings.

Internal Control System

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliances, 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 management audit prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

Human Resource Management & Industrial Relations

The Company has 1,978 permanent employees on its rolls as on March 31, 2014. Industrial Relations remained cordial during the year and there has been an active cooperation from employees in the Company's efforts to improve efficiency in all areas of its operations.

The Company is committed to building the competencies of its employees and improving their performance through continuous training and development. 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 premises and they are also covered under a hospitalization scheme. The Company celebrated the national safety week in the month of March 2014 by organizing various competitions and educational activities. The Sports Club, which is sponsored by the Company, conducts tournaments in various sport events. The Company places on record its appreciation of the dedication and commitment of the employees at all levels and looks forward to their continued support in future.

Conclusion

The Indian industry looks less vulnerable than it did a year ago. Investor sentiment is on the rise while industries get ready to execute their plans for expansion and growth.

The resilience of the Company to overcome all challenges is legendary. With a little impetus from policy makers and positive steps by the government to encourage the manufacturing sector, the Company will definitely be back on its potential growth trajectory.

There is great need for the government to manage the country's natural resources effectively. It is a matter of concern that although India is one of the leading iron ore producing nations in the world, there is scarcity in the availability of this raw material for domestic consumption. In order to boost manufacturing, the government should consider regulating the export of iron ore and ensure adequate availability in the domestic market for Indian steel producers who supply raw material to many other industries. The government should actively encourage and facilitate close linkages between mining and user manufacturing industries for continued growth of scientific mining keeping in view environmental and ecological requirements. Currently a few steel companies who were allocated mines several decades ago have an advantage over companies who do not have captive mines. The government should take steps to ensure a level playing field for all steel manufacturers.

If India is to take advantage of its growth potential, the country needs to also take measures to bring down the cost of industrial power, enhance its transport infrastructure and reduce the cost of commercial transportation by relooking at the customs and excise duties levied on commercial vehicles and the fuel used by them.

Currently, the export incentive schemes offered by the government are not WTO compliant and thus Indian companies are often faced with anti-dumping investigations in many of the international markets. It is important that all the incentives given to exporters should be WTO compliant to ensure that companies are able to compete in the world market. The government must also take measures to ensure stability of the rupee.

Long term strategies and policies by the government are the need of the hour to ensure that the country is back on the growth trajectory. Mukand meanwhile continues taking several measures to rein in expenses, enhance processes and build a culture of quality within the Company.

DETAILS OF BALANCE SHEET AS AT 31ST MARCH, 2014 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014 OF SUBSIDIARY COMPANIES

Rs. in crore

Sr. No.	Particulars	Indian Subsidiaries					Foreign Subsidiaries	
		Mukand Global Finance Limited		Vidyavihar Containers Limited	Mukand Vijayanagar Steel Limited	Mukand Sumi Metal Processing Limited	Mukand International Limited	Mukand International FZE
1	Share Capital	11.75		119.77	0.07	27.30	0.01	8.16
2	Reserves and Surplus	28.26		0.27	-	246.06	-	3.16
3	Total Assets	116.94	@	95.04	0.01	297.89	0.02	26.12
4	Accumulated Losses	-		230.96	6.97	-	-	-
5	Total Liabilities	76.92		206.50	6.91	24.53	0.01	14.80
6	Investments in Shares	6.49		-	-	-	-	-
7	Turnover and Other Income	19.77		2.11	-	408.26	-	131.71
8	Profit/(Loss) before Taxation	1.61		(15.36)	-	2.28	-	0.79
9	Provision for Taxation (including for earlier years)	-	#	0.29	-	0.95	-	-
10	Profit/(Loss) after Taxation	1.61		(15.65)	-	1.33	-	0.79
11	Dividend paid	-		-	-	-	-	-

@ Includes deferred tax assets (net)

Includes provision for deferred tax.

Note: In respect of foreign subsidiary

a) Item nos.1 - 6 and 11 are translated at exchange rate as on 31st March, 2014 of US$ 1 = Rs. 59.92

b) Item nos. 7 - 10 are translated at annual average exchange rate of US$ 1 = Rs. 60.72

The above details have been annexed in compliance with the conditions stipulated for general exemption to companies u/s 212 of the Companies Act, 1956.

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 as on March 31, 2014 consisted of 11 Directors, including the Executive Chairman. Out of these 11 Directors, 8 are Non-Executive Directors, which include 6 Independent Directors. The Company has had no pecuniary relations or transactions with the Non-Executive Directors.

1.2 Board Meetings :

During the year under review, six Board Meetings were held on May 25, 2013; June 6, 2013; August 13, 2013; October 9, 2013; November 13, 2013 and February 13, 2014. 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 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	Director-ships	Committee Memberships	Committee Chairmanships
1.	Shri Niraj Bajaj	P.CMD	6	Yes	10	1	-
2.	Shri Rajesh V. Shah	P.CCMD	6	Yes	5	2	-
3.	Shri Dhirajlal S. Mehta	I.NED	5	Yes	3	3	-
4.	Shri Suketu V. Shah	P.Jt.MD	6	Yes	5	-	-
5.	Shri Vinod S. Shah	NED	6	Yes	3	-	-
6.	Dr. N.P. Jain,IFS (Retd.)	I.NED	6	Yes	-	-	-
7.	Shri Narendra J. Shah	P.NED	6	Yes	-	-	-
8.	Shri N.C. Sharma	I.NED	5	Yes	3	1	2
9.	Shri Prakash V. Mehta	I.NED	6	Yes	7	7	-
10.	Shri Pradip P. Shah	I.NED	4	Yes	11	7	1
11.	Shri Amit Yadav	I.NED	4	No	-	-	-

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 is a Director.

1.3 Re-appointment of Directors:

Shri Vinod S. Shah retires by rotation and is eligible for re-appointment. His brief resume is as under :-

Shri Vinod S. Shah; born in 1930, a Commerce Graduate, joined the services of the Company in the year 1953. He is presently Vice Chairman of Association of Indian Mini-Blast Furnace (AIM), New Delhi. He was the President of Steel Furnace Association of India (SFAI), New Delhi and Captive Power Producers' Association (CPPA) and at present a member of the Executive Committee of CPPA. He has held various positions in the Company, including that of General Manager, Dy. Chief Executive, Sr. Vice President, Jt. President, Advisor (Special Projects) and presently is a Non-Executive Director of the Company. He has been on the Board of the Company since 1989.

Pursuant to the provisions of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation and are proposed to be appointed for a term of 5 consecutive years at the ensuing Annual General Meeting. Their brief particulars are as under:-

Shri Dhirajlal S. Mehta, born in 1936, is an Independent Non-Executive Director of the Company. He is a B.Com (Hons) from Bombay University, Fellow Member of The Institute of Chartered Accountants of India and Fellow Member of The Institute of Company Secretaries of India. He has around 5 decades' experience in corporate law, taxation, finance and investment. He is the President of Kasturba Health Society, which runs Mahatma Gandhi Institute of Medical Sciences and Kasturba Hospital at Sevagram Wardha, a 972-bed hospital and a full-fledged medical college with excellent research facility and also with a 20-bed hospital in tribal area of Melghat. He is the Trustee of Kasturba Gandhi National Memorial Trust, Indore, for the welfare and upliftment of rural women and children with more than 450 centres spread over 23 States all over the Country established by Gandhiji himself and has nursing schools in several areas. He has been the Chairman of the Trust for over 12 years. He is the President of Shivananda Mission, which runs a well-equipped hospital at Virnagar, Rajkot district, Gujarat State, which conducts eye-camps and has so far carried out more than 7,00,000 operations. He is Trustee of Saurashtra Trust, which owns and publishes leading Gujarati newspapers, Janmabhoomi, Vyapar etc. He is the Chairman of Navjivan Trust, established by Gandhiji. He is a member of the Governing Council of Gandhi Peace Foundation. He has served on several Committees of SEBI, CII, FICCI and Government of India. He has actively participated in the J. P. Movement during Emergency. He is a member of the Audit Committee, Remuneration Committee, Shareholders' / Investors' Grievance Committee of the Board of Directors of the Company.

The details of his Directorships and Committee Memberships in other listed companies are as follows :

Bajaj Finance Ltd.	-	Committee Member
Bajaj Hindusthan Ltd.	-	Committee Member
Bajaj Auto Ltd.		

Dr. N. P. Jain, IFS (Retd.), born in 1930, is an Independent Non-Executive Director of the Company. He has been Secretary, Ministry of External Affairs, Government of India and Indian Ambassador to the European Union, United Nations, Nepal, Belgium and Mexico. He has represented India at numerous International Conferences and at the UN on political, economic, environmental and spiritual issues. He is the Chairman of the Audit Committee and a member of Remuneration Committee, Shareholders' / Investors' Grievance Committee of the Board of Directors of the Company .

Shri N. C. Sharma, born in 1942, is an Independent Non-Executive Director of the Company. He is a M.A. in English Literature and started his career as a tutor of English language and literature, before he joined Life Insurance Corporation of India in 1965, as a directly recruited officer. He has occupied various important positions in LIC viz. Director (Personnel and HR), Zonal Manager (Western Zone), General Manager, LIC HFL. He was appointed Managing Director of LIC in the year 2000, the position from which he retired two years later in 2002. He has served on the Boards of Tata Chemicals Ltd., Punjab Tractors Ltd., IFCI (nominee director). He has vast experience of overseeing operations of LIC. He has also worked briefly as Current-in-Charge of LIC in August, 2002.

Shri Sharma was also Public Representative Director on the Board of Delhi Exchange Association Ltd. during the years 2003-2007. He was instrumental in setting up the life insurance operations of the Sahara Group in 2004 and was CEO of their life insurance company till the year 2010. During this period he was also member of the Life Insurance Council under the aegis of IRDA.

Shri Sharma writes extensively on subjects relating to insurance and is a member of the Editorial Board of Asia Insurance Post. He has been on the Board of the Company first as Nominee Director of LIC and then as Independent Director from the year 2004. He is the Chairman of the Shareholders' / Investors' Grievance Committee and a member of Audit Committee and Remuneration Committee of the Board of Directors of the Company.

The details of his Directorships and Committee Memberships / Chairmanships in other listed companies are as follows :

Asian Oilfield Services Ltd.	-	Committee Chairman
Eskay K`n' IT (India) Ltd.	-	Committee Chairman
PSL Limited	-	Committee Member

Shri Prakash V. Mehta; born in 1942, has been an Independent Non-Executive Director of the Company since September 27, 2007. He has obtained a Bachelors Degree in Law from the University of Bombay in 1963 and is a Solicitor since 1966. He is a Managing Partner at M/s. Malvi Ranchoddas & Co., a law firm in Mumbai. He has considerable experience in the field of law and has experience in property law, corporate law, joint ventures and foreign collaborations. He was appointed as a notary in 1996. He is a Member of the Maharashtra & Goa Bar Association and also a Member of the Managing Committee of the Bombay Incorporated Law Society.

The details of his Directorships and Committee Memberships / Chairmanships in other listed companies are as follows:

Advani Hotels & Resorts Ltd.	-	Committee Member
Bharat Bijlee Ltd.	-	Committee Chairman
Camphor and Allied Products Ltd.	-	Committee Member
Hikal Ltd.	-	Committee Member
Mukand Engineers Ltd.	-	Committee Member
JBF Industries Ltd.		
PCS Technology Ltd.		
W.H. Brady & Co. Ltd.		

Shri Pradip P. Shah; born in 1953, has been an Independent Non-Executive Director of the Company since September 27, 2007. He is a commerce graduate and is ACMA, ACA, MBA (Harvard). He runs IndAsia, a corporate finance, private equity and investment advisory business. He is also the co-founder of www.Grow-Trees.com, a web enabled social initiative and Universal Trustees Private Limited. He has served as a consultant to United States Agency for International Development, the World Bank and Asian Development Bank. He served as the founder Managing Director of The Credit Rating Information Services of India Ltd. from 1988 to 1994. In 1994, he helped establish the

Indocean Fund, in association with affiliates of Chase Capital Partners and Soros Fund Management. He assisted in founding the Housing Development Finance Corporation in 1977. He has over thirty eight years of professional experience in the areas of financial consultancy, corporate structuring/ restructuring, private funding, management consultancy, valuation etc. He has served as a member of various prestigious committees/commissions. He was a visiting faculty at Jamnalal Bajaj Institute of Management Studies, Mumbai and a teaching Fellow at Harvard University.

The details of his Directorships and Committee Memberships/ Chairmanships in other listed companies are as follows :

BASF India Ltd.	-	Committee Member
Kansai Nerolac Paints Ltd.	-	Committee Chairman
Panasonic Energy India Co. Ltd.	-	Committee Member
Pfizer Ltd.	-	Committee Member
Tata Investment Corporation Ltd.	-	Committee Member
Shah Foods Ltd.		
Sonata Software Ltd		
Wyeth Ltd.		
Godrej & Boyce Mfg.Co. Ltd.		
Grindwell Norton Ltd.		
KSB Pumps Ltd.		

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 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 (SEBI) vide circular dt. 17th April, 2014.

During the year under review, four meetings of the Audit Committee were held. Dr. N. P. Jain, IFS (Retd.), Chairman, Shri Prakash V. Mehta and Shri N.C. Sharma attended all the four meetings of the Committee while Shri Dhirajlal S. Mehta attended three meetings. In addition to Statutory Auditors, Chairman & Managing Director, Co-Chairman & Managing Director, Joint Managing Director, Chief Financial Officer, Chief-Management Audit, who being permanent invitees attend Audit Committee Meetings. The Cost Auditors attend where Cost Audit Report is considered at such Committee Meetings. 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, Management Audit, 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 audit department 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. REMUNERATION OF DIRECTORS:

The Company has a Remuneration Committee which 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 Remuneration Committee has been reconstituted and redesignated as 'Nomination and Remuneration Committee' as per the provisions of section 178 of the Companies Act, 2013 at the Board Meeting held on May 29, 2014.

The Shareholders at the Annual General Meeting of the Company held on July 27, 2011, subject to the approval of Central Government, 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, 2011 on remuneration as per the recommendation of the Remuneration Committee.

The Nomination and Remuneration Committee at the meeting held on May 29, 2014 recommended to the Board, reappointment and terms 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, whose term expires on July 4, 2014, on completion of three years. The Board of Directors, subject to the approval of Shareholders has 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 three years w.e.f. July 5, 2014. The remuneration to the proposed appointees will be as per the recommendations of the Nomination & Remuneration Committee. Details of the remuneration and the terms and conditions of their appointment are given in the Explanatory Statement to the Notice for the Postal Ballot dated May 29, 2014 sent to the members of the Company.

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 for FY 2013-14 are given below:

(Rs. in lacs)

Remuneration Package	Niraj Bajaj	Rajesh V. Shah	Suketu V. Shah
Salary and allowances	72.00	57.00	64.20
Contribution to Provident Fund and Other funds	8.64	6.84	7.70
Perquisites	16.14	10.14	13.44
TOTAL	**96.78**	**73.98**	**85.34**

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. 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, 2014 and the shares in the Company held by them as on March 31, 2014 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	1,60,000	133	69
2	Shri Vinod S. Shah	1,20,000	6,032	464
3	Dr. N. P. Jain, IFS (Retd.)	2,20,000	40	10
4	Shri Narendra J. Shah	1,20,000	99,605	8,245
5	Shri N.C. Sharma	2,00,000	-	-
6	Shri Prakash V. Mehta	2,00,000	2,000	-
7	Shri Pradip P. Shah	80,000	200	24
8	Shri Amit Yadav	80,000	-	-

4. SHAREHOLDERS' / INVESTORS' GRIEVANCES :

The Shareholders' / Investors' Grievance 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 Thirteenth meeting of the Committee was held on May 29, 2014. As on March 31, 2014, 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 SEBI during the year under review. There were no complaints pending as at end of the year.

The Shareholders' / Investors' Grievance Committee has been reconstituted and redesignated as Stakeholders Relationship Committee as required by section 178 of the Companies Act, 2013 at the Board Meeting held on May 29, 2014.

5. GENERAL BODY MEETINGS:

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

AGM	Date & Time	Venue
73rd	July 27, 2011 at 4.30 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021
74th	August 13, 2012 at 4.00 p.m.	Indian Merchants' Chamber, IMC Bldg., IMC Marg, Churchgate, Mumbai 400020
75th	August 13, 2013 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021

The Company had passed 3 Special Resolutions in the Annual General Meeting held on July 27, 2011 for re-appointment and payment of remuneration to 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 which were put to vote by show of hands and were passed unanimously.

It is proposed to seek the approval of members vide notice of Postal Ballot dt. May 29, 2014 by special resolutions for amendment of Articles of Association of the Company, seeking approval for enhancement of borrowing limits, for making investments / giving loans / issue of guarantees / provide securities, for re-appointment and fixation of remuneration to Managing Directors and acceptance of deposits from Public & Members to be conducted in accordance with the provisions of section 110 of the Companies Act, 2013.

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:

The Company adopted a Code of Conduct for its Directors and Senior Management cadres in the meeting of Board of Directors held on October 28, 2005. The Directors and senior management personnel have affirmed their compliance of the Code of Conduct.

8. CODE FOR PREVENTION OF INSIDER TRADING:

The Company has instituted a Code of Conduct for prevention of Insider Trading in the securities of the Company for its Directors and key managerial staff as required by SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

9. CEO AND CFO CERTIFICATION:

In accordance with the requirement of Clause 49(V) 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**. 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 13, 2014
Time	4.00 p.m.
Venue	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal 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 August 2, 2014 to Wednesday, the August 13, 2014 (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 18, 2014 to those members whose names appear on the Company's Register of members as holders of preference shares in physical form on August 1, 2014. 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 Rights Issue

Detailed information on the issue of rights shares made during year under review has been given in the Directors' report.

11.7 Stock Price Data:

Monthly highs and lows of the Company's Equity Share prices on the BSE and NSE in the year 2013-14 are given hereunder:

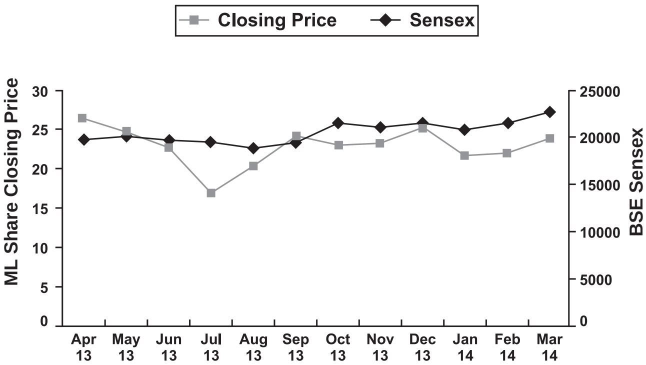
Rs. per share

Months	BSE		NSE	
	High	Low	High	Low
	Year 2013			
April	28.40	26.00	28.10	25.85
May	27.85	24.25	26.90	24.20
June	25.95	21.00	24.50	21.00
July	23.50	16.60	23.25	16.55
August	25.90	16.00	25.45	15.75
September	24.90	20.00	24.50	19.55
October	25.00	21.50	25.50	21.40
November	24.90	21.75	24.85	21.00
December	26.30	22.60	26.40	22.20
	Year 2014			
January	25.80	21.00	26.15	21.20
February	22.50	19.65	23.50	18.50
March	26.70	20.45	26.75	20.40

During the year, CRPS were traded on BSE and the price ranged between Rs.3.53 and Rs.9.81 per share.

11.8 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:



11.9 Share Transfer Agent:

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

11.10 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 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, 8,676 Equity Shares and 1,159 CRPS were transferred in physical (non-dematerialized) form.

11.11 Distribution of Shareholding:

The Company had 45,417 Equity Shareholders and 42,491 CRPS holders as on March 31, 2014. 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	4,96,476	0.35	22,087	48.63
51 - 100	7,18,899	0.51	8,418	18.54
101 - 500	26,89,384	1.90	10,246	22.56
501 - 1,000	18,46,777	1.31	2,306	5.08
1,001 - 5,000	39,66,685	2.80	1,823	4.01
5,001 - 10,000	16,49,572	1.17	229	0.50
10,001 and above	13,00,38,068	91.96	308	0.68
Total	**14,14,05,861**	**100.00**	**45,417**	**100.00**

0.01% Cumulative Redeemable Preference Shares:

Distribution of Shareholding	No. of CRPS	% of CRPS	No. of CRPS holders	% of CRPS holders
Upto - 50	4,05,853	7.21	38,404	90.38
51 - 100	1,50,391	2.67	1,941	4.57
101 - 500	3,63,850	6.47	1,706	4.02
501 - 1,000	1,50,066	2.67	201	0.47
1,001 - 5,000	3,69,636	6.57	171	0.40
5,001 - 10,000	1,78,974	3.18	24	0.06
10,001 and above	40,07,550	71.23	44	0.10
Total	**56,26,320**	**100.00**	**42,491**	**100.00**

The shareholding pattern of Equity Shares as on March 31, 2014 is given in the table as under:

Sl. No.	Category of Shareholders	No. of Shares	% of Total Shareholding
1	Promoter and Promoter Group	10,37,31,008	73.36
2	Mutual Funds and UTI	6,007	
3	Financial Institutions and Banks	101,439	0.07
4	Insurance Companies	7,244,583	5.13
5	Other Bodies Corporate	1,05,24,436	7.44
6	Foreign Institutional Investors	908,621	0.64
7	Non-Resident Indians/OCBs	3,93,953	0.28
8	Indian Public	1,84,95,814	13.08
	Total	**14,14,05,861**	**100.00**

11.12 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, 21,008 Equity Shares and 3,389 CRPS were dematerialised in respect of 240 and 170 requests respectively. The dematerialisation level as on March 31, 2014 stood at 98.81% of total paid-up Equity Share capital and 92.44% of the total paid-up 0.01% Cumulative Redeemable Preference Share Capital. As on March 31, 2014, 28,554 Shareholders held 13,97,20,495 Equity Shares and 18,334 Shareholders held 52,00,993 CRPS in demat form.

11.13 Plant Locations:

Dighe, Thane, Maharashtra - 400 605

Ginigera, Karnataka - 583 228

11.14 Address for Correspondence:

(i) Physical Shares (Equity and Preference):

Share Transfer Agents :
M/s. Karvy Computershare Private Limited
(Unit: Mukand Limited)
Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081.
Tel: (040) 4465 5000 / 4465 5152. Fax: (040) 4465 5024.
E-mail : einward.ris@karvy.com.
Website : www.karvycomputershare.com

(ii) Demat Shares (Equity & Preference) :

Respective Depository Participants of Shareholders

(iii) Shares, Debentures & Fixed Deposits :

Bajaj Bhawan, Jamnalal Bajaj Marg, 226,
Nariman Point, Mumbai 400021
Tel: Shares & Debentures: **022- 6121 6666**
Fixed Deposits: **022 6121 6629. Fax: 022-2202 1174**
E-mail : Shares & Debentures:
Fixed Deposits: **fixeddeposit@mukand.com**

12. CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained a certificate from M/s. Haribhakti & Co., 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.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

Mukand Limited

We have examined the compliance of conditions of Corporate Governance by Mukand Limited, for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said 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 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.
Chartered Accountants
FRN No. 103523W

Sumant Sakhardande
Partner
Membership No. 34828

Place : Mumbai
Date : May 29, 2014

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, Niraj Bajaj, 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, 2014 compliance with the code of conduct as laid down by the Company.

Niraj Bajaj
Chairman & Managing Director

Mumbai : May 29, 2014

APPENDIX-I TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of Particulars in the report of Board Of Directors) Rules, 1988.

(A) Conservation of Energy:

(a) Energy Conservation Measures taken :

Steel Plant:

(a) To reduce electrical energy consumption :

- Up-gradation of UHPF electrode regulation system with digital control for better accuracy;
- Electrode coating with special paint for reduction in losses.
- Controlled utilization of Auxiliaries during intermittent operations (start and stop).
- Use of blowers instead of compressed air for Tundish cooling
- Change in heat making process from triplex to duplex,.
- Auto shutting of air during garret rolling in Wire Rod Mill

(b) To reduce Fuel Oil consumption in Reheating Furnaces of Rolling Mills :

- Air Fuel Auto Control system for the preheat zone burners.
- Auto Pressure Control by auto damper controlling.
- Installing regenerative burners in Reheating Furnace.
- Schematic steam network to use steam in place of fuel.

Additional Investments and proposals being implemented for reduction in consumption of energy:

Steel Plant:

(a) To reduce electrical energy consumption:

- Scrap preheating with waste heat (flue gases) of UHPF
- Recovery of waste heat recovery (flue gases) of UHPF and usage for pre heating of Furnace oil in WRM & Bar Mill.

(b) To reduce fuel oil consumption:

- To install efficient ladle preheating system with recuperative burners.
- Bio fuel to replace Light Diesel Oil at Solution annealing furnaces in Coil Finishing Department & Bogie hearth furnaces 3 Nos.
- Use of Bio mass briquettes as fuel instead of LDO in water heater of Coil Finishing Department.
- Installing steam accumulator to use steam in vacuum degassing process, eliminating oil fired boiler.
- Installing Ladle preheats equipment to replace oil fired burner by MBF flame gas fired burners.

(c) Impact of the above measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

Due to measures taken as described above, the overall power and fuel oil consumption in Steel Plants has reduced.

(d) Total energy consumption and energy consumption per unit of production.

Form - A

Form for disclosure of particulars with respect to conservation of energy.

A. Power and Fuel Consumption:

		2013-14	2012-13
1)	**Electricity:**		
	a) Purchased:		
	Unit : ‘000 kwh	**157,962**	141,960
	Total amount - Rs. Crore	**113.10**	109.80
	Rate / Unit - Rs./Kwh	**7.16**	7.73
	b) Own Generation:		
	Through steam turbine / generator unit:		
	Unit : ‘000 Kwh	**75,886**	37,497
	Unit/NM^3(Blast furnace gas) Kwh/NM^3	**0.188**	0.188
	Total cost / unit -- Rs. / Kwh.	**1.12**	2.66
2)	**Furnace Oil***		
	Quantity (Kl.)	**18,712**	16,480
	Total amount - Rs. Crore	**81.99**	68.41
	Rate - Rs./Kl.	**43,818**	41,512
3)	**Coke / Coal:**	**2013-14**	2012-13
	Quantity (MT)	**198,419**	131,175
	Total amount - Rs. Crore	**392.48**	290.56
	Average Rate - Rs. / MT.	**18,773**	22,150
B.	**Consumption per unit :**		
1.	Electricity kwh / tonne :		
	Rolled Products	**466**	491
2.	Furnace Oil * ltr. / tonne		
	Rolled Products	**53**	57
3.	Coke (Kg. / tonne) :		
	Rolled Products	**846**	836

* Includes diesel oil.

(B) Form for disclosure of particulars with respect to Technology Absorption, Research and Development.

(a) Research and Development :

1. Specific areas in which Research and Development was carried out by the Company.

- Carried-out feasibility for manufacture of import substitution valve steels, tool steel and high strength spring steel.
- Precipitation hardening stainless steel grade 17-7PH with high Aluminium was successfully continuously cast and rolled into wire rods as import substitution for use in wire application.
- Property characterization of various duplex stainless steels carried out and optimum alloy design done to cater to needs of fertilizer industry, desalination units and also rebars for concrete reinforcement particularly in marine application.
- Magnetisation characteristics of high silicon resulphurised stainless steels for solenoid valve applications validated.
- Process improvements in the area of steelmaking carried out to improve the cleanliness of medium carbon steels for manufacture of Generation III Hub Bearing. Cleanliness level of this steel is comparable to Japanese and European Steel Mills for supply to auto component makers.
- Medium carbon leaded steel with high Aluminium for nitriding application, used as component in fuel injection pumps successfully cast through continuous casting route.
- Development of stainless steel heat making process from triplex to duplex.
- Development of ultraclean steel required by bearing manufacturers.
- Studies on the effects of inclusion type failure during cold forming operations.
- Carried out research studies on development of microalloyed steels for high strength applications areas such as crankshafts, split connecting rods. Crankshaft application is successfully developed.
- Laboratory studies on Cr-Ni low alloy steel for characterization of microstructures and improved machinability for manufacture of fuel injection components completed. Trial production done.

  Following new Grades were developed for critical application and import substitution:

  Special & Alloy Steel:

  - Steel for : Gear Blank, Generation 3 Bearing, Sleeve, Rotor for CRDI, Slack Adjuster, Cold Coiled Spring, Roller, Transmission, High Strength Suspension Spring, Shaft, Bearings for two wheelers.
  - Developed various grades of steel required for renowned automobile companies and auto component and bearing manufacturing companies as import substitute and export markets.

  Stainless Steel:

  - Precipitation hardening stainless steel for Wire Application.

2. Benefits derived as a result of the above efforts.

- Reduced cost of production,
- Improved quality of steel has helped in participating in the localization programme of global automakers operating in India.

- Import substitution achieved in the area of stainless steel electrode wires and stainless steel bar products for manufacture of tubes and shafting material.
- Improvements in steel making process and product mix have widened the scope for application of steel to a variety of high end automotive, petrochemical and other allied industries.

3. **Future Plan of Action :**
   - High toughness Cr-Mo stainless steel as per API specification (9Cr1Mo) for use in oil field application - chemistry design and quench/tempering characteristics established.
   - Grain refinement in martensitic stainless steel through Vanadium and Titanium addition for achieving higher impact strength at low temperature being pursued through in-house pilot lot casting.
   - Studies related to specific carburizing response and hardenability characteristics in progress for low carbon case carburized steel for pilot lot supply.
   - Thermodynamic studies related to reducing Oxygen level in case carburizing steels.
   - Studies related to development of premium quality Ball Bearing steel for high end auto component application.
   - Bigger diameter spring steel grade wire rod development for heavy vehicles.

4. **Expenditure on R&D :**

	2013-14	2012-13
	Rs.Crore	Rs.Crore
(a) Capital	**0.81**	0.05
(b) Recurring	**1.22**	1.07
Total	**2.03**	1.12
Total R&D expenditure as a % of total turnover	**0.08**	0.05

(b) Technology absorption, adaptation and innovation:

Efforts made towards technology absorption, adaptation and innovation :

- The Company has acquired Sinter Plant Technology from China Metallurgical Engineering & Project Corporation, Hot Stove Technology from Kalugin Joint Stock Company, Russia and Pulverised Coal Injection Technology from Beijing Okis New Technological Company, China.
- Process innovation in casting and refining of steelmaking being implemented through guidance of experts to achieve improved steel quality in terms steel cleanliness.
- Customer feedback and interactions on product performance from multi-locational companies being analysed to benchmark Company's quality against the best in the world and thus attain world class quality.
- Technology from EBNER, Austria for heat treatment in Bell Furnace.

(1) Benefits derived as a result of the above efforts:

- The cost of production of finished steel has reduced.
- Company has been able to achieve horizontal development of benefits obtained in one grade of steel to other similar grades of steel.
- New grades of steel with stringent quality requirement being developed within a shorter time span.

(2) Imported Technology:

Company has not imported any new technology during the year.

(c) Foreign Exchange Earnings and Outgo:

		2013-14
		Rs. Crore
(i)	Foreign Exchange Earnings	**124.51**
(ii)	CIF Value of imports	**504.00**
(iii)	Expenditure in Foreign Currency	**3.95**

APPENDIX-II TO THE DIRECTORS' REPORT

Statement of Particulars pursuant to the provision of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2014

Sr. No	Name	Age (Yrs)	Designation & Nature of Duties	Qualification	Experience (Yrs.)	Remuneration Gross (Rs.)	Received Net (Rs.)	Date of Commencement of employment	Last Employment held, Designation, Name of the employer (Years for which post held)
A. Names of Employees employed throughout the year and were in receipt of remuneration not less than Rs.60,00,000/- per annum.									
1	NIRAJ BAJAJ	59	CHAIRMAN & MANAGING DIRECTOR	B.COM.,M.B.A. (HARVARD BUSINESS SCHOOL)	33	96,78,862	62,89,240	31.03.1983	EXECUTIVE TRAINEE, BAJ AJ AUTO LTD.(2)
2	RAJESH V SHAH	62	CO-CHAIRMAN & MANAGING DIRECTOR	M.A.(CAMBRIDGE), M.B.A.(CALIFORNIA), P.M.D.(HARVARD BUSINESS SCHOOL)	37	73,98,600	48,50,939	11.06.1977	DIRECTOR,VIRANI FASTEN-ERS & BOLTS PVT.LTD.(1)
3	SUKETU V SHAH	59	JOINT MANAGING DIREC TOR	B.COM.(HONS.),M.B.A (HARVARD BUSINESS SCHOOL)	32	85,34,400	55,70,924	29.12.1984	EXECUTIVE DIRECTOR, ADONIS LABORATORIES PVT. LTD., (2 YRS & 6 MTHS)

NOTES:

1. Gross remuneration includes Salary, House Rent Allowance, Leave Encashment, Medical, Other Allowances, Contribution to Provident Fund, and value of perquisites etc. but excludes contribution to Gratuity Fund.
2. Net remuneration represents gross remuneration as above less taxes and contribution to Provident Fund.
3. All appointments are contractual.
4. None of the above employees is related to any Director of the Company except that Shri Rajesh V. Shah and Shri Suketu V. Shah are related to each other.

Independent Auditors' Report

To the Members of Mukand Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Mukand Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

(a) Note 18 (a) to the notes to the financial statements, relating to the Exposures in Bombay Forgings Limited (BFL) aggregating Rs. 79.90 crores as at March 31, 2014 (Rs. 76.51 crores at March 31, 2013), 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 financial statements, relating to the Exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 67.13 crores as at March 31, 2014 (Rs. 76.37 crores at March 31, 2013), where the net worth of VCL has been fully eroded and there are no significant activities being carried out by VCL. The management has, barring any significant uncertainties in future, relied upon the recoverability of financial assets of VCL for the recoverability of Exposures.

(c) Note 18 (c) to the notes to the financial statements, relating to the Exposure in Stainless India Limited (SIL), an associate company, amounting Rs. 7.25 crores as at March 31, 2014 (Rs. 14.11 crores at March 31, 2013), 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 for the recoverability of the Exposure.

(d) Note 18 (d) to the notes to the financial statements, relating to the Exposures in Mukand Global Finance Limited (MGFL), a subsidiary company, aggregating Rs. 26.25 crore as at March 31, 2014 (Rs. 26.25 crore at March 31, 2013), where the management has, barring any significant uncertainties in future, relied upon realization of financial assets of MGFL for recoverability of Exposures.

(e) Note 21 (b) to the notes to the financial statements, relating to the Exposures aggregating Rs. 134.78 crores as at March 31, 2014 (Rs. 141.68 crores as at March 31, 2013), in respect of road construction activity and our reliance on the management's expectation of its realisability.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
   e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai: May 29, 2014

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" in the Independent Auditors' Report of even date to the members of Mukand Limited on the financial statements for the year ended 31 March, 2014]

(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 assets.*

(b) All the fixed assets have not been physically verified by the management during the year but 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.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

(ii) (a) The inventory (excluding stocks 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 and no material discrepancies were noticed on physical verification carried out at the end of the year.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.

(b) The Company has taken secured loans from 9 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 685.81 crores and the year-end aggregate balance of loans taken from such parties was Rs. 667.06 crores.

(c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.

(d) In respect of the aforesaid loans, the Company was generally regular in repaying of principal amounts as stipulated and has not been regular in payment of interest.

(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 with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time, except certain items that are of technical nature and few others for which no suitable alternate sources for obtaining comparative quotations are available.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vii) In our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty, excise duty and other material statutory dues as applicable with the appropriate authorities *except for payment of income tax deducted at source, TCS, cess, and sales tax which have not been regularly deposited and there have been delays in many cases.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, TCS, professional tax, wealth-tax, pension fund, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in crore)	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
Trade Tax	UP Trade Tax	3.58	2002-03, 2003-04, 2007-08	Commissioner (Appeals)

(x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year covered by our audit. The Company has not incurred cash losses in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders, *except that as at 31 March, 2014 the Company was in default in repayment of its dues to financial institutions, banks and debenture holders principal amounting to Rs. 13.04 crores and interest amounting to Rs. 7.26 Crores.*

(xii) According to information and explanations given to us and based on document and records provided to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) 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 during the year, are not prejudicial to the interest of the Company.

(xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year. Further, the Company has created security or charge in respect of debentures issued in earlier years.

(xx) The management has disclosed the end use of money raised by rights issue in the notes to the financial statements and we have verified the same.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
FRN 103523W

Sumant Sakhardande
Partner
Membership No.034828

Mumbai: May 29, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.		31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	1	147.05		78.75
(b) Reserves and surplus	2	1,984.97		2,003.27
			2,132.02	2,082.02
(2) Non Current Liabilities				
(a) Long-term borrowings	3	1,108.09		856.72
(b) Deferred tax liabilities (net)	4	-		-
(c) Other long term liabilities	5	13.86		12.03
(d) Long-term provisions	6	35.68		30.05
			1,157.63	898.80
(3) Current Liabilities				
(a) Short-term borrowings	7	787.64		884.61
(b) Trade payables	8	850.24		655.85
(c) Other current liabilities	9	647.03		639.31
(d) Short-term provisions	10	4.29		2.91
			2,289.20	2,182.68
Total			5,578.85	5,163.50
II. ASSETS				
(1) Non Current Assets				
(a) Fixed Assets	11			
(i) Tangible assets		2,485.70		2,407.15
(ii) Intangible assets		0.24		0.38
(iii) Capital work-in-progress		50.28		146.10
			2,536.22	2,553.63
(b) Non-current investments	12	250.99		227.81
(c) Deferred tax assets (net)	4	42.15		8.24
(d) Long-term loans and advances	13	125.59		112.49
(e) Other non-current assets	14	48.28		48.28
			467.01	396.82
(2) Current Assets				
(a) Inventories	15	1,235.17		1,034.64
(b) Trade receivables	16	902.23		792.31
(c) Cash and Bank Balances	17	84.89		74.80
(d) Short-term loans and advances	18	192.56		166.42
(e) Other Current Assets	19	160.77		144.88
			2,575.62	2,213.05
Total			5,578.85	5,163.50
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	1 to 38			

As per our attached report of even date

For **Haribhakti & Co**
Chartered Accountants
Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 29, 2014

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		Note No.		2013-14 Rs in crore	2012-13 Rs in crore
I)	**GROSS REVENUE FROM OPERATIONS**			**2,812.17**	2,347.52
	Less Excise Duty			**272.59**	221.28
	Net Revenue from Operations	**21**		**2,539.58**	2,126.24
II)	**OTHER INCOME**	**22**		**33.30**	10.87
III)	**TOTAL REVENUE (I) + (II)**			**2,572.88**	2,137.11
IV)	**EXPENSES**				
	a) Cost of Materials Consumed	**23**		**1,315.64**	1,121.24
	b) Purchase of Stock-in-Trade			**28.97**	-
	c) Changes in inventories of Finished Goods and Work-in-Progress / Contracts in Progress & Stock-in-Trade	**24**		**(175.83)**	(61.13)
	d) Employee benefits expenses	**25**		**145.52**	136.53
	e) Finance costs	**26**		**243.89**	215.38
	f) Depreciation and amortization expenses			**67.04**	64.15
	g) Other expenses	**27**		**1,050.67**	832.49
	Expenditure transferred to Capital Accounts / Capital Work-in-Progress			**(5.76)**	(15.52)
	Total Expenses			**2,670.14**	2,293.14
	Profit/(Loss) before Exceptional items and tax			**(97.26)**	(156.03)
	Add / (Less) :				
	Exceptional Items (net)	**28**		**(25.44)**	108.33
V)	**PROFIT BEFORE TAX (III) - (IV)**			**(122.70)**	(47.70)
VI)	**TAX EXPENSE**				
	MAT credit entitlement reversed				
	Net Current Tax				
	Deferred Tax (Charge) / Credit	**4**	**33.91**		8.24
	Excess / (Short) provision for tax in respect of earlier years		**0.78**		-
				34.69	8.24
Profit/ (Loss) for the year (V) - (VI)				**(88.01)**	(39.46)
Weighted average number of Equity Shares outstanding during the year				**7,62,94,840**	7,31,14,129
Basic and diluted earnings per share (in Rs.)		**30**		**(11.54)**	(5.40)
Basic and diluted earnings per share excluding Exceptional Items (in Rs.)		**30**		**(8.20)**	(20.21)
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 38**			

As per our attached report of even date

For **Haribhakti & Co**
Chartered Accountants
Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 29, 2014

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

CASH FLOW STAEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Rs in crore

		2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
A	**Cash Flow arising from Operating Activities**						
	Profit / (Loss) before Tax			**(97.26)**			(156.03)
	Add back :						
	(1) Depreciation		**67.04**			64.15	
	(2) Other Non-cash Expenditure/(Income) -(net)		**(0.20)**			(2.88)	
	(3) Interest / Lease Charges (net)		**226.24**			201.63	
				293.08			262.90
				195.82			106.87
	Deduct :						
	(1) Investment Income		**0.48**			0.74	
	(2) Surplus/(Loss) on sale of assets -(net)		**19.25**			29.73	
				19.73			30.47
	Operating Profit before Working Capital changes			**176.09**			76.40
	Less : Working Capital Changes						
	(1) Increase in Trade and Other Receivables	**141.73**			62.50		
	(2) Increase in Other Current Assets	**17.81**			21.06		
	(3) Increase in Long Term Loans & Advances	**13.81**			11.76		
	(4) Increase in Short Term Loans & Advances	**24.52**			-		
	(5) Increase in Margin Money	**5.61**			-		
	(6) Increase in Inventories	**200.53**			38.33		
	(7) Decrease in Trade Payables	**-**			74.02		
	(8) Decrease in Other Current Liabilities	**3.11**			-		
	(9) Decrease in Other Long Term Liabilities	**-**			0.16		
			407.12			207.83	
	Less:						
	(1) Decrease in Short Term Loans & Advances	**-**			54.11		
	(2) Decrease in Margin Money	**-**			9.08		
	(3) Increase in Trade Payables	**201.48**			-		
	(4) Increase in Other Current Liabilities	**-**			37.91		
	(5) Increase in Other Long Term Liabilities	**1.84**			-		
			203.32			101.10	
	Net Working Capital changes			**203.80**			106.73
	Cash Flow from Operations			**(27.71)**			(30.33)
	Less : Direct taxes paid (net of refunds)			**(1.49)**			6.04
				(26.22)			(36.37)
	Add : Exceptional items			**-**			47.96
	Net Cash Inflow/(Outflow) from Operating Activities			**(26.22)**			11.59
B	**Cash Flow arising from Investing Activities**						
	Inflow						
	(1) Sale of Fixed Assets		**19.66**			41.72	
	(2) Dividends received		**0.48**			0.74	
	(3) Sale of Investments		**5.24**			1.01	
				25.38			43.47
	Deduct Outflow						
	(1) Acquisition of Fixed Assets		**42.72**			121.74	
	(2) Acquisition of Investments		**1.52**			-	
				44.24			121.74
	Net Cash Inflow/(Outflow) from Investing Activities			**(18.86)**			(78.27)

CASH FLOW STAEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd)

Rs in crore

	2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
C Cash Flow arising from Financing Activities						
Inflow						
(1) Proceeds from issue of Share Capital		**143.41**			-	
(2) Increase in Term Loans (net)		**-**			26.92	
(3) Increase in Working Capital Loans from Banks - (net)		**-**			97.97	
(4) Increase in Other Unsecured Loans (net)		**391.63**			163.64	
			535.04			288.53
Deduct Outflow						
(1) Redemption of Debentures		**21.00**			4.88	
(2) Decrease in Term Loans - (net)		**113.88**			-	
(3) Decrease in Working Capital Loans from Banks - (net)		**37.90**			-	
(4) Interest / Lease charges - (net)		**311.69**			211.77	
(5) Expenditure towards Share Issue Expenses		**1.02**			-	
			485.49			216.65
Net Cash Inflow / (Outflow) from Financing Activities			**49.55**			71.88
Net Increase / (Decrease) in Cash/Cash Equivalents			**4.47**			5.20
Add : Balance at the beginning of the year			**26.26**			21.06
Cash/Cash Equivalents at the close of the year			**30.73**			26.26

Note : Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2014 - Rs 54.16 crores ; 31.03.2013 - Rs 48.54 crores ; 31.03.2012 - Rs 57.63 crores

As per our attached report of even date

For **Haribhakti & Co**
Chartered Accountants
Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 29, 2014

For an on behalf of the Board of Directors

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

NOTES

1. SHARE CAPITAL

	31-Mar-14 Rs.in crore	31-Mar-13 Rs.in crore
Authorised		
15,30,00,000 (31 March 2013 : 11,80,00,000) Equity Shares of Rs.10/- each	**153.00**	118.00
70,00,000 (31 March 2013 : 70,00,000) Preference Shares of Rs.10/- each	**7.00**	7.00
	160.00	125.00
Issued		
14,62,73,934* (31 March 2013 : 7,31,59,805*) Equity Shares of Rs.10/- each	**146.27**	73.16
56,26,320 (31 March 2013 : 56,26,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each	**5.63**	5.63
Total issued share capital	**151.90**	78.79
* includes 28,031 Equity Shares which have been kept in abeyance by the Stock Exchange Authorities		
Subscribed and fully paid up		
14,14,05,861 (31 March 2013 : 7,31,14,129) Equity Shares of Rs.10/- each	**141.41**	73.11
56,26,320 (31 March 2013 : 56,26,320) 0.01% Cumulative Redeemable Preference Shares of Rs 10/- each	**5.63**	5.63
	147.04	78.74
Add: Forfeited shares (amounts originally paid up)	**0.01**	0.01
Total subscribed and fully paid-up share capital	**147.05**	78.75

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

Equity shares	**31-Mar-14**		31-Mar-13	
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore
At the beginning of the period	**7.31**	**73.11**	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**	7.31	73.11

Preference shares (CRPS)	**31-Mar-14**		31-Mar-13	
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore
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 31 March 2014, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2013 : 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 22½ equity shares issued and unallotted and reduced 20% of the outstanding equity shares amounting to 56,26,320 equity shares. In lieu of cancelled shares, the Company has issued 56,26,320 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	**31-Mar-14**		**31-Mar-13**	
	Numbers	**% holding in the class**	**Numbers**	**% holding in the class**
Jamnalal Sons Pvt. Ltd.	2,62,95,522	18.60	1,31,47,761	17.98
Life Insurance Corporation of India	72,28,076	5.11	72,28,076	9.89
Bajaj Holdings & Investments Ltd.	81,13,564	5.74	40,56,782	5.55
Jeewan Ltd.	47,85,369	3.38	47,85,369	6.55
Baroda Industries Pvt. Ltd.	1,43,26,616	10.13	3,616	0.005
Niraj Bajaj	1,28,87,156	9.11	18,43,578	2.52
Rajesh V. Shah	72,00,842	5.09	36,44,642	4.98
Suketu V. Shah	71,69,018	5.07	36,47,668	4.99
CRPS of Rs. 10/- each fully paid				
Life Insurance Corporation of India	5,95,545	10.58	5,95,545	10.58
Jamnalal Sons Pvt. Ltd.	4,74,143	8.43	4,74,143	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.

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.

i. **Utilization of the net proceeds of the Rights Issue of equity shares :**
The Allotment Committee of the Board of Directors of the Company allotted 6,82,91,732 equity shares under rights entitlement at a price of Rs.21.00 per share. Net proceeds received amounting to Rs.143.41 crores have been utilized towards: i) payment of dues to secured lenders (Banks and Financial Institutions) Rs.70.00 crores and ii) working capital requirement (inventory) Rs.73.41 crores.

Notes

2 RESERVES AND SURPLUS

		31st March, 2014 Rs in crore	31st March, 2013 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	225.59		225.55
Add : Additions during the year	75.12		-
Less : Share issue expenses	(1.02)		-
Add : Amounts debited to this account in earlier years written back	-		0.04
		299.69	225.59
Debenture Redemption Reserve :			
As per last Account	10.21		11.43
- Transferred to Surplus	(5.15)		(1.22)
- Set aside during the year	-		-
		5.06	10.21
Revaluation Reserve :			
As per last Account	1,664.55		1,668.94
Add : Additions on revaluation	-		-
Less : Transferred to Statement of Profit & Loss	(4.39)		(4.39)
		1,660.16	1,664.55
General Reserve :			
As per last Account	232.88		231.66
Add / (Less)			
- Transferred to Surplus for Proposed Dividend and Tax theron (FY 2013-14 : Rs 6,540/-; FY 2012-13: Rs 6,540/-)			
- Transferred from Surplus being write back of Debenture Redemption Reserve	5.15		1.22
		238.03	232.88
Surplus :			
As per last Account	(132.96)		(93.50)
Surplus / (Deficit) as per annexed Statement of Profit and Loss	(88.01)		(39.46)
Transferred from Debenture Redemption Reserve	5.15		1.22
Transferred to Debenture Redemption Reserve	-		-
Transfer from General Reserve for Proposed Preference Dividend and tax thereon (FY 2013-14 :Rs 6,540/-; FY 2012-13 :Rs 6,540/-)			
Proposed Preference Dividend (FY 2013-14: Rs 5,627/- ; FY 2012-13: Rs 5,627/-)			
Tax on Preference / Equity Dividend (FY 2013-14 Rs 913/- ; FY 2012-13 :Rs 913/-)			
Transferred to General Reserve being write back of Debenture Redemption Reserve	(5.15)		(1.22)
		(220.97)	(132.96)
		1,984.97	2,003.27

3 LONG-TERM BORROWINGS

		31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
I) SECURED LOANS			
a) Debentures		-	20.20
b) Term Loans :			
- from Banks	100.90		248.98
- from Financial Institutions	153.19		119.01
- from Others	63.95		117.63
		318.04	485.62
Total Secured Loans		318.04	505.82
II) UNSECURED LOANS			
a) Fixed Deposits		80.43	102.56
b) Long term loans from Companies		708.69	246.95
c) Sales Tax Deferment Loan		0.93	1.39
Total Unsecured Loans		790.05	350.90
Total Long-term borrowings		1,108.09	856.72

Nature of Security & Terms of repayment for Long Term Borrowings

(I)	Nature of Security	Terms of Repayment
(i)	Debentures	
	5,800,000, 10.50% (2006-15) Mortgage Debentures (balance outstanding as at 31.03.2014 Rs.19.82 crore, Previous Year Rs.40.82 crore), 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 (iii) to (xv) below. These debentures are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.	Rescheduled for repayment in 90 monthly installments from 2006 to 2015 in terms of financial restructuring package approved by Corporate Debt Restr ucturing Cell (CDR) in July 2003 and April 2009.
(ii)	Term Loans from Banks, Financial Institutions and a Company (balance outstanding as at 31.03.2014 Rs.119.96 crore, Previous Year Rs.252.78 crore), These are secured on pari-passu basis against the same assets as given to Trustees for Debentures as shown at (i) above.	The principal term debt is to be repaid in 144 monthly installments commencing from April 2006 and ending in March, 2018 with a pre-determined ballooning schedule. During April 2009 CDR Cell approved deferment of principal amount due for payment aggregating Rs.119 crore during the period of 18 months commencing from 1st April, 2009 and ending on 30th September, 2010. The total loan amount is now rescheduled to be paid during FY 2010-11 to FY 2014-15 in place of the earlier schedule of payments by FY 2017-18 without any increase in the rate of interest. The interest rate has been revised for FY 2012-13 to 11.00% p.a; FY 2013-14 to 11.50% p.a. and for FY 2014-15 to 12.00% p.a. vide sanction letter dt. June 20,2013
(iii)	Term Loan of Rs.62.50 crore (balance outstanding as at 31.03.2014 - Rs.39.93 Previous Year Rs.62.50 crore) from a Bank is secured against office premises at Mumbai and two residential premises at Mumbai.	Repayable in 36 equal monthly installments commencing from March 2013.
(iv)	Term Loan of Rs.350.00 crore (balance outstanding as at 31.03.2014 - Rs.120.56 crore, Previous Year Rs.218.75 crore) from a Bank is secured against mortgage of 50 acres of leasehold land at Dighe, Thane.	Term Loan of Rs.75 crore is repayable in 30 equal monthly installments commencing from September 2010. Term Loan of Rs.150 crore is repayable in 40 equal monthly installments commencing from August 2011.Term Loan of Rs.125 crore is repayable in 36 equal monthly installments commencing from April 2013.
(v)	Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2014 - Rs.7.50 crore, Previous Year Rs.42.50 crore) from a Bank is secured on pari-passu basis against the same assets as given to Trustees for Debentures as shown at (i) above.	Repayable in 40 equal monthly installments commencing from February 2011
(vi)	Term Loan of Rs.35.00 crore (balance outstanding as at 31.03.2014 - Rs.21.58 crore, Previous Year Rs.28.58 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.	Repayable in 60 equal monthly installments commencing from April 2012.
(vii)	Loan of Rs.14.00 crore (balance outstanding as at 31.03.2014 - Rs.14.00 crore, Previous Year Rs.Nil crore) from a company is secured against a residential premises at Delhi.	Repayable in 30 monthly installments commencing from October 2014.
(viii)	Loan of Rs.17.50 crore (balance outstanding as at 31.03.2014 - Rs.2.96 crore, Previous Year Rs.9.18 crore) from a company is secured against a residential premises at Delhi.	Repayable in 36 monthly installments commencing from September 2011.
(ix)	Loan of Rs.25.00 crore (balance outstanding as at 31.03.2014 - Rs.11.25 crore, Previous Year Rs.23.17 crore) from a company is secured against mortgage of 5 acres of lease hold land at Dighe, Thane.	Repayable in 24 monthly installments commencing from February 2013.
(x)	Term Loans of Rs.100.00 crore (balance outstanding as at 31.03.2014 - Rs.93.23 crore, Previous Year Rs.100.00 crore) from HDFC Ltd. is secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge).	Repayable in 36 monthly installments commencing from July 2013 for a loan of Rs.50 crore and October 2013 for a loan of Rs.50 crore.
(xi)	Term Loans of Rs.75.00 crore (balance outstanding as at 31.03.2014 - Rs.75.00 crore, Previous Year Rs. Nil crore) from HDFC Ltd. is secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge).	Repayable in 36 monthly installments commencing from August 2014.
(xii)	Term Loans of Rs.60.00 crore (balance outstanding as at 31.03.2014 - Rs.60.00 crore, Previous Year Rs.Nil crore) from HDFC Ltd. is 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 lease hold land at Sinnar, Dist. Nashik in the State of Maharashtra.	Repayable in 36 monthly installments commencing from February 2015.
(xiii)	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2014 - Rs.38.04 crore, Previous Year Rs.47.17 crore) from a company is secured against various items of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at (i) & (ii) above.	Repayable in 58 monthly installments commencing from July 2012.
(xiv)	Term Loan of Rs.37.45 crore (balance outstanding as at 31.03.2014 - Rs.32.04 crore, Previous Year Rs.37.35 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.	Repayable in 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 31.03.2014 - Rs.8.00 crore, Previous Year Rs.8.00 crore) are secured against mortgage of a residential premises at Mumbai.	Repayable in one installment in November 2014.

(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, the terms of security, redemption and conversion have been rescheduled. A separate disclosure is made hereunder to explain the same, as also the progress made so far :

(i) Promoters/Associates have pledged 1,14,26,514 equity shares and 5,46,652 cumulative redeemable preference shares out of their share-holding in the Company. Promoters/Associates have to additionally pledge 1,06,75,221 shares on account of Rights Issue.

(ii) Pledge of Promoters' holding of shares of Bajaj Auto Limited is to the tune of Rs.4.99 crore.

(iii) The Company shall ensure balance realization of non-core assets and investments aggregating Rs.76.37 crore (net of amounts realized till 31.03.2014) over a specified time schedule. The Company has realised an amount of Rs.15 crore after close of the year.

(iv) In the event of default, as defined in the restructuring package, the lenders have the right to cancel, suspend, reduce or modify all or any of the relief and concessions or vary the terms and conditions thereof.

(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 FY 2012-13 to FY 2016-17.

4 DEFERRED TAX ASSET / (LIABILITIES) (NET)

		31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
Deferred Tax Assets	**166.96**		134.36
Less : Deferred Tax Liabilities	**124.81**		126.12
		42.15	8.24
		42.15	8.24

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

	As at 31-Mar-13 Rs in crore	Charge / (Credit) for the year 2013-14 Rs in crore	As at 31-Mar-14 Rs in crore
Deferred Tax			
Deferred Tax Asset on account of :			
a) Employee benefits, etc	10.70	0.49	**10.21**
b) Taxes, Duties, Cess, Interest to Banks/FIs', etc	14.99	4.86	**10.13**
c) Provision for doubtful debts	0.13	0.04	**0.09**
d) Unabsorbed Depreciation/ Business Loss, etc	108.54	(37.99)	**146.53**
	134.36	**(32.60)**	**166.96**
Deferred Tax liability on account of :			
a) Depreciation	126.12	1.31	**124.81**
b) Others	-	-	**-**
	126.12	**1.31**	**124.81**
Net Deferred Tax Asset/(Liability) $	8.24	**(33.91)**	**42.15**

$ 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.

5 OTHER LONG-TERM LIABILITIES

	31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
Security Deposits	**4.31**	4.00
Acceptances / Payables for Capital Goods	**9.55**	8.03
	13.86	12.03

6 LONG-TERM PROVISIONS

for Employee Benefits	**35.68**	30.05
	35.68	30.05

7 SHORT-TERM BORROWINGS

I) SECURED LOANS		
Working Capital Loans from Banks	**651.05**	688.95
Total Secured Loans	**651.05**	688.95
II) UNSECURED LOANS		
Short Term Loans from Companies	**136.59**	195.66
Total Unsecured Loans	**136.59**	195.66
Total Short-term borrowings	**787.64**	884.61

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) and (ii) at Note No.3(I).

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) (iv), (ix), (x), (xi) & (xii) .

Freehold land acquired for Coke Oven Plant 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).

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 the extent of Rs.13.04 crore (Previous year Rs.31.59 crore) which has been paid after close of the year.

8 TRADE PAYABLES

	31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
Acceptances	**374.60**	330.37
Trade Payables	**475.64**	325.48
	850.24	655.85

(a) "Trade Payables" include (i) Rs. 0.88 crore (Previous year Rs.0.99 crore) due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) (ii) Rs. 474.76 crore (Previous year Rs. 324.49 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 :

			For the year ended 31-Mar-14 Rs in crore	For the year ended 31-Mar-13 Rs in crore
		The principal amount and the interest due thereon remaining unpaid to suppliers		
a	i)	Principal	**0.88**	0.99
	ii)	Interest due thereon	**0.01**	0.02
b	I	Interest actually paid under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME)	**-**	0.06
c	I	Normal interest accrued during the year, for all the delayed payments, as per the agreed terms.	**0.16**	0.11
	II	Normal interest payable for the period of delay in making payment, as per the agreed terms.	**---**	---
d	I	Total interest accrued during the year.	**0.17**	0.13
	II	Total interest accrued during the year and remaining unpaid.	**0.21**	0.17
e		Included in (d) above is interest on amounts outstanding as at beginning of the accounting year.	**0.04**	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, 2014 Rs in crore	31st March, 2013 Rs in crore
Current Maturities of long-term debt	**410.33**	419.15
Interest accrued but not due on borrowings	**15.12**	14.19
Interest accrued and due on borrowings	**33.22**	14.49
Unpaid Dividends (represents amounts unclaimed)	**0.21**	0.21
Unpaid matured deposits (represents amounts unclaimed)	**0.80**	0.81
Liability towards Employee Benefits	**9.88**	8.96
Advances against Orders and Engineering Contracts	**59.16**	55.36
Statutory Liabilities	**60.38**	48.02
Acceptances / Payables for Capital Goods	**46.79**	75.41
Other Payables	**11.14**	2.71
	647.03	639.31

10 SHORT-TERM PROVISIONS

for Empolyee Benefits	**3.96**	2.37
for Equity / Preference Dividends & tax thereon		
for Warranty Costs	**0.33**	0.54
	4.29	2.91

11. FIXED ASSETS **Rs.in crore**

	GROSS BLOCK (At Cost / Book Value)					DEPRECIATION				NET BLOCK	
	As at 1st April, 2013	Additions/ Adjustments	Deductions/ Adjustments	Adjustments/ Additions/ (Deductions) to Revalued Assets	**As at 31st March, 2014**	As at 1st April, 2013	For the year	Deductions/ Adjustments	**As at 31st March, 2014**	**As at 31st March, 2014**	As at 31st March 2013
i) Tangible Assets											
Freehold Land	1,348.76	0.36	-	-	**1,349.12**	-	-	-	**-**	**1,349.12**	1,348.76
Leasehold Land	354.97	2.39	3.46	-	**353.90**	11.45	4.70#	0.06	**16.09**	**337.81**	343.52
Railway Siding	13.82	-	-	-	**13.82**	3.24	0.65	-	**3.89**	**9.93**	10.58
Buildings and Roads	179.51	1.52	0.03	-	**181.00**	65.40	5.14	0.01	**70.53**	**110.47**	114.11
Plant and Machinery	1,300.90	149.53	11.65	-	**1,438.78**	719.39	59.68	10.55	**768.52**	**670.26**	581.51
Furniture,Fixtures,etc.	8.68	0.27	0.05	-	**8.90**	4.49	0.35	0.02	**4.82**	**4.08**	4.19
Office Machinery	2.91	0.08	0.02	-	**2.97**	1.50	0.29	0.02	**1.77**	**1.20**	1.41
Vehicles	4.73	0.21	0.17	-	**4.77**	1.66	0.43	0.15	**1.94**	**2.83**	3.07
	3,214.28	154.36	15.38	-	**3,353.26**	807.13	71.24	10.81	**867.56**	**2,485.70**	2,407.15
ii) Intangible Assets-Software	1.49	0.05	-	-	**1.54**	1.11	0.19	-	**1.30**	**0.24**	0.38
	1.49	0.05	-	-	**1.54**	1.11	0.19	-	**1.30**	**0.24**	0.38
Total (i) + (ii)	**3,215.77**	**154.41**	**15.38**	**-**	**3,354.80**	**808.24**	**71.43**	**10.81**	**868.86**	**2,485.94**	2,407.53
Previous year's Total	3,161.38	97.94	43.55	-	3,215.77	771.26	68.54	31.56	808.24	2,407.53	
iii) Capital Work-in-Progress, expenditure to date										**50.28**	146.10
										2,536.22	2,553.63

includes Rs 4.39 crore withrawn 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.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 Profit & Loss towards charge of amortization of the said land for the year.

(ii) Gross Block of Buildings as at 31st March, 2014 includes value of offices, residential flats and garages in co-operative societies/proposed co-operative societies/association of apartment owners aggregating Rs.6.36 crore at cost (Previous Year Rs.6.39 crore) [including cost of shares in co-operative societies Rs.7,000/- (Previous Year Rs.7,500/-)].

(iii) 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**

		Depreciation		Net Block
	As at	as at	Amount	as at
Description	1-Apr-13	31-Mar-14	written-off	31-Mar-14
Plant & Machinery	3.30	1.90	0.35	1.05

(iv) Fixed Assets include borrowing costs of Rs. 15.88 crore capitalised during the year (Previous Year Rs.18.07 crore).

(v) As lessee: Future Rental obligations in respect of premises taken on lease – Operating Lease.

Rs.in crore

		As at 31-Mar-14	As at 31-Mar-13
1	For a period not later than one year.	**1.94**	1.25
2	For a period later than one year and not later than five years.	**4.47**	0.50
3	For a period later than five years.	**-**	-
	Total…………	**6.41**	1.75

Lease rentals charged to revenue for the current year Rs.2.98 crore (Previous Year Rs. 3.11 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.

(vi) As Lessor: Future Rental income in respect of premises given on lease – Operating Lease. **Rs.in crore**

		As at 31-Mar-14	As at 31-Mar-13
1	For a period not later than one year.	**0.60**	0.67
2	For a period later than one year and not later than five years.	**0.03**	0.09
3	For a period later than five years.	**---**	---
	Total …… ……	**0.63**	0.76

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.4.07 crore. (Previous year Rs 2.40 crore)

Accumulated depreciation upto 31.03.2014: Rs.1.55 crore (Previous year Rs 0.69 crore)

Depreciation for the year: Rs.0.09 crore (Previous year Rs 0.04 crore)

12 NON-CURRENT INVESTMENTS,
At Cost / Value after providing for diminution

		31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
I. Investments in Equity instruments :			
A. In Subsidiary Companies (Trade / Unquoted) :			
(i) Mukand Global Finance Ltd.			
1,17,49,500 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			
1,19,76,762 Equity Shares of Rs.100/-each, fully paid up	**61.63**		61.63
Less : Provision for diminution in the value of investments	**27.73**		18.49
	33.90		43.14
(v) Mukand Vijaynagar Steel Ltd.			
70,000 Equity Share of Rs.10/-each, fully paid up	**0.07**		0.07
Less : Provision for diminution in the value of investments	**0.07**		0.07
(vi) Mukand Sumi Metal Processing Ltd	**-**		-
1,64,00,000 Equity Shares of Rs.10/-each, fully paid up (1,18,58,220)	**163.56**		118.14
Sub-total - Subsidiary Companies		**229.97**	193.79
B. Trade (Unquoted) :			
In Associates :			
(i) Hospet Steels Ltd.			
70,000 Equity Shares of Rs. 10/-each, fully paid up	**0.07**		0.07
In Others :			
(i) Bekaert Mukand Wire Industries Pvt Ltd			
--- Equity Shares of Rs.10/-each, fully paid up (1,30,00,000)			13.00
In Joint Ventures			
(i) Mukand Vini Mineral Ltd (A Joint Venture Company)			
6,67,765 Equity Shares of Rs.10/-each, fully paid up (Refer Note 35)	**0.67**		0.67
Sub-total - Trade		**0.74**	13.74
C. Other than trade (Quoted) :			
In Associates			
(i) Mukand Engineers Ltd.			
45,39,781 Equity Shares of Rs.10/-each, fully paid up		**19.78**	19.78
D. Other than trade (Unquoted) :			
In Associates			
(i) Stainless India Ltd.			
60,97,200 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
(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/-)]			
Sub-total - Others			
		250.68	227.50

		31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
II. Share Application Money :			
Mukand Vini Mineral Ltd (A Joint Venture Company) (Refer Note 35)		**0.31**	0.31
		250.99	227.81
Book Value			
Quoted Investments		**19.78**	19.78
Unquoted Investments		**231.21**	208.03
		250.99	227.81
Market Value			
Quoted Investments		**11.80**	11.15

Note : Aggregate diminution in value of Investments Rs 40.90 crore (Previous year Rs 31.65 crore)

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

Other Loans and Advances		**0.13**	0.15
Advances recoverable in cash or in kind or for value to be received		**50.97**	38.95
Capital Advances		**-**	0.15
Advance payment of Income-tax (net)		**47.62**	48.32
Deposits with --			
Central Excise, etc.	**10.44**		8.47
Others $	**16.43**		16.45
		26.87	24.92
		125.59	112.49

$ 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

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

Raw Materials	**74.39**		82.78
Materials in Transit	**58.77**		36.06
Total Raw Materials		**133.16**	118.84
Work-in-Progress		**187.00**	162.16
Contracts in Progress [Refer Note No. 32 (8) (v) and Note No. 21]		**292.15**	248.30
Finished Goods		**570.39**	455.40
Stores, Spares, Components and Engineering Construction Materials	**41.77**		41.57
Materials in Transit	**9.18**		7.03
Total Stores, Spares, Components and Engineering Construction Materials		**50.95**	48.60
Fuel	**1.19**		1.16
Materials in Transit	**0.26**		0.08
Total Fuel		**1.45**	1.24
Loose Tools		**0.07**	0.10
		1,235.17	1,034.64

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	**439.60**		431.04
Considered Doubtful	**-**		0.10
Less : Provision	**-**		(0.10)
		439.60	431.04
Others Trade Receivables :			
Considered Good		**462.63**	361.27
		902.23	792.31

17 CASH AND BANK BALANCES

Cash on hand (including cheques on hand Rs. 4.13 crore Previous year Rs. 2.75 crore and stamp papers on hand Rs. 0.06 crore Previous year Rs. 0.09 crore)		**4.34**	2.90
Balances with Banks :			
(i) In Current Accounts	**6.48**		6.95
(ii) In Unpaid Dividend Accounts	**0.21**		0.21
(iii) In Margin Money Accounts #	**54.16**		48.54
(iv) In Deposit Accounts	**0.58**		10.12
		61.43	65.82
Remittances-in-Transit		**19.12**	6.08
		84.89	74.80

under lien with Banks

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

		31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
Loans to Subsidiaries :			
Vidyavihar Containers Ltd.		**33.23**	33.23
Other Loans and Advances		**0.08**	0.08
Advances recoverable in cash or in kind or for value to be received	**149.64**		126.76
Considered Doubtful	**0.29**		0.29
Less : Provision	**(0.29)**		(0.29)
		149.64	126.76
Balances, etc. with --			
Central Excise	**9.48**		6.08
Others	**0.13**		0.27
		9.61	6.35
		192.56	166.42

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.79.71 crore as at 31.03.2014 (Previous Year Rs.76.32 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, 2014 which is at Rs.70.34 crore (Previous Year Rs.71.89 crore), value of current assets 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, including Rs.9.24 crore during the year (previous year Rs.18.49 crore). The Company has outstanding balances of loans amounting to Rs.33.23 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.15 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.6.02 crore (Previous Year Rs.12.88 crore).

The management has recognised the diminution in the value of investments. The management, relies upon valuation of land of SIL as at 31.03.2014 amounting to Rs.16.65 crore. The management considers the balance exposures aggregating Rs.7.25 crore to be "Good" at the close of the year and adequatey covered and barring unforseen 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-14**	As at 31-Mar-13	**2013-14**	2012-13
i]	Subsidiaries:				
	Vidyavihar Containers Ltd. - interest waived.	**33.23**	33.23	**33.23**	33.23

19 OTHER CURRENT ASSETS

	31st March, 2014 Rs in crore	31st March, 2013 Rs in crore
Receivable Others	**-**	1.93
Interest Receivable on Book debts	**160.77**	142.95
	160.77	144.88

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

(i) Disputed matters in appeal/contested in respect of:		
- Income Tax *	**22.40**	21.79
- Excise Duty, Customs Duty etc.	**3.95**	3.80
- Sales Tax, Works Contract Tax etc. **	**4.90**	5.63
- 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.*

	31-Mar-14 Rs.in crore	31-Mar-13 Rs.in crore
*** 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.	**15.50**	18.18
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	**3.91**	10.96
(iv) Guarantees and Counter guarantees given by the Company on behalf of :-		
-Other Companies	**70.15**	84.68
(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**	34.78

(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 FY2013-14. 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 is also being preferred for challenging the said arbitration award.

(b) Commitments **Rs.in crore**

	31-Mar-14	31-Mar-13
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	**4.94**	2.36

ii) Commitments in respect of derivative instruments :

Derivative instruments outstanding **Amt. in crore**

	As at 31.03.14		Equivalent		As at 31.03.13		Equivalent	
For Imports	USD	**3.60**	Rs	**215.64**	USD	2.33	Rs	126.66
	EURO	**0.12**	Rs	**9.55**	EURO	0.12	Rs	8.03
For Exports	USD	**-**	Rs	**-**	USD	-	Rs	-
	EURO	**-**	Rs	**-**	EURO	0.02	Rs	1.33

Foreign currency exposures that are not hedged by derivative instruments :
Amounts in brackets are for previous year

Amt. in crore

	Debtors	Equiv. Rs	Creditors	Equiv. Rs	Cash Bank Balances	Equiv. Rs	Other Payables	Equiv. Rs	Total	Equiv. Rs
USD	**0.10**	**5.75**	**2.04**	**122.27**	**-**	**-**	**0.01**	**0.44**	**2.14**	**128.46**
	(0.09)	(5.02)	(1.81)	(98.14)	-	-	-	(0.10)	(1.90)	(103.26)
EURO	**0.06**	**4.61**	**0.18**	**15.11**					**0.24**	**19.72**
			(0.20)	(13.75)	-	-	-	-	(0.20)	(13.75)
SEK			**0.07**	**0.63**					**0.07**	**0.63**
			(0.04)	(0.35)					(0.04)	(0.35)
CHF			**0.001**	**0.07**					**0.001**	**0.07**
			-	(0.12)					-	(0.12)

			2013-14	2012-13
			Rs in crore	Rs in crore
21	**REVENUE FROM OPERATIONS**			
	Sale of Products and Services			
	1. Bars, Rods and Coils - Alloy Steel	**1,560.87**		1,275.18
	2. Bars, Rods and Coils - Stainless Steel	**867.50**		681.04
	3. Engineering Contracts	**356.58**		319.55
	4. Others	**2.08**		4.75
	Total		**2,787.03**	2,280.52
	Less : Excise Duty		**272.59**	221.28
	Net Sale of Products and Services		**2,514.44**	2,059.24
	Sales is net of early payment discounts aggregating Rs. 8.20 crore (previous year Rs. 10.06 crore)			
	Other Operating Revenues			
	a) Sale of Scrap and Sundries		**6.76**	9.38
	b) Sales-tax/VAT Refunds		**1.96**	14.16
	c) Interest Received - From Banks		**4.75**	4.93
	d) Insurance Claims etc.		**0.26**	0.44
	e) Credit balances appropriated		**2.05**	0.65
	f) Other Miscellaneous receipts		**2.88**	3.89
	g) Excess provisions written back (net)		**5.05**	2.21
	h) Surplus on account of sale of assets		**1.43**	31.34
	Total Other Operating Revenues		**25.14**	67.00
	Total Sales and Services and Other Operating Revenues		**2,539.58**	2,126.24
	a) Disclosure regarding Income from Engineering Contracts - Road Construction Division:			
	i) The amount of Contract revenue recognised as revenue during the year.		**7.91**	56.52
	ii) The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.		**751.25**	757.24
	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		**68.66**	61.66

(b) The Company in previous years executed road construction projects in the state of Uttar Pradesh with 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. 134.78 crore (Previous Year: Rs.141.68 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. During the year, further claims have been raised amounting to Rs.60.95 crore taking the amount of total claims to 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 reliasability of amounts.

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

	2013-14	2012-13
	Rs.in crore	Rs.in crore
The amount of Contract revenue recognised as revenue during the year.	**212.48**	164.60
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto 31.03.2014.	**1,358.58**	1,146.10
The amount of advances received (Gross)	**24.75**	34.98
The amount of retentions (included in sundry debtors) (net balance)	**71.40**	59.26
Amount due to customers	**-**	-
Amount due from customers	**223.32**	165.16

22	**Other Income**			
	a) Rent received		**1.64**	1.32
	b) Surplus on account of sale of Residential Premises		**18.28**	
	c) Interest Received - From Others		**12.90**	8.82
	d) Dividends (Gross) :			
	from Subsidiary			0.27
	from Trade Investments	**0.45**		0.45
	from Mutual Fund Investments	**0.03**		0.01
			0.48	0.73
	Total Other Income		**33.30**	10.87

23 RAW MATERIALS CONSUMED

	2013-14 Rs in crore	2012-13 Rs in crore
Opening Stocks	**82.78**	99.64
Add : Purchases	**1,311.24**	1,110.89
Add / Less : Materials on loan / (Sales) [net]	**(3.99)**	(6.51)
	1,390.03	1,204.02
Less : Closing Stocks	**74.39**	82.78
	1,315.64	1,121.24

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):

	2013-14	2012-13
Important basic raw materials:		
Coke including Coke Fines	**357.60**	290.56
Iron Ore including Iron Ore Fines *	**239.64**	200.13
Scrap & Pig Iron #	**350.14**	251.43
Ferro Nickel/Nickel	**141.15**	162.23
Ferro Chrome	**127.06**	110.10
Structural & other Steel @	**20.64**	20.96
Other raw materials	**79.41**	85.83
	1,315.64	1,121.24

	2013-14		2012-13	
	% of total Consumption	**Amount Rs.in crore**	% of total Consumption	Amount Rs.in crore
Imported	**33.45%**	**440.06**	27.02%	302.94
Indigenous	**66.55%**	**875.58**	72.98%	818.30
	100.00%	**1,315.64**	100.00%	1,121.24

* 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

	2013-14 Rs in crore	2012-13 Rs in crore
Opening Stocks	**865.86**	800.75
Less :		
Closing Stocks	**1,049.54**	865.86
Variation in Stocks	**(183.68)**	(65.11)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	**7.85**	3.98
(Increase)/Decrease in Stocks	**(175.83)**	(61.13)

25 EMPLOYEE BENEFITS EXPENSE

	2013-14	2012-13
Salaries, Wages, Bonus, Compensation and Other Payments	**118.84**	112.33
Contribution towards Employees' State Insurance, Provident and Other Funds	**14.01**	12.41
Welfare Expenses	**12.67**	11.79
	145.52	136.53

26 FINANCE COSTS

	2013-14	2012-13
Interest Expense (net) (Refer Note below)	**255.57**	228.93
Less :		
Interest Capitalised	**15.88**	18.07
	239.69	210.86
Other borrowing costs	**4.20**	2.92
Lease Rentals	**-**	1.60
	243.89	215.38

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 88.33 crores (Previous year Rs 78.13 crores) is netted against same source of interest expense under finance costs.

27 OTHER EXPENSES :

		2013-14 Rs in crore	2012-13 Rs in crore
Stores, Spares, Components,Tools, etc. consumed (a)		**414.38**	323.15
Power and Fuel consumed		**203.82**	178.20
Machining and Processing charges		**180.97**	132.12
Sub-contracting expenses		**37.73**	29.07
Other Manufacturing expenses		**53.92**	14.96
Rent (net)		**0.70**	0.95
Repairs:			
to Buildings	**1.44**		1.25
to Plant and Machinery (b)	**6.86**		6.11
to Other assets	**1.12**		1.18
		9.42	8.54
Rates and Taxes		**4.30**	3.42
Insurance		**1.59**	1.87
Commission		**3.66**	3.46
Freight, Forwarding and Warehousing (net)		**52.00**	64.53
Directors' Fees and Travelling Expenses		**0.14**	0.10
Bad Debts,debit balances and claims written off	**1.64**		2.29
Less : Doubtful debts provided in earlier years	**(0.10)**		-
		1.54	2.29
Loss on assets sold		**-**	0.76
Loss on assets discarded / impaired		**0.45**	0.84
Loss on variation in foreign exchange rates (net)		**39.03**	22.84
Increase in Authorised Share Capital		**0.25**	-
Miscellaneous Expenses (c)		**46.77**	45.39
		1,050.67	832.49

(a) After adjusting sales/material on loan Rs 1.55 crore (Previous year Rs 3.40 crore).

(b) Excludes spares consumed for repairs.

(c) Includes non-recoverable excise duty Rs 0.01 crore and sales tax Rs 0.21 crore on sales (Previous year Rs 0.03 crore and Rs. 0.34 crore respectively)

28 EXCEPTIONAL ITEMS (NET) INCLUDE:

		2013-14	2012-13
i)	Consideration for goodwill on transfer of business of cold finished bars & wires to a subsidiary. Also Refer Note 36.	**-**	166.10
ii)	Advances to Stainless India Ltd. written off	**-**	(25.29)
iii)	Unamortised lease charges of Power Plant for captive use at Dighe Thane.	**-**	(32.48)
iv)	Surplus on account of assignment of leasehold land to a subsidiary	**7.83**	-
v)	Ad hoc amount & differential interest paid to CDR Lenders (Refer Note below)	**(14.34)**	-
vi)	Loss on sale of investments in the shares of Bekaert-Mukand Wire Industries Pvt. Ltd.	**(7.76)**	-
vii)	Bad Debts written off on account of balance of sale price of shares (dues from Ispat Group now JSW Steel Ltd.)	**(1.93)**	-
viii)	Provision for diminution in the value of investments in Vidyavihar Containers Ltd.	**(9.24)**	-
		(25.44)	108.33

Note :

During the 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 is also charged.

29 EARNINGS IN FOREIGN EXCHANGE

	2013-14	2012-13
Exports (F.O.B. Value)	**123.94**	151.83
Dividend	**-**	0.27
Income from Engineering Contracts	**0.39**	0.53
Others (represents Management fees)	**0.18**	0.16
	124.51	152.79

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

	2013-14	2012-13
Net Profit/(Loss) After Taxation as per Statement of Profit & Loss	**(88.01)**	(39.46)
Less : Dividends and tax thereon		
Net Profit/(Loss) for calculation of basic / diluted EPS [including Exceptional Items (net)]	**(88.01)**	(39.46)
Net Profit/(Loss) for calculation of basic / diluted EPS [excluding Exceptional Items (net)]	**(62.57)**	(147.79)
Weighted average number of equity shares outstanding	**7,62,94,840**	7,31,14,129
Basic and diluted EPS (face value Rs.10/- per share) (in Rs.)		
Including Exceptional items (net)	**(11.54)**	(5.40)
Excluding Exceptional items (net)	**(8.20)**	(20.21)

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

	2013-14		2012-13	
	% of total Consumption	**Amount Rs.in crore**	% of total Consumption	Amount Rs.in crore
i) Stores, Spares, etc.				
- Imported	**16.65%**	**68.94**	14.64%	47.27
- Indigenous	**83.35%**	**345.14**	85.36%	275.60
	100.00%	**414.08**	100.00%	322.87
ii) Components				
- Imported	**10.00%**	**0.03**	10.71%	0.03
- Indigenous	**90.00%**	**0.27**	89.29%	0.25
	100.00%	**0.30**	100.00%	0.28
		414.38		323.15

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

	Rs.in crore 2013-14	Rs.in crore 2012-13
Raw Materials	**435.60**	296.04
Stores, Spare Parts, Components and Fuel	**61.36**	39.18
Goods for trade	**-**	0.20
Capital goods	**7.04**	24.97
	504.00	360.39

(c) **Expenditure in Foreign Currency**

(Including amounts capitalised and amounts recovered)

Interest and Bank charges (Net of tax)	**2.06**	2.29
Technical Consultancy / Services (Net of tax)	**0.95**	3.21
Foreign Travel	**0.21**	0.27
Legal and Professional fees	**0.22**	0.23
Other matters	**0.51**	0.45
	3.95	6.45

(d) **Disclosures in respect of provisions for warranty costs:** **Rs.in crore**

Opening Balance as at 01.04.13	Provided during the year	Utilised during the year	Reversed during the year	Closing Balance as at 31.03.14
0.54	0.38	0.59	-	0.33

(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**	**2013-14 Rs.in crore**	2012-13 Rs.in crore
(i) As Auditors	**0.33**	0.33
(ii) For Taxation Matters	**0.11**	0.03
(iii) For other services	**0.17***	0.16
(iv) For reimbursement of expenses	**0.03**	0.03
	0.64	0.55

* includes Rs 0.06 crore debited to Securties 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, 1956. 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 defer 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 205 (2)(b) of the Companies Act, 1956.

(ii) Depreciation on Buildings and Furniture & Fixtures acquired upto 31st March, 1987 is provided at the rates of depreciation prevalent at the time of acquisition of the assets in accordance with Circular No.1 of 1986 [1/1/86-CL-V] dated 21.5.1986 issued by the Company Law Board.

(iii) Depreciation on addition to assets referred to in (ii) above, acquired on or after 1st April, 1987 is provided at the Straight Line Method rates specified from time to time in Schedule XIV to the Companies Act, 1956.

(iv) Depreciation on assets under Plant & Machinery group in Schedule XIV to the Companies Act, 1956, is provided over the recomputed "Specified Period", at the rates given in the said Schedule from time to time, in accordance with Circular 14/93 dated 20th December, 1993, issued by the Department of Company Affairs.

(v) Software is amortised over a period of 3 years.

(vi) Depreciation in respect of assets used for long term engineering contracts is provided on the estimated useful life of the assets.

(vii) Assets costing less than Rs.5,000/- are fully depreciated at the rate of 100% in the year of purchase.

(viii) 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.

(ix) Cost of Leasehold land is amortized over the period of lease.

(x) 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. 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. 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 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 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 78 of the Companies Act, 1956.

(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.

(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.

33 DISCLOSURES UNDER ACCOUNTING STANDARD 15 ON EMPLOYEE BENEFITS

(a) (i) Details in respect of gratuity are as under :

	2013-14 Rs in crore	2012-13 Rs in crore
Liability to be recognised in Balance Sheet		
Present Value of Funded Obligations	**34.62**	32.87
Fair Value of Plan Assets	**10.89**	12.46
Net Liability	**23.73**	20.41
Change in Plan Assets (Reconciliation of Opening & Closing Balances)		
Fair Value of Plan Assets as at beginning of the year	**12.46**	12.27
Expected Return on Plan Assets	**0.96**	1.08
Actuarial Gain / (Losses)	**---**	---
Contributions	**0.94**	2.39
Benefits Paid	**(3.47)**	(3.28)
Fair Value of Plan Assets as at the close of the year	**10.89**	12.46
Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at beginning of the year	**32.87**	31.49
Current Service Cost	**1.80**	2.68
Interest Cost	**2.71**	1.66
Actuarial Losses / (Gain)	**0.71**	0.32
Benefits Paid	**(3.47)**	(3.28)
Obligation as at the close of the year	**34.62**	32.87
Expenditure to be recognised during the year		
Current Service cost	**1.80**	1.66
Interest Cost	**2.71**	2.68
Expected Return on Plan Assets	**(0.96)**	(1.08)
Net Actuarial Losses / (Gains) Recognised during the year	**0.71**	0.32
Total Expenditure included in “Employees’ Emoluments"	**4.26**	3.58
Assumptions		
Discount Rate (per annum)	**9.00%**	8.25%
Expected rate of Return on Assets (per annum)	**8.85%**	9.40%
Salary Escalation Rate	**5.75%**	5.25%

(ii) The Company expects to contribute Rs.1.68 crore (Previous year Rs.Nil) 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).

(iii) 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.

(iv) 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.

(v) Other disclosures :

Rs.in crore

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of Funded Obligations	34.62	32.87	31.49	29.39	24.53
Fair Value of Plan Assets	10.89	12.46	12.27	10.43	6.23
Net Liability	23.73	20.41	19.22	18.96	18.30
Experience Adjustments on Plan Liabilities Loss / (Gain)	0.71	0.32	0.06	3.51	2.35
Experience on Plan Assets-Loss / (Gain)	---	---	---	---	---

(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.0.44 crore (Previous Year Rs.0.29 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, 2014, since the projects are for shorter duration. Such liability as at 31st March, 2014 (including Rs.0.01 crore for the year and net of payments during the year Rs.0.02 crore) aggregate Rs.0.01 crore (Previous Year Rs.0.02 crore)

(d) An amount of Rs.6.56 crore (Previous year Rs.5.81 crore) as contribution towards defined contribution plans [including Rs.0.81 crore (Previous year Rs.0.47 crore) in terms of strategic alliance referred in (b) above] is recognised as expense in the Statement of Profit and Loss.

34 RELATED PARTY DISCLOSURES

(a) Relationship :

(i) Subsidiaries:

Mukand Global Finance Ltd. (MGFL), Mukand International Ltd. (MIL),

Vidyavihar Containers Ltd. (VCL), Mukand Vijayanagar Steel Ltd. (MVSL), Mukand International FZE (MIFZE), Mukand Sumi Metal Processing Ltd. (MSMPL) w.e.f. 29.10.2012

(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) Relatives of key management personnel and enterprises in which significant influence can be exercised by persons at (iv) above or their relatives where transactions have taken place : Viren J. Shah upto 09.03.2013.

(vi) Other related parties where significant influence exists or where the related party has significant influence on the Company :
Kalyani Mukand Ltd., Lineage Investments Ltd. (upto 29.03.2013), Catalyst Finance Ltd. (upto 29.03.2013), Econium Investments & Finance Ltd. (upto 29.03.2013), Fusion Investments & Financial Services Ltd. (upto 29.03.2013), Primus Investments & Finance Ltd. (upto 29.03.2013), Conquest Investments & Finance Ltd. (upto 29.03.2013), 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						
	a (i) above	**a (ii) above**	**a (iii) above**	**a (iv) above**	**a (v) above**	**a (vi) above**	**Total**
1. Purchase of Goods	**62.89**	**2.80**					**65.69**
	28.91	4.02					32.93
2. Sale of Goods	**459.67**	**12.35**					**472.02**
	102.87	15.27					118.14
3. Transfer of Fixed Assets / Business	**12.00**	**-**					**12.00**
	190.49	4.11					194.60
4. Services Received	**8.83**	**53.22**				**-**	**62.05**
	3.25	45.57				-	48.82
5. Services Rendered	**36.58**	**27.72**					**64.30**
	0.16	0.30					0.46
6. Remuneration to MDs / former MD				**2.56**	**-**		**2.56**
				2.64	0.38		3.02
7. Interest / Dividend Paid / (Received) Net	**-**	**2.68**				**15.16**	**17.84**
	(0.27)	(3.26)				4.46	0.93
8. Reimbursement of Expenses - Payments		**-**					**-**
		0.01					0.01
9. Reimbursement of Expenses - Receipts	**2.10**	**-**	**0.14**				**2.24**
	3.35	0.06	0.12				3.53
10. Finance taken including equity / (re-payment of loans & advances) - Net	**-**	**6.86**		**37.66**		**183.26**	**227.78**
	-	1.00		-		45.45	46.45
11. Finance given including equity / (re-payment of loans & advances) - Net	**43.90**	**(6.43)**					**37.47**
	118.13	(1.49)					116.64
12. Bad debts / Advances written off		**-**					**-**
		25.29					25.29
13. Balances at the close of the year:							
i) Amount Receivable	**21.04**	**90.65**				**0.23**	**111.92**
	11.20	73.43				0.23	84.86
ii) Amount Payable	**19.30**	**22.92**					**42.22**
	18.54	21.61					40.15
iii) Amount Receivable in respect of loans & advances	**33.48**	**15.70**	**0.61**				**49.79**
	33.23	17.00	0.47				50.70
iv) Amount Payable in respect of loans & advances		**9.46**				**208.01**	**217.47**
		10.91				45.86	56.77
v) Property deposit taken		**0.07**					**0.07**
		0.07					0.07
14. Guarantees given by the Company	**5.15**	**65.00**	**-**				**70.15**
	14.78	65.00	4.90				84.68
15. Counter Guarantees given on behalf of the Company		**6.00**					**6.00**
		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:	
Mukand International FZE	**23.66**
	28.90
Mukand Sumi Metal Processing Ltd	**39.23**
	0.01
Bombay Forgings Ltd	**2.80**
	4.02
Sale of Goods:	
Mukand International FZE	**83.60**
	102.81
Bombay Forgings Ltd	**12.35**
	13.97
Mukand Sumi Metal Processing Ltd	**376.07**
	0.06
Stainless India Ltd.	**-**
	1.30
Transfer of Fixed Assets / Business	
Mukand Sumi Metal Processing Ltd	**12.00**
	190.49
Stainless India Ltd.	**-**
	4.11
Services Received:	
Hospet Steels Ltd	**33.82**
	29.05
Mukand Engineers Ltd	**19.29**
	16.34
Stainless India Ltd.	**0.11**
	0.18
Mukand Global Finance Ltd	**0.47**
	0.48
Mukand Sumi Metal Processing Ltd	**8.36**
	2.77
Services Rendered:	
Mukand International FZE	**0.18**
	0.16
Mukand Engineers Ltd	**27.72**
	0.30
Mukand Sumi Metal Processing Ltd	**36.40**
	-
Interest / Dividend Paid / (Received) Net	
Mukand International FZE	**-**
	(0.27)
Mukand Engineers Ltd	**2.68**
	(3.26)
Jamnalal Sons Pvt Ltd	**14.86**
	4.24
Adonis Laboratories Pvt Ltd	**0.30**
	0.22
Bad advances written off	
Stainless India Ltd.	**-**
	25.29
Reimbursement of Expenses - Payments	
Stainless India Ltd.	**-**
	0.01
Reimbursement of Expenses - Receipts	
Mukand International FZE	**2.03**
	3.27
Mukand Global Finance Ltd	**0.07**
	0.08
Mukand Engineers Ltd	**-**
	0.06
Mukand Vini Minerals Ltd	**0.14**
	0.12
Finance taken including equity / (re-payment of loans & advances) - Net	
Stainless India Ltd.	**6.86**
	1.00
Jamnalal Sons Pvt Ltd	**183.26**
	43.45
Adonis Laboratories Pvt Ltd	**-**
	2.00
Finance given including equity / (re-payment of loans & advances) - Net	
Mukand Engineers Ltd	**(6.43)**
	(1.49)
Mukand Sumi Metal Processing Ltd	**43.90**
	118.13
Balances at the close of the year:	
i) Amount Receivable	
Mukand International FZE	**9.84**
	4.93
Bombay Forgings Ltd	**70.02**
	72.20
Stainless India Ltd.	**1.23**
	1.23
Mukand Sumi Metal Processing Ltd	**11.20**
	6.27
Mukand Engineers Ltd	**19.40**
	-
Kalyani Mukand Ltd	**0.23**
	0.23
ii) Amount Payable	
Mukand International FZE	**11.08**
	16.60
Mukand Global Finance Ltd	**0.07**
	0.19
Mukand Engineers Ltd	**18.20**
	20.20
Hospet Steels Ltd	**4.72**
	1.41
Mukand Sumi Metal Processing Ltd	**8.15**
	1.75
iii) Amount Receivable in respect of loans & advances	
Vidyavihar Containers Ltd @	**33.23**
	33.23
Stainless India Ltd.	**6.02**
	12.88
Bombay Forgings Ltd	**9.68**
	4.12
Mukand Vini Minerals Ltd	**0.61**
	0.47
Mukand Sumi Metal Processing Ltd	**0.25**
	-
iv) Amount Payable in respect of loans & advances	
Mukand Engineers Ltd	**9.46**
	10.91
Jamnalal Sons Pvt Ltd	**206.01**
	43.86
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 Vini Minerals Ltd	**-**
	4.90
Mukand Engineers Ltd	**65.00**
	65.00
Mukand International FZE	**5.15**
	14.78
Counter Guarantees given on behalf of the Company	
Mukand Engineers Ltd	**6.00**
	6.00

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

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

35 INFORMATION ON JOINT VENTURES :

Mukand Vini Minerals Ltd.

		As at 31-3-2014 Un-Audited	As at 31-3-2013 Audited
i)	Jointly controlled entity - Mukand Vini Minerals Ltd.		
	Country of incorporation : India		
	Percentage of ownership interest : 48.80%		
ii)	Contingent liabilities in respect of Joint Venture.		
	a) Directly incurred by the Company.	**-**	4.90
	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**	0.01
	Loans and Advances		
	Other Current Assets		
	d) Preliminary expenses		
	e) Other Non-current Assets	**0.01**	0.01
	f) Pre-operative expenses	**1.40**	1.31
	B Liabilities		
	a) Loan Funds		
	Secured Loans	**-**	-
	Unsecured Loans	**0.20**	0.19
	b) Current Liabilities and Provisions		
	Liabilities	**0.37**	0.29
	Provisions	**-**	-
	c) Deferred Tax Liability		-
	C Income	**-**	-
	D Expenses	**-**	-
	E Tax		

Based on the terms of the Letter of Intent dated 5th August, 2008 from the Ministry of Coal (MOC), Government of India, allocating the Rajhara North (Central and Eastern) Non Coking Coal Block in Jharkhand to the Company and Vini Iron & Steel Udyog Ltd.(VISUL), the Company formed a JV Company viz., Mukand Vini Mineral Pvt. Ltd. (now known as Mukand Vini Mineral Ltd.) for captive mining of the coal block. The JV Company was in the process of obtaining various statutory permissions / approvals and clearances for development of the coal block. Meanwhile, the Company received a letter dated February 17, 2014 from the MOC conveying de-allocation of the aforesaid coal block. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand at Ranchi challenging the de-allocation. The Hon'ble Court has ordered that no coercive steps be taken against the Petitioner Company. Hearing of the Petition is pending. The investment made by the Company in this JV Company is of long term nature and therefore does not require any provision for diminution in value there against.

36 Previous year's figures include business of cold finished bars & wires upto 30th September, 2012 which was subsequently transferred to a subsidiary, Mukand Sumi Metal Processing Ltd. and hence the figures are not comparable.

37 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.

38 Previous years's figures have been regrouped / recast wherever necessary

As per our attached report of even date

For **Haribhakti & Co**
Chartered Accountants
Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 29, 2014

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

Statement Pursuant To Section 212 Of The Companies Act,1956 Relating To Subsidiary Companies

Particulars	Mukand Global Finance Ltd	Vidyavihar Containers Ltd	Mukand International Ltd.	Mukand International FZE	Mukand Vijayanagar Steel Ltd	Mukand Sumi Metal Processing Ltd
	Name of the subsidiary company					
The financial year of the subsidiary company ended on	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
Number of Shares in the subsidiary company held by Mukand Ltd., at the above date						
Equity	1,17,49,500	1,19,76,762	1,000	5	70,000	1,64,00,000
Percentage of holding	100	100	100	100	100	60.07
The net aggregate of profits, less losses of the subsidiary company so far as they concern the members of Mukand Ltd.	Rs 'Crore	Rs 'Crore	USD	USD	Rs 'Crore	Rs 'Crore
(i) Dealt with in the accounts of Mukand Ltd, amounted to :						
(a) for the subsidiary's financial year	-	-	-	-	-	-
(b) for the previous financial years of the subsidiary since it became a subsidiary of Mukand Ltd	4.00	-	11,58,699	1,00,000	-	-
(ii) Not dealt with in the accounts of Mukand Ltd, amounted to :						
(a) for the subsidiary's financial year	1.61	(15.65) (Loss)	(593) (Loss)	1,30,164		(0.80) (Loss)
(b) for the previous financial years of the subsidiary since it became a subsidiary of Mukand Ltd	15.36	(85.73) (Loss)	1,067	4,26,490	(6.97) (Loss)	(0.52) (Loss)
Changes in the interest of Mukand Ltd between the end of the subsidiary's financial year and 31-03-2014	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Material changes between the end of the subsidiary's financial year and 31-3-2014						
(i) Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(ii) Investments	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(iii) Moneys lent by the subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(iv) Moneys borrowed by the subsidiary other than for meeting current liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman &
Managing Director

Rajesh V. Shah
Co-Chairman &
Managing Director

K.J.Mallya
Company
Secretary

Mumbai : May 29, 2014

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUKAND LIMITED

To the Board of Directors of Mukand Limited

We have audited the accompanying consolidated financial statements of Mukand Limited ("the Company") and its subsidiaries, associates and joint ventures (the Company, its subsidiaries, associates and joint ventures constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

As more explained in Note 34(vii) to the Consolidated Financial Statements, despite substantial carry forward losses incurred, the accounts of Vidyavihar Containers Limited, a subsidiary, have been prepared on the principles applicable to a going concern, based on the management's perception of revival of non industrial commercial activity.

Qualified Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements", Accounting Standards (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Mukand Limited, its subsidiaries, associates and joint ventures.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as mentioned in the 'Other Matter' paragraph below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the 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:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

I. Note 18 (a) to the notes to the Consolidated Financial Statements, relating to the Exposures in Bombay Forgings Limited (BFL) aggregating Rs. 79.90 crores as at March 31, 2014 (Rs. 76.51 crores at March 31, 2013), 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.

II. 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. 109.20 crore (Net) as at March 31, 2014 (Rs. 136.13 crore (net) at March 31, 2013) and the reliance upon amount realisable from the financial assets of these companies.

III. Note 18(c) to the notes to the Consolidated Financial Statements, relating to the realisability of the 'Exposures' in Stainless India Limited (SIL), an associate company, aggregating Rs. 18.88 Crore (net of provisions) as at March 31, 2014 (Rs. 38.24 crore as at March 31, 2013), where the net worth of SIL has been completely 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 for the recoverability of the Exposure.

IV. Note 21 (b) to the notes to the Consolidated Financial Statements, relating to the Exposures aggregating Rs. 134.78 crores as at March 31, 2014 (Rs. 141.68 crores as at March 31, 2013), in respect of road construction activity and our reliance on the management's expectation of its realisability.

V. Note 34(i) to the notes to the Consolidated Financial Statements, regarding the exposure towards loans and investment given by a subsidiary company as at March 31, 2014 in excess of limits specified for single borrowers/ investee under Paragraph 18 of Non-banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

VI. 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. 10.15 crore as at March 31, 2014 (March 31, 2013 Rs. 10.34 crore) and interest receivable thereon aggregating Rs. 4.30 crore as at March 31, 2014 (March 31, 2013 Rs. 4.95 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. 5.21 crore as at March 31, 2014 (March 31, 2013 Rs. 5.52 crore).

VII. The auditors of the Associate Company have expressed Emphasis of Matter in their audit report regarding Note 34(v) to the notes to the Consolidated Financial Statements, relating to the change in policy during the financial year in respect of valuation of contract work in progress (WIP), resulting in to an increase in value of WIP and profit before tax by Rs. 2.64 crore. The group's share in the above figure is Rs. 0.95 crore.

VIII. The auditors of the Joint Venture entity have expressed Emphasis of Matter in their audit report regarding Note 34(viii) 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.

Other Matter

We did not audit the financial statements of five subsidiaries and a joint venture, whose financial statements reflect total assets (net) of Rs. 224.75 crores as at March 31, 2014, total revenues of Rs. 153.37 crores and net cash outflows amounting to Rs. 13.84 crores for the year then ended. We also did not audit the financial statements of one associate, whose aggregate share of net profit/loss amounting to Rs. 0.65 crores are also included in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of two associate companies, whose aggregate share of net loss amounting to Rs. 0.01 crore are also included in the consolidated financial statements. These unaudited financial statements have been prepared and furnished to us by the Management of these companies and our opinion in so far as it relates to the amounts included in respect of the associate companies is based solely on such unaudited financial statements.

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

Sumant Sakahardande
Partner
Membership No.034828

Mumbai

May 29, 2014

CONSOLIDATED BALANCE SHEET

As at 31st March, 2014	Note No.		31st March, 2014	31st March, 2013
			Rs.in crore	Rs.in crore
I EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	1	147.05		78.75
(b) Reserves and Surplus	2	1,726.34		1,740.03
			1,873.39	1,818.78
(2) Minority Interest			108.81	80.32
(3) Non-Current Liabilities				
(a) Long Term Borrowings	3	1,161.58		856.72
(b) Other Long Term Liabilities	5	13.86		12.03
(c) Long Term Provisions	6	35.79		30.12
			1,211.23	898.87
(4) Current Liabilities				
(a) Short Term Borrowings	7	793.01		968.58
(b) Trade Payables	8	854.54		657.00
(c) Other Current Liabilities	9	785.99		775.64
(d) Short Term Provisions	10	4.59		3.31
			2,438.13	2,404.53
Total			5,631.56	5,202.50
II ASSETS				
(1) Non-Current Assets				
(a) Fixed Assets	11			
(i) Tangible Assets		2,499.76		2,416.64
(ii) Intangible Assets		0.25		0.39
(iii) Capital Work-in-Progress		52.44		147.39
			2,552.45	2,564.42
(b) Non Current Investments	12	39.29		53.58
(c) Deferred Tax Asset (net)	4	41.46		8.50
(d) Long Term Loans and Advances	13	145.61		127.49
(e) Other Non Current Assets	14	49.09		48.28
			275.45	237.85
(2) Current Assets				
(a) Inventories	15	1,259.12		1,034.63
(b) Trade Receivables	16	932.85		784.10
(c) Cash and Bank Balances	17	98.04		87.17
(d) Short Term Loans and Advances	18	343.04		339.37
(e) Other Current Assets	19	170.61		154.96
			2,803.66	2,400.23
Total			5,631.56	5,202.50
Notes forming part of the Consolidated Financial Statements	1-35			

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 29, 2014

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2014	Note No.		2013-14 Rs.in crore	2012-13 Rs.in crore
I) Gross Revenue from Operations	21	2,833.08		2,359.29
Less : Excise Duty		315.97		221.29
Net Revenue from Operations			2,517.11	2,138.00
II) Other Income	22		33.40	10.74
III) Total Revenue (I) + (II)			2,550.51	2,148.74
IV) Expenses				
a) Cost of Materials Consumed	23		1,292.85	1,126.04
b) Purchases of Stock-in-Trade			2.12	2.78
c) Changes in Inventories of finished goods, work-in-progress/contracts in progress and stock in trade	24		(182.72)	(61.13)
d) Employee Benefit Expenses	25		146.65	137.28
e) Finance Costs	26		253.95	226.02
f) Depreciation and Amortization Expenses (including share of Joint Ventures)			67.72	64.52
g) Other Expenses	27		1,081.19	844.97
Expenditure transferred to Capital Accounts / Capital Work-in-Progress			(5.76)	(15.52)
Total Expenses			2,656.00	2,324.96
V) (Loss) for the year before Exceptional Items & tax (III) - (IV)			(105.49)	(176.22)
Add / (Less) :				
Exceptional items - Expenditure	28		(12.59)	(57.77)
(Loss) before tax			(118.08)	(233.99)
(Less) :				
VI) Tax Expense :				
MAT Credit entitlement reversed				
Net Current Tax			(0.48)	(0.73)
MAT Credit entitlement			0.48	-
Net Deferred Tax Credit	4		32.96	8.49
Excess / (Short) provision for tax in respect of earlier years			0.49	0.66
(Loss) for the year before share of profits of associates (V) - (VI),			(84.63)	(225.57)
(Less) :				
Share of Profit in Associates (net)			0.66	1.34
Minority Interest			(0.53)	0.21
(Loss) for the year			(84.50)	(224.02)
Weighted average number of Equity Shares outstanding during the year			7,62,94,840	7,31,14,129
Basic and diluted earnings per share including Exceptional Items (in Rs.)	29		(11.08)	(30.64)
Basic and diluted earnings per share excluding Exceptional Items (in Rs.)	29		(9.43)	(22.74)
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**
Chartered Accountants
Firm Registration No.103523W

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 29, 2014

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Rs.in crore

		2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
A	**Cash Flow arising from Operating Activities**						
	Profit/(Loss) before Tax and Exceptional Items			**(105.49)**			(176.22)
	Add back :						
a)	Depreciation		**67.72**			64.52	
b)	Other Non-cash Expenditure / (Income) - (Net)		**12.43**			(4.09)	
c)	Loss / (Profit) on sale of Investment		**4.99**			(0.02)	
d)	Finance and Lease Charges - (Net)		**226.82**			202.57	
				311.96			262.98
				206.47			86.76
	Deduct :						
a)	Investment Income		**0.49**			0.47	
b)	Surplus / (Loss) on sale of assets - (Net)		**19.26**			16.21	
				19.75			16.68
	Operating Profit before Working Capital changes			**186.72**			70.08
	Less : Working Capital Changes						
a)	Increase in Trade and Other Receivables	**148.31**			57.81		
b)	Increase in Other Current Assets	**17.65**			23.25		
c)	Increase in Other Non Current Assets	**-**			0.25		
d)	Increase in Long Term Loans & Advances	**19.08**			11.98		
e)	Increase in Short Term Loans & advances	**17.35**			-		
f)	Increase in Margin Money / Escrow Balance	**0.92**			-		
g)	Increase in Inventories	**224.49**			38.35		
h)	Decrease in Trade Payables	**-**			73.58		
i)	Decrease in Other Current Liabilities	**79.15**			-		
j)	Decrease in Other Long Term liabilities	**-**			0.16		
			506.95			205.38	
	Less :						
a)	Decrease in Short Term Loans & advances	**-**			27.54		
b)	Decrease in Margin Money / Escrow Balance	**-**			9.31		
c)	Increase in Trade Payables	**204.62**			-		
d)	Increase in Other Current Liabilities	**-**			58.69		
e)	Increase in Other Long Term liabilities	**55.33**			-		
			259.95			95.54	
	Net Working Capital Changes			**(247.00)**			(109.84)
	Cash Flow from Operations			**(60.28)**			(39.76)
	Less : Direct taxes paid			**(0.69)**			5.92
	Net Cash Inflow / (Outflow) from Operating Activities			**(59.59)**			(45.68)
B	**Cash Flow arising from Investing Activities**						
	Inflow						
a)	Sale of Fixed Assets		**20.42**			18.59	
b)	Interest received on loans to Companies		**0.52**			0.17	
c)	Dividends received		**0.49**			0.47	
d)	Decrease in Loans to Companies		**-**			3.03	
e)	Sale of Investments - (Net)		**16.87**			1.01	
				38.30			23.27
	Deduct Outflow						
a)	Acquisition of fixed assets		**45.42**			121.81	
b)	Acquisition of Minority Interest		**1.52**			-	
c)	Acquisition of Investments		**0.03**			-	
				46.97			121.81
	Net Cash Inflow / (Outflow) from Investing Activities			**(8.67)**			(98.54)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Rs.in crore

			2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
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**			80.71	
	c)	Increase in Term Loans - (Net)		**-**			26.92	
	d)	Increase in Working Capital Loans from Banks - (Net)		**-**			97.97	
	e)	Increase in Other Unsecured Loans - (Net)		**391.62**			163.65	
					564.51			369.25
	Deduct Outflow							
	a)	Redemption of Debentures		**21.00**			4.88	
	b)	Decrease in Term Loans - (Net)		**113.88**			-	
	c)	Decrease in Working Capital Loans from Banks - (Net)		**37.90**			-	
	d)	Finance and Lease Charges - (Net)		**312.50**			212.80	
	e)	Expenditure towards Share Issue Expenses		**1.02**			-	
					486.30			217.68
	Net Cash Inflow / (Outflow) from Financing Activities				**78.21**			151.57
	Net Increase / (Decrease) in Cash/Cash Equivalents				**9.95**			7.35
	Add : Balance at the beginning of the year				**33.48**			26.13
	Cash/Cash Equivalents at the close of the year				**43.43**			33.48

Note :

1) Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2014 - Rs.54.24 crore; 31.03.2013 - Rs.48.61 crore; 31.03.2012 - Rs.57.70 crore; and in Escrow Account : 31.03.2014 - Rs.0.37 crore; 31.03.2013 - Rs. 5.08 crore; 31.03.2012 - Rs.5.31 crore

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2014

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman &
Managing Director

Rajesh V Shah
Co-Chairman &
Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

NOTES TO THE ACCOUNTS

1. SHARE CAPITAL

		31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
Authorised			
70,00,000 (31 March 2013 : 70,00,000) Preference Shares of Rs.10/- each		**7.00**	7.00
15,30,00,000 (31 March 2013 : 11,80,00,000) Equity Shares of Rs.10/- each		**153.00**	118.00
		160.00	125.00
Issued :			
56,26,320 (31 March 2013 : 56,26,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each		**5.63**	5.63
14,62,73,934 (31 March 2013 : 7,31,59,805) * Equity Shares of Rs.10/- each		**146.27**	73.16
* Includes 28,031 Equity Shares which have been kept in abeyance by the Stock Exchange Authorities		**151.90**	78.79
Subscribed and fully paid up :			
56,26,320 (31st March 2013 : 56,26,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid up		**5.63**	5.63
14,14,05,861 (31 March 2013 : 7,31,14,129) Equity Shares of Rs.10/- each, fully paid up	**141.41**		73.11
Add :			
Forfeited Shares, amounts originally paid up	**0.01**		0.01
		141.42	73.12
		147.05	78.75

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

Equity shares	**31st March 2014**		31st March 2013	
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore
At the beginning of the period	**7.31**	**73.11**	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**	7.31	73.11
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 2014, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2013 : 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 56,26,320 equity shares. In lieu of cancelled shares, the Company has issued 56,26,320 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, share 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

	31st March 2014		31st March 2013	
Equity Shares of Rs. 10/- each fully paid	**Numbers**	**%holding in the class**	Numbers	%holding in the class
Jamnalal Sons Pvt. Ltd.	**2,62,95,522**	**18.60**	1,31,47,761	17.98
Life Insurance Corporation of India.	**72,28,076**	**5.11**	72,28,076	9.89
Bajaj Holdings & Investments Ltd.	**81,13,564**	**5.74**	40,56,782	5.55
Jeewan Ltd.	**47,85,369**	**3.38**	47,85,369	6.55
Baroda Industries Pvt. Ltd.	**1,43,26,616**	**10.13**	3,616	0.005
Niraj Bajaj	**1,28,87,156**	**9.11**	18,43,578	2.52
Rajesh V. Shah	**72,00,842**	**5.09**	36,44,642	4.98
Suketu V. Shah	**71,69,018**	**5.07**	36,47,668	4.99
CRPS of Rs. 10/- each fully paid				
Life Insurance Corporation of India	**5,95,545**	**10.58**	5,95,545	10.58
Jamnalal Sons Pvt. Ltd.	**4,74,143**	**8.43**	4,74,143	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.

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.

i. **Utilization of the net proceeds of the Rights Issue of equity shares :**

The Allotment Committee of the Board of Directors of the Company allotted 6,82,91,732 equity shares under rights entitlement at a price of Rs.21.00 per share. Net proceeds received amounting to Rs.143.41 crore have been utilized towards: i) payment of dues to secured lenders (Banks and Financial Institutions) Rs.70.00 crore and ii) working capital requirement (inventory) Rs.73.41 crore.

2. RESERVES AND SURPLUS

		31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
Capital Reserve :			
As per last Account	**0.18**		-
Add: On Consolidation	**0.32**		0.18
		0.50	0.18
Capital Redemption Reserve :			
As per last Account		**3.00**	3.00
Securities Premium Account :			
As per last Account	**225.59**		225.55
Add / (Less) : Additions during the year	**75.12**		-
Amount debited to this account in earlier years written back	**-**		0.04
Share issue expenses	**(1.02)**		-
		299.69	225.59

		31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
Debenture Redemption Reserve :			
As per last Account	**10.21**		11.43
Add / (Less) : Transferred to Surplus	**(5.15)**		(1.22)
		5.06	10.21
Revaluation Reserve :			
As per last Account	**1,664.55**		1,668.94
Less : Transferred to Consolidated Statement of Profit and Loss	**(4.39)**		(4.39)
		1,660.16	1,664.55
Reserve Fund :			
As per last Account	**2.77**		2.31
Add : Transferred from Surplus in terms of Section 45-I C (i) of Reserve Bank of India Act, 1934	**-**		0.46
		2.77	2.77
Currency Fluctuation Reserve - On Consolidation			
As per last Account	**(2.63)**		(3.14)
Add / (Less) :			
Increase / (Decrease) for the year on Consolidation	**0.78**		0.51
		(1.85)	(2.63)
General Reserve :			
As per last Account	**170.95**		169.73
Add / (Less) : Transferred to Surplus for Proposed Dividend & Tax thereon(F.Y. 2013-14 Rs.6,540/-;F.Y.2012-13 Rs.6,540/-)	**-**		-
Transferred from Surplus being write back of Debenture Redemption Reserve	**5.15**		1.22
		176.10	170.95
Surplus			
As per last Account	**(334.59)**		(110.11)
(Deficit) as per Statement of Profit and Loss	**(84.50)**		(224.02)
Transferred from Debenture Redemption Reserve	**5.15**		1.22
Transferred from General Reserve for Prosposed Preference Dividend and tax thereon (FY 2013-14 Rs.6,540/-; FY 2012-13 Rs.6,540/-)	**-**		-
Transferred to Reserve Fund in terms of Section 45-I C (i) of Reserve Bank of India Act, 1934	**-**		(0.46)
Proposed Preference Dividend (FY 2013-14 Rs.5,627/-; FY 2012-13 Rs.5,627/-)	**-**		-
Tax on Preference Dividend(FY 2013-14 Rs.913/-; FY 2012-13 Rs.913/-)	**-**		-
Transferred to General Reserve being write back of Debenture Redemption Reserve	**(5.15)**		(1.22)
		(419.09)	(334.59)
		1,726.34	1,740.03

3. LONG TERM BORROWINGS

		31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
I. SECURED LOANS			
a) Debentures		**-**	20.20
b) Term Loans :			
- Banks	**100.90**		248.98
- Financial Institutions	**153.19**		119.01
- Others	**63.95**		117.63
		318.04	485.62
Total Secured Loans		**318.04**	505.82
II. UNSECURED LOANS			
Fixed Deposits		**80.43**	102.56
Long Term Loans from Companies		**762.18**	246.95
Sales Tax Deferment Loan		**0.93**	1.39
Total Unsecured Loans		**843.54**	350.90
TOTAL LONG TERM BORROWINGS		**1,161.58**	856.72

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

(I)	Nature of Security	Terms of Repayment
(i)	Debentures	
	5,800,000, 10.50% (2006-15) Mortgage Debentures (balance outstanding as at 31.03.2014 Rs.19.82 crore, Previous Year Rs.40.82 crore), 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 (iii) to (xv) below. These debentures are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.	Rescheduled for repayment in 90 monthly installments from 2006 to 2015 in terms of financial restructuring package approved by Corporate Debt Restructuring Cell (CDR) in July 2003 and April 2009.
(ii)	Term Loans from Banks, Financial Institutions and a company (balance outstanding as at 31.03.2014 Rs.119.96 crore, Previous Year Rs.252.78 crore), These are secured on pari-passu basis against the same assets as given to Trustees for Debentures as shown at (i) above.	The principal term debt is to be repaid in 144 monthly installments commencing from April 2006 and ending in March, 2018 with a pre-determined ballooning schedule. During April 2009 CDR Cell approved deferment of principal amount due for payment aggregating Rs.119 crore during the period of 18 months commencing from 1st April, 2009 and ending on 30th September, 2010. The total loan amount is now rescheduled to be paid during FY2010-11 to FY2014-15 in place of the earlier schedule of payments by FY2017-18 without any increase in the rate of interest. The interest rate has been revised to 11% p.a. for FY 2012-13, 11.5% p.a. for FY 2013-14 and 12% for FY 2014-15 wide sanction letter dated June 20, 2013.
(iii)	Term Loan of Rs. 62.50 crore (balance outstanding as at 31.03.2014 - Rs.39.93 Previous Year Rs.62.50 crore) from a Bank is secured against office premises at Mumbai and two residential premises at Mumbai.	Repayable in 36 equal monthly installments commencing from March 2013.

(iv)	Term Loan of Rs.350.00 crore (balance outstanding as at 31.03.2014 - Rs.120.56 crore, Previous Year Rs.218.75 crore) from a Bank is secured against mortgage of 50 acres of leasehold land at Dighe, Thane.	Term Loan of Rs.75 crore is repayable in 30 equal monthly installments commencing from September 2010. Term Loan of Rs.150 crore is repayable in 40 equal monthly installments commencing from August 2011. Term Loan of Rs.125 crore is repayable in 36 equal monthly installments commencing from April 2013.
(v)	Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2014 - Rs.7.50 crore, Previous Year Rs.42.50 crore) from a Bank is secured on pari-passu basis against the same assets as given to Trustees for Debentures as shown at (i) above.	Repayable in 40 equal monthly installments commencing from February 2011.
(vi)	Term Loan of Rs.35.00 crore (balance outstanding as at 31.03.2014 - Rs.21.58 crore, Previous Year Rs.28.58 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.	Repayable in 60 equal monthly installments commencing from April 2012.
(vii)	Loan of Rs.14.00 crore (balance outstanding as at 31.03.2014 - Rs.14.00 crore, Previous Year Rs.Nil crore) from a company is secured against a residential premises at Delhi.	Repayable in 30 monthly installments commencing from October 2014.
(viii)	Loan of Rs.17.50 crore (balance outstanding as at 31.03.2014 - Rs.2.96 crore, Previous Year Rs.9.18 crore) from a company is secured against a residential premises at Delhi.	Repayable in 36 monthly installments commencing from September 2011.
(ix)	Loan of Rs.25.00 crore (balance outstanding as at 31.03.2014 - Rs.11.25 crore, Previous Year Rs.23.17 crore) from a company is secured against mortgage of 5 acres of lease hold land at Dighe, Thane.	Repayable in 24 monthly installments commencing from February 2013.
(x)	Term Loans of Rs.100.00 crore (balance outstanding as at 31.03.2014 - Rs.93.23 crore, Previous Year Rs.100.00 crore) from HDFC Ltd. is secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge).	Repayable in 36 monthly installments commencing from July 2013 for a loan of Rs.50 crore and October 2013 for a loan of Rs.50 crore.
(xi)	Term Loans of Rs.75.00 crore (balance outstanding as at 31.03.2014 - Rs.75.00 crore, Previous Year Rs. Nil crore) from HDFC Ltd. is secured against mortgage of 50 acres of lease hold land at Dighe, Thane (Pari Passu Charge).	Repayable in 36 monthly installments commencing from August 2014.
(xii)	Term Loans of Rs.60.00 crore (balance outstanding as at 31.03.2014 - Rs.60.00 crore, Previous Year Rs.Nil crore) from HDFC Ltd. is 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 lease hold land at Sinnar, Dist. Nashik in the State of Maharashtra.	Repayable in 36 monthly installments commencing from February 2015.
(xiii)	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2014 - Rs.38.04 crore, Previous Year Rs.47.17 crore) from a company is secured against various items of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at (i) & (ii) above.	Repayable in 58 monthly installments commencing from July 2012.
(xiv)	Term Loan of Rs.37.45 crore (balance outstanding as at 31.03.2014 - Rs.32.04 crore, Previous Year Rs.37.35 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.	Repayable in 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 31.03.2014 - Rs.8.00 crore, Previous Year Rs.8.00 crore) are secured against mortgage of a residential premises at Mumbai.	Repayable in one installment in November 2014.

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

In terms of the Financial Restructuring Package (FRP) for Mukand approved by the Corporate Debt Restructuring Cell in July 2003 and April 2009, the terms of security, redemption and conversion have been rescheduled. A separate disclosure is made hereunder to explain the same, as also the progress made so far :

a) Promoters / Associates of Mukand have pledged 1,14,26,514 equity shares in Mukand and 5,46,652 cumulative redeemable preference shares out of their share-holding in Mukand. Promoters/Associates of Mukand have to additionally pledge 1,06,75,221 shares on account of Rights Issue.

b) Pledge of Promoters' holding of shares of Bajaj Auto Limited to the tune of Rs.4.99 crore.

c) Mukand shall ensure balance realization of non-core assets and investments aggregating Rs.76.37 crore (net of amounts realized till 31.03.2014) over a specified time schedule. Mukand has realized an amount of Rs.15.00 crore after close of the year.

d) In the event of default, as defined in the restructuring package, the lenders have the right to cancel, suspend, reduce or modify all or any of the relief and concessions or vary the terms and conditions thereof.

(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 FY2012-13 to FY 2016-17.

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

		31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
Deferred Tax Asset	**178.72**		134.62
Less : Deferred Tax Liability	**137.26**		126.12
		41.46	8.50
		41.46	8.50

Rs.in crore

	As at 31.03.2013	**Charge/ (Credit) for the year 2013-14**	**As at 31.03.2014**
a) Mukand :			
Components of Deferred tax assets/ (liabilities) are as under :			
Deferred Tax Asset on account of :			
Employee benefits,etc	10.70	**0.49**	**10.21**
Taxes, Duties, Cess, Interest to Banks/FIs', etc	14.99	**4.86**	**10.13**
Provision for doubtful debts	0.13	**0.04**	**0.09**
Unabsorbed Depreciation/ Business Loss, etc	108.54	**(37.99)**	**146.53**
	134.36	**(32.60)**	**166.96**
Deferred Tax liability on account of :			
Depreciation	126.12	**1.31**	**124.81**
Others	-	**-**	**-**
	126.12	**1.31**	**124.81**
Net Deferred Tax Asset/(Liability) $	8.24	**(33.91)**	**42.15**

$ Deferred tax asset aggregating to 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

b) MGFL

	As at 31.03.2013	Charge/ (Credit) for the year 2013-14	Rs.in crore As at 31.03.2014
Deferred Tax Assets on account of :			
Depreciation	-		-
Provision for Employee Benefits	0.01		0.01
	0.01	-	**0.01**
Deferred Tax Liability on account of :			
Depreciation	-	-	-
Net Deferred Tax Asset	0.01	-	**0.01**

c) VCL

Deferred tax asset aggregating Rs.0.61 crore (Previous year 0.74 crore) has not been recognised by way of prudence in accordance with Accounting Standard AS-22 - Accounting for taxes on income.

d) MSMPL

Deferred tax liability (net) aggregating Rs.0.70 crore [Deferred tax liability Rs.12.45 crore - Defrred tax asset Rs.11.75 crore (Previous year 0.25 crore net deferred tax asset) has been recognised by MSMPL on account of depreciation.

5. OTHER LONG TERM LIABILITIES

	31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
Acceptances / Payables for Capital Goods	**9.55**	8.03
Other Liabilities	**4.31**	4.00
	13.86	12.03

6. LONG TERM PROVISIONS

for Employee Benefits	**35.79**	30.12
	35.79	30.12

7. SHORT TERM BORROWINGS

I. SECURED LOANS		
Working Capital Loans from Banks	**651.05**	688.95
II. UNSECURED LOANS		
Short Term Loans from Companies	**141.95**	279.62
Share of Joint Ventures	**0.01**	0.01
	793.01	968.58

Short Term Borrowings - Secured

(I) Working Capital Facilities of Mukand

(a) Working Capital Facilities from 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) and (ii) at Note No.3(I).

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) (iv), (ix), (x), (xi) and (xii).

Freehold land acquired for Coke Oven Plant 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).

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.13.04 crore (Previous year Rs.31.59 crore) which has been paid after close of the year.

(II) Loan from other Companies to MGFL include Rs.5.35 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.12.25 crore against pledge of shares belonging to third party pledgors and Baroda Industries Pvt. Ltd.).

8. TRADE PAYABLES

	31st March, 2014 Rs.in Crore	31st March, 2013 Rs.in crore
Acceptances	**374.60**	330.37
Sundry Creditors	**479.94**	326.63
	854.54	657.00

9. OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt [Refer Note 7 (I) (b)]	**410.33**	419.15
Interest accrued but not due on borrowings	**15.71**	14.95
Interest accrued and due on borrowings	**33.22**	14.49
Unpaid Dividends (represents amounts unclaimed)	**0.21**	0.21
Unpaid matured deposits (represents amount unclaimed)	**0.80**	0.81
Liability towards Employee Benefits	**9.89**	8.96
Advances against Orders and Engineering Contracts	**51.56**	47.65
Liabilities for Property Development (Refer Note below)	**141.65**	139.63
Statutory Liabilities	**64.19**	51.21
Acceptance / Payables for Capital Expenditure	**46.79**	75.42
Others	**11.29**	2.88
Share of Joint Ventures	**0.35**	0.28
	785.99	775.64

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.116.56 crore (excluding compensation for TDR) (Previous Year Rs.114.63 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, 2014 Rs.in crore	31st March, 2013 Rs.in crore
for Employee Benefits	**3.99**	2.40
for Standard Assets as per RBI Prudential Norms	**0.27**	0.31
for Warranty Costs	**0.33**	0.54
for Others	**-**	0.06
for Proposed Preference Dividend (FY 2013-14 Rs.5,627/-, FY 2012-13 Rs.5,627/-)	**-**	-
for Tax on Preference Dividend (FY 2013-14 Rs.913/- FY 2012-13 Rs.913/-)	**-**	-
	4.59	3.31

11. FIXED ASSETS

Rs.in crore

	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 1st April, 2013	Additions/ Adjustments	Deductions/ Adjustments	Additions to Revalued Assets	As at 31st March, 2014	As at 1st April, 2013	For the year	Adjustments/ Deductions during the year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
(i) Tangible Assets											
Land (Including Leasehold Land)	1,703.73	4.15	-	-	**1,707.88**	11.45	4.70 (*)	-	**16.15**	**1,691.73**	1,692.28
Railway Siding	13.82	-	-	-	**13.82**	3.23	0.65	-	**3.88**	**9.94**	10.59
Buildings	179.95	1.52	0.03	-	**181.44**	65.70	5.15	0.01	**70.84**	**110.60**	114.25
Plant and Machinery	1,310.68	149.59	11.64	-	**1,448.63**	719.88	60.28	10.55	**769.61**	**679.02**	590.80
Furniture, Fixtures, etc.	11.91	0.54	0.07	-	**12.38**	6.25	0.68	0.04	**6.89**	**5.49**	5.66
Vehicles	4.73	0.38	0.17	-	**4.94**	1.67	0.44	0.15	**1.96**	**2.98**	3.06
Sub-Total	3,224.82	156.18	11.91	-	**3,369.09**	808.18	71.90	10.75	**869.33**	**2,499.76**	2,416.64
(ii) Intangible Assets											
Software	1.50	0.06	-	-	**1.56**	1.11	0.20	-	**1.31**	**0.25**	0.39
Goodwill	-	-	-	-	**-**	-	-	-	**-**	**-**	-
Sub-Total	1.50	0.06	-	-	**1.56**	1.11	0.20	-	**1.31**	**0.25**	0.39
Share of Joint Ventures	-	-	-	-	**-**	-	-	-	**-**	**-**	-
Total (i) + (ii)	**3,226.32**	**156.24**	**11.91**	**-**	**3,370.65**	**809.29**	**72.10**	**10.75**	**870.64**	**2,500.01**	2,417.03
Previous year's Total	3,162.29	97.96	33.93	-	3,226.32	771.94	68.91	31.56	809.29	2,417.03	
(iii) a) Capital Work-in-Progress, expenditure to date										**51.09**	146.11
(iii) b) Capital Work-in-Progress, Share of Joint Ventures										**1.35**	1.28
Total (iii)										**52.44**	147.39
										2,552.45	2,564.42

* 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) 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 01.04.2013	Depreciation as at 31.03.2014	Amount written-off	Net Block as at 31.03.2014
Plant & Machinery	3.30	1.90	0.35	1.05

c) Fixed Assets include borrowing costs of Rs.15.88 crore capitalised during the year (Previous year Rs.18.07 crore)

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

Rs. in crore

	As at 31.3.2014	As at 31.3.2013
For a period not later than one year.	**1.94**	1.25
For a period later than one year and not later than five years.	**4.47**	0.50
For a period later than five years.	**-**	-
Total	**6.41**	1.75

Lease rental charged to revenue for the current year Rs.2.98 crore (Previous Year Rs.3.11 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.

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

Rs. in crore

	As at 31.3.2014	As at 31.3.2013
For a period not later than one year.	**0.43**	0.67
For a period later than one year and not later than five years.	**0.03**	0.09
For a period later than five years.	**-**	-
Total	**0.46**	0.76

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.2.67 crore (Previous year Rs. 2.40 crore).

Accumulated depreciation upto 31.03.2014 : Rs.0.89 crore (Previous year Rs. 0.69 crore).

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

f) Gross Block of Buildings as at 31st March, 2014 includes value of offices, residential flats and garages in co-operative societies/proposed co-operative societies/ association of apartment owners aggregating Rs.6.36 crore at cost (Previous Year Rs.6.39 crore) [including cost of shares in co-operative societies Rs.7,000/- (Previous Year Rs.7,500/-)].

12. NON-CURRENT INVESTMENTS

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

		31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
A. Trade (Unquoted)		**-**	1.52
B. Others (Quoted)		**32.24**	31.58
C. Others (Unquoted)	**16.63**		33.27
Less : Provision for diminution in the value of investments	**9.58**		12.79
		7.05	20.48
		39.29	53.58

	Book Value as at		Market Value as at	
	31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore	**31st March, 2014 Rs.in crore**	31st March, 2013 Rs.in crore
Quoted Investments	**32.24**	31.58	**12.10**	11.41
Unquoted Investments	**7.05**	22.00		
	39.29	53.58		

Investments in Equity Shares of Associates / Joint Ventures.

Rs.in crore

	Name of the Associate	**As at 31st March 2014**	As at 31st March 2013
(i)	Mukand Engineers Limited	**19.78**	19.78
	Including Goodwill of Rs.7.99 crore		
	Share of post acquisition accumulated Profits/Reserves	**11.74**	10.43
	Share of current Profit	**0.65**	1.31
		32.17	31.52
(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	**8.33**	8.29
	Share of current Profit / (Loss)	**(0.01)**	0.04
	Less: Provision for diminution in value of investments.	**(7.85)**	(7.85)
		0.66	0.67
(iv)	Hospet Steels Ltd.	**0.10**	0.07
	Share of post acquisition loss	**(0.10)**	(0.07)
		-	-

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, 2014 Rs.incrore	31st March, 2013 Rs.in crore
Loans and Advances		5.26	0.15
Advances recoverable in cash or in kind or for value to be received		50.97	39.25
Capital Advances		-	0.15
Advance payment of Income-tax (net)		61.59	62.28
Balances, etc. with --			
Port Trust, Central Excise, etc.	10.56		8.91
Others	17.23		16.75
		27.79	25.66
		145.61	127.49

14. OTHER NON-CURRENT ASSETS

MAT Entitlement Credit	48.76	48.28
Others	0.33	-
	49.09	48.28

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

Raw Materials	90.78		85.83
Raw Materials in Transit	58.42		32.95
Total Raw Materials		149.20	118.78
Work-in-Process		187.00	162.16
Contracts in Progress [Refer Note No. 30 H (v) and Note 21]		292.15	248.30
Finished Goods		578.22	455.40
Stores, Spares, Fuel, Components and Engineering Construction Materials	41.78		41.57
Stores in Transit	9.16		6.99
Total Stores, Spares, Fuel, Components and Engineering Construction Materials		50.94	48.56
Fuel	1.19		1.16
Fuel in Transit	0.26		0.08
Total Fuel		1.45	1.24
Loose Tools		0.07	0.10
Stock-in-trade of Property Development business		0.09	0.09
		1,259.12	1,034.63

16. TRADE RECEIVABLES, (Unsecured)
[Refer Note 18 (a) and (c)]

More than six months from the due date of payment:			
Considered good	439.60		431.04
Considered doubtful	-		0.10
Less : Provision	-		(0.10)
	-		-
		439.60	431.04
Others :			
Considered good		493.25	353.06
		932.85	784.10

17. CASH AND BANK BALANCES

Cash on hand (including cheques on hand Rs.4.13 crore; Previous year Rs.2.75 crore and stamp papers on hand Rs.0.06 crore Previous year Rs.0.09 crore)		4.36	2.92
Balances with Banks :			
(i) In Current Accounts	13.67		12.63
(ii) In Unpaid Dividend Accounts	0.21		0.21
(iii) In Escrow Account	0.37		5.08
(iv) In Margin Money Accounts #	54.24		48.61
(v) In Deposit Accounts	6.07		11.63
		74.56	78.16
Remittances-in-Transit		19.12	6.08
Share of Joint Ventures		-	0.01
		98.04	87.17

under lien with Banks

18. SHORT TERM LOANS AND ADVANCES
Unsecured, considered good, unless otherwise specified

		31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
Loans and Advances	138.00		177.32
Considered doubtful	27.50		15.00
Less: Provision	(27.50)		(15.00)
	-		-
		138.00	177.32
Advances recoverable in cash or in kind or for value to be received	185.11		155.57
Considered doubtful	0.29		0.29
Less : Provision	(0.29)		(0.29)
	-		-
Balances, etc. with --		185.11	155.57
Port Trust, Central Excise, etc.	19.67		6.08
Others	0.13		0.27
		19.80	6.35
Share of Joint Ventures		0.13	0.13
		343.04	339.37

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.79.71 crore as at 31st March 2014 (Previous Year Rs.76.32 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, 2014 which is at Rs.70.34 crore (Previous Year Rs.71.89 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 investments aggregating Rs.8.10 crore (Previous Year Rs.24.72 crore) in Preference Shares and has loans and interest dues aggregating to Rs.64.34 crore (Previous Year Rs.79.59 crore) recoverable from investment companies. The net worth of these companies has eroded. These loans have been renewed for further periods. During the year MGFL has written off Rs.7.62 crore (loan of Rs.7.57 crore and interest of Rs.0.05 crore) due from an investment company. MGFL has sold investments aggregating Rs.16.62 crore (cost) out of investments in preference shares referred above. Accordingly, MGFL has written back provision for diminution in value of investment in an investment company amounting to Rs.3.21 crore which was provided during FY 2007-08. VCL has loans and interest dues aggregating Rs.36.76 crore (Previous Year Rs.36.76 crore) recoverable from these investment companies. As a matter of financial prudence, VCL has not recognised the revenue on these loans amounting to Rs.3.31 crore. The management believes that ultimate losses if any, that may result on account of these loans will depend upon the amount that would be realised from the financial assets of these companies. Under the circumstances, being unable to make an informed judgment, the Auditors have relied upon the judgment of the Management.

(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 FY2010-11 an amount of Rs.15.00 crore and Rs.15.00 crore during the year 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 FY2013-14. 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.6.02 crore (Previous Year Rs.12.88 crore). The balance exposure aggregates Rs.7.25 crore.

MGFL has also purchased a fully secured debt of SIL of Rs.28.00 crore as per Deed of Assignment executed by IDBI in favour of MGFL on 29th April, 2008 for a consideration of Rs.12.50 crore. MGFL has recovered the full amount of consideration of Rs.12.50 crore from SIL. MGFL concluded one time settlement with SIL for an amount of Rs.2.50 crore which it received during the year.

The management has recognised the diminution in value of investments and has made further provision in the consolidated statement of profit and loss of Rs.12.50 crore towards balance 'Exposures' in SIL (Rs. 15.00 crore by VCL as reduced by recovery of Rs.2.50 crore under OTS by MGFL). The management, relies upon the estimated realisable values of land of SIL as at 31st March 2014 amounting to Rs.16.65 crore. 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).

Rs. in crore

Name of the Party	Outstanding Amount		Maximum Amount during the year	
	As at 31.03.14	As at 31-03.13	2013-14	2012-13
Stainless India Ltd. (Net of provisions)	11.63	24.13	24.13	27.66
Mukand Vini Mineral Ltd.	0.40	0.36	0.40	0.36

(e) MEL has, as at 31st March, 2014 loans aggregating Rs.10.15 crore (Previous Year Rs.10.34 crore) and interest recoverable aggregating Rs.4.30 crore (Previous Year Rs. 4.95 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. and has accordingly treated the said loan amounts and interest due thereon as current assets.

During the year, MEL concluded one time settlement with an investment company referred to in the above note for settelement of total outstanding as on 28th March, 2014. Accordingly, the Investment company has settled the outstanding amount of Rs.1.69 crore (principal amount Rs.1.03 crore and interest Rs.0.66 crore) for Rs.0.85 crore. The investment company has paid an amount of Rs.0.01 crore on 28th March, 2014 and the balance of Rs.0.84 crore was paid on 11th April, 2014. The remaining amount of Rs.0.84 crore (principal Rs.0.18 crore and interest Rs.0.66 crore) is written off by MEL during the year.

(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. The difference between the face value of debt assigned to MEL and the obligation discharged by it aggregating Rs.8.49 crore was credited to the Profit and Loss Account as “Exceptional Income” during FY 2002-03.

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. As per the aforesaid FRP, interest for the period 1st April, 2002 to 30th September, 2004 was converted into a loan to be repaid till March 2013. The Principal amount will be repaid till March, 2015 as per the said FRP. MEL has ceded pari-passu charge on certain current assets and fixed assets of Mukand to the extent of Priority Debt raised by Mukand.

During the year, the interest rates were reset in line with other CDR Lenders and an ad hoc payment amounting to Rs.0.90 crore is to be made for recompense in 20 installments commencing from August 2013.

19. OTHER CURRENT ASSETS

	31st March, 2014 Rs.in crore	31st March, 2013 Rs.in crore
Interest receivable [Refer Note 18 (b) & 26]	170.61	153.03
Receivable Others	-	1.93
	170.61	154.96

20. (a) CONTINGENT LIABILITIES NOT PROVIDED FOR :

	31.3.2014 Rs. in crore	31.3.2013 Rs. in crore
(i) Disputed matters in appeal/contested in respect of:		
- Income Tax *	39.19	48.12
- Excise Duty, Customs Duty etc.	3.95	3.80
- Sales Tax, Works Contract Tax etc. **	4.90	5.63
- Other matters	0.59	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 Mukand’s appeal is pending disposal. Mukand places reliance on certain judicial pronouncements and has also obtained a legal opinion on the matter.*		

	31.3.2014 Rs. in crore	31.3.2013 Rs. in crore
*** 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	15.50	18.53
(iii) Bills discounted with the Bankers and others Sale Bills discounted	3.91	10.96
(iv) Guarantees and Counter guarantees given on behalf of :-		
- Associates	65.00	65.00
- Others	-	4.90
(v) Bonds / Undertakings given by Mukand under concessional duty/exemption to Customs/Excise Authorities (Net of redemption applied for)	0.66	0.66
(vi) Bonds given by Mukand against import of machinery under EPCG Scheme	14.30	34.78
(vii) Share in the contingent liabilities of Associates	1.27	1.44
(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 FY2013-14. 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 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 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.

Rs.in crore

	31.3.2014	31.3.2013
b) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	4.94	12.36

21. REVENUE FROM OPERATIONS

		2013-14 Rs.in crore	2012-13 Rs.in crore
i) REVENUE FROM OPERATIONS			
(a) Sale of Products and Services			
1. Steel Products	2,466.44		1,968.81
2. Engineering Contracts	322.20		319.55
3. Others	0.24		4.59
Total	2,788.88		2,292.95
Less : Excise Duty	315.97		221.29
Net Sales		2,472.91	2,071.66
(b) Interest from Financing Activities		9.37	9.61
(c) Income from Property Development Activities		1.88	2.75
(i) Total Revenue from Operations		2,484.16	2,084.02

		2013-14 Rs.in crore	2012-13 Rs.in crore
ii)	**Other Operating Revenues**		
a)	Sale of Scrap and Sundries	**6.76**	8.13
b)	Sales-tax / VAT Refunds	**1.96**	14.16
c)	Interest Received from Banks	**4.75**	4.93
d)	Insurance Claims etc.	**0.26**	0.44
e)	Credit balances appropriated	**2.05**	0.65
f)	Other Miscellaneous receipts	**3.60**	3.90
g)	Bad debts recovered	**3.85**	-
h)	Excess provisions written back (net) (Including for Non Performing Assets)	**8.29**	3.96
i)	Surplus on account of sale of Assets	**1.43**	17.81
(ii)	**Total Other Operating Revenues**	**32.95**	53.98
	Total Sales and Services and Other Operating Revenues	**2,517.11**	2,138.00

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

	2013-14	2012-13
The amount of Contract revenue recognised as revenue during the year.	**7.91**	56.52
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	**751.25**	757.24
The amount of advances received (Gross)	-	-
The amount of retentions (included in sundry debtors) (net balance)	-	-
Amount due to customers	-	-
Amount due from customers	**68.66**	61.66

b) Mukand in previous years executed road construction projects in the state of Uttar Pradesh with 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. 134.78 crore (Previous Year: Rs.141.68 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. During the year, further claims amounting to Rs.60.95 crore have been raised taking the amount of total claims to 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 reliasability of amounts.

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

Rs. in crore

	2013-14	2012-13
The amount of Contract revenue recognised as revenue during the year.	**212.48**	164.60
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	**1,358.58**	1,146.10
The amount of advances received (Gross)	**24.75**	34.98
The amount of retentions (included in sundry debtors) (net balance)	**71.40**	59.26
Amount due to customers	**-**	-
Amount due from customers	**223.32**	165.16

22. OTHER INCOME

			2013-14 Rs.in crore	2012-13 Rs.in crore
a)	Rent received		**1.47**	1.32
b)	Surplus on sale of residential premises		**18.28**	-
c)	Surplus on Sale of long term Investments		**-**	0.02
d)	Interest Received from Others		**13.16**	8.93
e)	Dividends (Gross) :			
	from Trade Investments (long term)	**0.45**		0.45
	from Other Investments (short term)	**0.04**		0.02
			0.49	0.47
	Total Other Income		**33.40**	10.74

23. RAW MATERIALS CONSUMED

	2013-14 Rs.in crore	2012-13 Rs.in crore
Opening Stocks	**85.83**	104.60
Add : Purchases	**1,301.79**	1,113.78
Less : Sales / Materials given on loan	**3.99**	6.51
	1,383.63	1,211.87
Less : Closing Stocks	**90.78**	85.83
	1,292.85	1,126.04

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

	2013-14	2012-13
Opening Stocks	**865.95**	800.84
Less : Closing Stocks	**1,057.46**	865.95
Variation in Stocks	**(191.51)**	(65.11)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	**8.79**	3.98
(Increase) / Decrease in Stocks	**(182.72)**	(61.13)

25. EMPLOYEE BENEFIT EXPENSES

	2013-14	2012-13
Salaries, Wages, Bonus, Compensation and Other Payments	**119.90**	113.02
Contribution towards Employees' State Insurance, Provident and Other Funds	**14.01**	12.41
Welfare Expenses	**12.74**	11.85
	146.65	137.28

26. FINANCE COSTS

	2013-14	2012-13
Interest Expenses (Net) (Refer Note below)	**265.63**	239.57
Less :		
Interest Capitalised	**15.88**	18.07
	249.75	221.50
Other Borrowing Costs	**4.20**	2.92
Lease Rentals	**-**	1.60
	253.95	226.02

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 sells goods on credit on interest to customers to compensate it for such finance costs. Interest income generated from book debts amounting to Rs.88.33 crore (previous year Rs.78.13 crore) is netted against same source of interest expense under finance costs.

27. OTHER EXPENSES

		2013-14 Rs.in crore	2012-13 Rs.in crore
Stores, Spares, Components, Tools, etc. consumed		**414.52**	323.29
Power and Fuel consumed		**203.97**	178.28
Machining and Processing charges		**176.57**	129.75
Sub-contracting expenses		**37.73**	29.07
Other Manufacturing expenses		**54.07**	14.96
Property Development Expenses		**1.88**	2.75
Rent (net)		**1.39**	1.20
Repairs:			
to Buildings	**1.46**		1.25
to Plant and Machinery	**6.89**		6.11
to Other assets	**1.13**		1.20
		9.48	8.56
Rates and Taxes		**4.30**	3.42
Insurance		**1.78**	1.99
Commission		**4.28**	4.48
Freight, Forwarding & Warehousing (net)		**57.55**	64.54
Directors' Fees and Travelling Expenses		**0.14**	0.10
Bad Debts,debit balances & claims written off	**9.26**		2.29
Less : Doubtful debts provided in earlier years	**(0.10)**		-
		9.16	2.29
Provision for doubtful debts / advances		**12.50**	-
Provision on Standard Assets		**-**	0.02
Loss on assets discarded / impaired		**0.45**	0.84
Loss on assets sold		**-**	0.76
Loss on variation in foreign exchange rates (net)		**38.35**	22.96
Loss on sale of investments		**4.99**	-
Expense for Increase in Authorised Share Capital		**0.25**	-
Miscellaneous Expenses		**47.83**	55.71
		1,081.19	844.97

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:

		2013-14	2012-13
		Rs.in crore	Rs.in crore
i)	Advances to Stainless India Ltd. written off	-	(25.29)
ii)	Unamortised lease charges of Power Plant for captive use at Dighe Thane.	-	(32.48)
iii)	Ad hoc amount paid to CDR Lenders by Mukand (Refer Note below)	(14.34)	-
iv)	Bad debts written off on account of balance of sale price of shares (dues from Ispat Group now JSW Steel Ltd.)	(1.93)	-
v)	Surplus on sale of shares of Bakeart Mukand Wire Industries Pvt. Ltd.	3.72	
vi)	Share of Associates	(0.04)	
		(12.59)	(57.77)

Note:

During the 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 is also charged.

29. COMPUTATION OF PROFIT FOR EARNINGS PER SHARE :

Net Profit /(Loss) after taxation as per Statement of Profit & Loss	(84.50)	(224.02)
Less : Dividends and tax thereon (Rs.6,540/- for FY2013-14 and FY2012-13)	-	-
Net Profit /(Loss) for calculation of basic/diluted EPS [including exceptional items]	(84.50)	(224.02)
Net Profit /(Loss) for calculation of basic/diluted EPS [excluding exceptional items]	(71.91)	(166.25)
Weighted average number of equity shares outstanding	7,62,94,840	7,31,14,129
Basic and diluted EPS in Rs (Face Value Rs.10 per share) [including exceptional items]	(11.08)	(30.64)
Basic and diluted EPS in Rs (Face Value Rs.10 per share) [excluding exceptional items]	(9.43)	(22.74)

30. BASIS AND PRINCIPLES OF CONSOLIDATION

(a) 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, 2014 as year-end for the purpose of preparing the consolidated financial statements of the group.

(b) 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).

(c) 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).

(d) 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.0.78 crore (Previous Year Rs.0.51 crore) has been adjusted to Reserves.

(e) Accordingly, the Consolidated Financial Statements (CFS) includes the results of five wholly owned subsidiaries, one 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 Vijaynagar Steels Ltd. (MVSL)	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 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, 1956. 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 defer 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) Depreciation is provided on all assets on the “Straight Line Method” in accordance with the provisions of Section 205 (2)(b) of the Companies Act, 1956.

(ii) Depreciation on Buildings and Furniture & Fixtures acquired upto 31st March, 1987 is provided at the rates of depreciation prevalent at the time of acquisition of the assets in accordance with Circular No.1 of 1986 [1/1/86-CL-V] dated 21.5.1986 issued by the Company Law Board.

(iii) Depreciation on addition to assets referred to in (ii) above, acquired on or after 1st April, 1987 is provided at the Straight Line Method rates specified from time to time in Schedule XIV to the Companies Act, 1956.

(iv) Depreciation on assets under Plant & Machinery group in Schedule XIV to the Companies Act, 1956, is provided +over the recomputed "Specified Period", at the rates given in the said Schedule from time to time, in accordance with Circular 14/93 dated 20th December, 1993, issued by the Department of Company Affairs.

(v) Software is amortised over a period of 3 years. At MEL ERP Software is amortised over a period of 5 years.

(vi) Depreciation in respect of assets used for long term engineering contracts is provided on the estimated useful life of the assets.

(vii) Assets costing less than Rs.5,000/- are fully depreciated at the rate of 100% in the year of purchase.

(viii) 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.

(ix) Cost of Leasehold land is amortized over the period of lease.

(x) Technical know-how is amortised over the period of agreement or six years, whichever is lower.

(xi) 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. 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.

Non monetary items such as investments are carried at historical costs using the exchange rates on the date of the transactions.

(iv) 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.

(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 78 of the Companies Act, 1956.

(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 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 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 crystalise 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.

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

	2013-14	2012-13
Liability to be recognised in Balance Sheet		
Present Value of Funded Obligations	**36.71**	34.67
Fair Value of Plan Assets	**12.65**	13.91
Net Liability	**24.06**	20.76
Change in Plan Assets (Reconciliation of Opening & Closing Balances		
Fair Value of Plan Assets as at beginning of the year	**13.91**	13.48
Expected Return on Plan Assets	**1.08**	1.20
Actuarial (Gain) / Losses	**-**	-
Contributions	**1.22**	2.61
Benefits Paid	**(3.56)**	(3.38)
Fair Value of Plan Assets as at the close of the year	**12.65**	13.91
Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at beginning of the year	**34.66**	33.04
Current Service Cost	**2.10**	2.89
Interest Cost	**2.86**	1.80
Actuarial Losses / (Gain)	**0.65**	0.33
Benefits Paid	**(3.56)**	(3.38)
Obligation as at the close of the year	**36.71**	34.67
Expenditure to be recognised during the year		
Current Service cost	**2.10**	1.80
Interest Cost	**2.86**	2.84
Expected Return on Plan Assets	**(1.08)**	(1.20)
Net Actuarial Losses / (Gains) Recognised during the year	**0.65**	0.33
Total Expenditure included in "Employees' Emoluments"	**4.53**	3.82
Assumptions		
Discount Rate (per annum) %	**8.00 to 9.00**	8.50
Expected rate of Return on Assets (per annum) %	**8.00 to 8.85**	8.00 to 9.40
Salary Escalation Rate %	**4.00 to 6.50**	5.25 to 6.00

(ii) Mukand expects to contribute Rs.1.68 crore (Previous Rs.Nil) 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).

(iii) 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.

(iv) 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.

(v) Other disclosures for Mukand: Rs. in crore

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of Funded Obligations.	**34.62**	32.87	31.49	29.39	24.53
Fair Value of Plan Assets.	**10.89**	12.46	12.27	10.43	6.23
Net Liability.	**23.73**	20.41	19.22	18.96	18.30
Experience Adjustments on Plan Liabilities					
Loss / (Gain)	**0.71**	0.32	0.06	3.51	2.35
Experience on Plan Assets–Loss/ (Gain)	**--**	--	-	-	-

(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, 2014. 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, 2014.

(vii) An amount of Rs.6.56 crore (Previous year Rs.5.81 crore) as contribution towards defined contribution plans including Rs.0.81 crore (Previous year Rs.0.47 crore) in terms of strategic alliance is recognised as expense by Mukand in the Consolidated Statement of Profit and Loss.

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

A. Business Segment

Particulars	Steel	Industrial Machinery	Road Construction	Power Plant	Others	Eliminations	Total
	(Rs. in crore)						
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 Expenses (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 :

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

B. Geographical Segment :

Particulars	India	Rest of the World	Total
	Rs. in crore		
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**

32. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2013

A. Business Segment

Particulars	Steel	Industrial Machinery	Road Construction	Power Plant	Others	Eliminations	Total
	(Rs. in crore)						
Segment Revenue :							
External Revenue	2,070.40	166.03	56.52	-	12.36	-	2,305.31
Inter-Segment Revenue	-	5.59	-	22.13	0.30	(28.02)	-
Total Revenue	**2,070.40**	**171.62**	**56.52**	**22.13**	**12.66**	**(28.02)**	**2,305.31**
Less : Excise Duty							221.29
Net Revenue							**2,084.02**
Segment Results before interest and tax :	(17.59)	26.98	(10.41)	16.78	1.53	-	17.29
Inter-Segment Margin		0.70	-	-	0.78	(1.48)	-
Minority Interest	(0.21)						(0.21)
Total Segment Results before interest and tax :	**(17.38)**	**27.68**	**(10.41)**	**16.78**	**2.31**	**(1.48)**	**17.50**
Add : Unallocated Income (net of Expenses)							22.92
Add : Share of Profit in Associates							1.34
Less : Finance and Lease Charges							(216.43)
Less : Exceptional Items (net) (Including share in Associates)							(57.77)
Add : Tax Expenses (net)							7.76
Add : Excess Provision for tax							0.66
Net Loss							**(224.02)**
Other Information							
Segment Assets	4,051.96	523.83	143.30	49.34	157.93	(2.49)	4,923.87
Un-allocated Assets							278.63
Total Assets							**5,202.50**
Segment Liabilities	757.64	101.70	0.61	0.96	244.46	(16.44)	1,088.93
Minority Interest	80.32						80.32
Un-allocated Liabilities (Including Loan Funds)							2,214.47
Total Liabilities							**3,383.72**
Capital Expenditure							
Segment Capital Expenditure	128.63	11.15	-	0.02	-	-	139.80
Un-allocated Capital Expenditure							0.11
Total Capital Expenditure							**139.91**
Depreciation & Amortisation							
Segment Depreciation & Amortisation	59.18	2.03	0.07	2.61	0.03	-	63.92
Un-allocated Depreciation & Amortisation							0.60
Total Depreciation & Amortisation							**64.52**
Significant Non-Cash Expenditure							
Segment Non-Cash Expenditure	-	2.21	0.08	-	-	-	2.29
Un-allocated Non-Cash Expenditure							-
Total Significant Non-Cash Expenditure							**2.29**

Notes :

1. Finance and Lease Charges excludes interest charged to Segment Results (net of eliminations) Rs.9.59 crore.
2. Segment Result is after adjusting prior period items.
3. Share of Profit in Associates is after considering prior period items.

B. Geographical Segment :

Particulars	India	Rest of the World	Total
	Rs. in crore		
Segment Revenue	2,140.37	164.94	**2,305.31**
Carrying cost of Segment Assets	4,912.65	11.22	**4,923.87**
Additions to Fixed Assets & Intangible Assets	139.79	0.01	**139.80**

(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) Relatives of key management personnel and enterprises in which significant influence can be exercised by persons at (iii) above or their relatives where transactions have taken place : Viren J. Shah (upto 09.03.2013).

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

Kalyani Mukand Ltd., Lineage Investments Ltd. (upto 29.03.2013), Catalyst Finance Ltd. (upto 29.03.2013), Econium Investments & Finance Ltd. (upto 29.03.2013), Fusion Investments & Financial Services Ltd. (upto 29.03.2013), Primus Investments & Finance Ltd. (upto 29.03.2013), Conquest Investments & Finance Ltd.(upto 29.03.2013), 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 referred in (a) above :

(Rs. in Crore)

	Nature of transactions	a (i) above	a (ii) above	a (iii) above	a (iv) above	a (v) above	Total
1.	Purchase of Goods	**2.80**					**2.80**
		4.02					4.02
2.	Sale of Goods	**12.35**				**0.01**	**12.36**
		15.27				-	15.27
3.	Transfer of Fixed Assets	**-**					**-**
		4.11					4.11
4.	Purchase of shares of a company					**-**	**-**
						0.03	0.03
5.	Services Received	**53.29**				**-**	**53.29**
		45.57				-	45.57
6.	Services Rendered	**27.76**				**0.15**	**27.91**
		0.34				-	0.34
7.	Remuneration to MDs / former MD			**2.56**	**-**	**-**	**2.56**
				2.64	0.38	-	3.02
8.	Interest / Dividend Paid / (Received) Net	**2.68**	**0.05**			**15.16**	**17.89**
		(3.26)	0.04			4.46	1.24
9.	Reimbursement of Expenses - Payments	**-**					**-**
		0.01					0.01
10.	Reimbursement of Expenses - Receipts	**-**	**0.14**				**0.14**
		0.06	0.12				0.18
11.	Finance taken including equity / (re-payment of loans & advances) - Net	**6.86**		**37.66**		**183.26**	**227.78**
		4.53		-		45.45	49.98
12.	Finance given including equity / (re-payment of loans & advances) - Net	**(6.43)**	**0.04**			**-**	**(6.39)**
		(1.49)	0.08			-	(1.41)
13a.	Bad debts / Advances written off	**-**					**-**
		25.29					25.29
13b.	Provision for NPA written back	**-**				**-**	**-**
		1.75				-	1.75
13c	Provision for doubtful recovery of loans	**12.50**					**12.50**
		-					-
14.	Balances at the close of the year						
	i) Amount Receivable	**90.67**				**0.39**	**91.06**
		73.44				0.23	73.67
	ii) Amount Payable	**22.93**					**22.93**
		21.61					21.61
	iii) Amount Receivable in respect of loans & advances	**27.33**	**1.05**				**28.38**
		41.13	0.86				41.99
	iv) Amount Payable in respect of loans & advances	**9.46**				**208.01**	**217.47**
		10.91				45.86	56.77
	v) Property Deposit taken	**0.07**					**0.07**
		0.07					0.07
15.	Guarantees given by the Company	**65.00**	**-**				**65.00**
		65.00	4.90				69.90
16.	Counter Guarantees given on behalf of the Company	**6.00**					**6.00**
		6.00					6.00
17.	Collateral given on behalf of the Company			#		##	
				#		##	

\# 38,69,089 Equity Shares and 5,46,652 Cumulative Redeemable Preference Shares of the Company.

\## 38,69,089 Equity Shares of the Company.

ii) Details in respect of material transactions with related parties (Rs.in Crore)

Purchase of Goods:	
Bombay Forgings Ltd	**2.80**
	4.02
Sale of Goods:	
Bombay Forgings Ltd	**12.35**
	13.97
Sumitomo Corporation Japan	**0.01**
	-
Stainless India Ltd.	**-**
	1.30
Transfer of Fixed Assets	
Stainless India Ltd.	**-**
	4.11
Services Received:	
Hospet Steels Ltd	**33.82**
	29.05
Mukand Engineers Ltd	**19.29**
	16.34
Stainless India Ltd.	**0.18**
	0.18
Services Rendered:	
Mukand Engineers Ltd	**27.76**
	0.34
Sumitomo Corporation Japan	0.15
	-
Interest / Dividend Paid / (Received) Net	
Mukand Vini Minerals Ltd.	**0.05**
	0.04
Mukand Engineers Ltd	**2.68**
	(3.26)
Jamnalal Sons Pvt Ltd	**14.86**
	4.24
Adonis Laboratories Pvt Ltd	**0.30**
	0.22
Reimbursement of Expenses - Payments	
Stainless India Ltd.	**-**
	0.01
Provision for NPA written back	
Stainless India Ltd.	**-**
	1.75
Bad Debts / Advances Written Off	
Stainless India Ltd.	**-**
	25.29
Provision for doubtful recovery of loans	
Stainless India Ltd.	**12.50**
	-
Reimbursement of Expenses - Receipts	
Mukand Engineers Ltd	**-**
	0.06
Mukand Vini Minerals Ltd	**0.14**
	0.12
Finance taken including equity / (re-payment of loans & advances) - Net	
Stainless India Ltd.	**6.86**
	4.53
Jamnalal Sons Pvt Ltd	**183.26**
	43.45
Adonis Laboratories Pvt Ltd	**-**
	2.00
Finance given including equity / (re-payment of loans & advances) - Net	
Mukand Engineers Ltd	**(6.43)**
	(1.49)
Mukand Vini Minerals Ltd.	**0.04**
	0.08

Purchase of Goods:	
Purchase of shares of a company from Investment companies	**-**
	0.03
Balances at the close of the year:	
i) Amount Receivable	
Bombay Forgings Ltd	**70.02**
	72.20
Stainless India Ltd.	**1.23**
	1.23
Mukand Engineers Ltd	**19.42**
	0.01
Kalyani Mukand Ltd	**0.23**
	0.23
Sumitomo Corporation Japan	**0.16**
	-
ii) Amount Payable	
Stainless India Ltd.	**0.01**
	-
Mukand Engineers Ltd	**18.20**
	20.20
Hospet Steels Ltd	**4.72**
	1.41
iii) Amount Receivable in respect of loans & advances	
Stainless India Ltd. (Net of Provisions)	**17.65**
	37.01
Bombay Forgings Ltd	**9.68**
	4.12
Mukand Vini Minerals Ltd	**1.05**
	0.86
iv) Amount Payable in respect of loans & advances	
Mukand Engineers Ltd	**9.46**
	10.91
Jamnalal Sons Pvt Ltd	**206.01**
	43.86
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 Vini Minerals Ltd	**-**
	4.90
Mukand Engineers Ltd	**65.00**
	65.00
Counter Guarantees given on behalf of the Company	
Mukand Engineers Ltd	**6.00**
	6.00

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

34. OTHER NOTES OF SUBSIDIARIES / ASSOCIATES

i) MGFL has given loans to and invested in shares of certain companies which as at 31st March, 2013, are in excess of the limits specified for single borrower/ investee under the Non Banking Financial (Non-Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. MGFL has brought down the excess credit concentration of the aforesaid exposures and is still in the process of taking adequate steps to bring down the excess concentration of the aforesaid exposures within the prescribed ceiling specified under paragraph 18 of the said directions.

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, 2013 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) Disclosure requirements by MGFL in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are attached to these consolidated financial statements as 'Annexure I'.

iv) MGFL has maintained minimum stipulated "Capital to Rilsk - Assets Ratio" (CRR) as on 31st March 2013. Disclosure requirements by MGFL as per Reserve Bank of India Guidelines dated 1st August, 2008 as regards capital adequacy, liquidity and disclosure norms are attached to these consolidated financial statements as 'Annexure II'.

v) During the year, MEL has revised its policy of valuation of contract work in progress (WIP), to reflect the WIP value at cost of work performed on the contract plus proportionate margin, using the percentage completion method in case of certain projects which have achieved a pre-determined minimum percetage of completion. As a result of this change, the value of WIP and the profit before tax has increased by Rs.2.64 crore

vi) SIL's operations have been suspended w.e.f. 27.10.2008. During the year, SIL did business in trading. For past several years SIL's net worth has been fully eroded. In view of above, the accounts have been prepared under going concern assumption.

vii) 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.

viii) Based on the terms of the Letter of Intent dated 5th August, 2008 from the Ministry of Coal (MOC), Government of India, allocating the Rajhara North (Central and Eastern) Non Coking Coal Block in Jharkhand to Mukand and Vini Iron & Steel Udyog Ltd.(VISUL), Mukand formed a JV Company viz., Mukand Vini Mineral Pvt. Ltd. (now known as Mukand Vini Mineral Ltd.) for captive mining of the coal block. The JV Company was in the process of obtaining various statutory permissions / approvals and clearances for development of the coal block. Meanwhile, Mukand received a letter dated February 17, 2014 from the MOC conveying de-allocation of the aforesaid coal block. Mukand has filed a writ petition before the Hon'ble High Court of Jharkhand at Ranchi challenging the de-allocation. The Hon'ble Court has ordered that no coercive steps be taken against Mukand. Hearing of the Petition is pending. The investment made by Mukand in this JV Company is of long term nature and therefore does not require any provision for dimunition in value thereagainst.

ix) Previous year's figures include business of cold finished bars & wires upto 30th September, 2012 which was subsequently transferred to a subsidiary, Mukand Sumi Metal Processing Ltd. and hence the figures are not comparable.

35. Previous Year's figures have been regrouped / recast wherever necessary

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 29, 2014

For and on behalf of the Board of Directors

Niraj Bajaj
Chairman &
Managing Director

Rajesh V Shah
Co-Chairman &
Managing Director

K J Mallya
Company Secretary

Mumbai, May 29, 2014

Annexure - I

MGFL

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
[as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

(Rs. in crore)

	Particulars		
	Liabilities side :		
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**	Amount outstanding	Amount overdue
	(a) Debentures : Secured	Nil	Nil
	: Unsecured (other than falling within the meaning of public deposits)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-corporate loans and borrowing	75.87	16.44
	(e) Commercial Paper	Nil	Nil
	(f) Other Loans (specify nature)		
	(1) Loan from a Company against Hypothecation of Assets	Nil	Nil
	(2) Overdraft from Bank against pledge of security	Nil	Nil
	(3) Loan from Banks	Nil	Nil
	* Please see Note 1 below		
	Assets side :		
			Amount outstanding
(2)	**Break-up of Loans and Advances including bills receivable [other than those included in (4) below] :**		
	(a) Secured (Net of Provision)		-
	(b) Unsecured (includes loans to employees)		99.39
(3)	**Break up of Leased Assets and stock on hire and and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		Nil
	(b) Operating lease		Nil
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		Nil
	(b) Repossessed Assets		Nil
	(iii) Other loans counting towards AFC activites		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above		Nil
(4)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		Nil
	(b) Preference		Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Other (please specify)		Nil

	2. Unquoted :		
	(i) Shares : (a) Equity		Nil
	(b) Preference		Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Others (please specify)		Nil
	Long Term Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		0.07
	(b) Preference		Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Others (please specify)		Nil
	2. Unquoted (Net of Provision):		
	(i) Shares : (a) Equity		0.06
	(b) Preference		6.36
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Others (please specify)		Nil

(5)	**Borrower group-wise classification of assets financed in (2) and (3) above :**			
	Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) subsidiaries	-NA-	-NA-	-NA-
	(b) Companies in the same group	Nil	2.57	2.57
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	Nil	96.81	96.81
	Total	Nil	99.38	99.38

(6)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**		
	Please see Note 3 below		
	Category	Market value/Break up or fair value or NAV	Book value (net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group #	0.03	0.03
	(c) Other related parties #	Nil	Nil
	2. Other than Related Parties #	6.70	6.46
	Total	6.73	6.49
#	**Investments in preference shares and unquoted equity shares are shown at cost (net of provision).**		
**	**As per Accounting Standard (Please see Note 3)**		
(7)	**Other Information :**		
	Particulars		Amount
(i)	**Gross Non-Performing Assets**		
	(a) Related parties		Nil
	(b) Other than related parties		Nil
(ii)	**Net Non-Performing Assets**		
	(a) Related parties		Nil
	(b) Other than related parties		Nil
(iii)	**Assets acquired in satisfaction of debt**		Nil

Notes :

1 As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

Annexure - II

Capital to Risk-Assets Ratio (CRAR)

Items	**Current Year**	Previous Year
i) CRAR %	**31.73%**	19.22%
ii) CRAR - Tier I Capital (%)	**31.49%**	18.97%
iii) CRAR - Tier II Capital (%)	**0.25%**	0.25%
Exposures	**Current Year**	Previous Year
Exposure to Real Estate Sector	**Nil**	Nil

Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31st March, 2014 **(Amount in Crore of Rupees)**

Particulars	**1 day to 30/31 Days (One Month)**	**Over 1 Month to 2 Months**	**Over 2 Months upto 3 Months**	**Over 3 Months to 6 Months**	**Over 6 Months to 1 Year**	**Over 1 Year to 3 Years**	**Over 3 Years to 5 Years**	**Over 5 Years**	**Total**
Liabilities									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	5.35	53.49	-	-	58.84
Assets									
Loans & Advances (Net of Provision)	-	0.01	-	-	94.24	5.13	-	-	99.38
Investments (Net of Provision)	-	-	-	-	4.80	1.56	-	0.13	6.49

Maturity pattern of certain items of assets and liabilities as on 31st March, 2013 (Amount in Crore of Rupees)

Particulars	1 day to 30/31 Days (One Month)	Over 1 Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	12.25	71.71	-	-	-	83.96
Assets									
Loans & Advances (Net of Provision)	-	-	-	-	112.27	-	-	-	112.27
Investments (Net of Provision)	-	-	-	-	-	-	-	19.88	19.88

Note

ATTENDANCE SLIP

MUKAND LIMITED

(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

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

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

DP ID*			Folio No.	
Client ID*			No. of shares	

Name of the shareholder :

Address of the Shareholder :

We/I hereby record our/my presence at the **76th Annual Geneal Meeting** of the Company held on Wednesday, August 13, 2014 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 shareholder

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 LIMITED

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

2.Name :………………………….............................. Address:…………………………............................
E-mail Id:………………………….......................... Signature:………………………….......................... or failing him

3.Name :………………………….............................. Address:…………………………............................
E-mail Id:………………………….......................... Signature:…………………………..........................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 76th Annual General Meeting of the Company, to be held on the Wednesday, August 13, 2014 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 Financial Statements for the year ended 31st March, 2014 and the Directors' and Auditors' Report thereon
2. To declare dividend on 0.01% Cumulative Redeemable Preference Shares
3. Re-appointment of Shri Vinod S. Shah as Director, who retires by rotation
4. To not fill the vacancy caused by the retirement of Shri Amit Yadav, who retires by rotation
5. Appointment of M/s. Haribhakti & Co., Chartered Accountants as Auditors and fixing their remuneration

Special Business

6. Appointment of Shri Dhirajlal S. Mehta as an Independent Director
7. Appointment of Dr. N. P. Jain, IFS (Retd.) as an Independent Director
8. Appointment of Shri N. C. Sharma as an Independent Director
9. Appointment of Shri Prakash V. Mehta as an Independent Director
10. Appointment of Shri Pradip P. Shah as an Independent Director
11. Ratification of remuneration of Cost Auditors

Signed this…… day of……… 2014.

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
Infinite resolve

MUKAND LIMITED, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.
www.mukand.com