

**Mahindra
Intertrade
Limited**

BOARD OF DIRECTORS

Bharat Doshi
Chairman

Zhooben Bhiwandiwalla
Executive Director and Vice-Chairman

Harsh Kumar
Managing Director

Rajeev Dubey

P. N. Shah

Sudhir Mankad

Raghunath Murti
(till June 23, 2014)

Dr. Punita Kumar-Sinha

Parag Shah

COMPANY SECRETARY

Abhishek Juvekar

CHIEF FINANCIAL OFFICER

Jyoti Walunj

AUDIT COMMITTEE

Sudhir Mankad
Chairman

P. N. Shah

Dr. Punita Kumar-Sinha

NOMINATION AND REMUNERATION COMMITTEE

Bharat Doshi

Rajeev Dubey

Sudhir Mankad

Dr. Punita Kumar-Sinha

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Zhooben Bhiwandiwalla
Chairman

Harsh Kumar

Sudhir Mankad

AUDITORS

Deloitte Haskins & Sells

Chartered Accountants

Tower 3, 27th - 32nd Floor, Indiabulls Finance Centre,
Elphinstone (West), Mumbai - 400013, India

BANKERS

Axis Bank Limited

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Kotak Mahindra Bank Limited

State Bank of India

The Bank of Nova Scotia

The Hong Kong & Shanghai Banking Corporation Limited

REGISTERED OFFICE

Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai - 400018, India

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Website: mahindraintertrade.com

DIRECTORS' REPORT

Your directors present their Thirty-Seventh Report, together with the audited financial statement of your Company for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS (Standalone)

	Rs. in cr	
	For the year ended March 31	
	2015	<i>2014</i>
Income.....	1,213.69	<i>1,168.87</i>
Profit before depreciation, interest and taxation.....	116.67	<i>100.02</i>
Less: Depreciation	5.10	<i>5.99</i>
Profit before interest and taxation	111.57	<i>94.03</i>
Less: Interest	1.33	<i>1.46</i>
Profit before tax	110.24	<i>92.57</i>
Less: Provision for taxation:		
Current tax	38.46	<i>29.23</i>
Deferred tax.....	(0.39)	<i>(1.03)</i>
Profit for the year after tax	72.17	<i>64.37</i>
Balance of profit of earlier years	264.01	<i>225.50</i>
Profit available for appropriation	336.18	<i>289.87</i>
Depreciation adjustment on transition to Schedule II	0.10	<i>-</i>
Proposed dividend on equity shares	16.60	<i>16.60</i>
Income-tax on proposed dividend	3.38	<i>2.82</i>
Transfer to General Reserve	7.22	<i>6.44</i>
Balance carried to Balance Sheet.....	308.88	<i>264.01</i>
Net worth	378.35	<i>326.26</i>

Your Company's income for the year increased to Rs. 1,213.69 cr from Rs. 1,168.87 cr in the previous year primarily due to buoyancy in demand for processed steel in the power vertical. Profit before tax for the year was Rs. 110.24 cr (best-ever) as compared to Rs. 92.57 cr in the previous year on account of better product mix, cost control measures, and gain on sale of fixed assets.

No material changes and commitments have occurred after the close of the year till the date of this Report which affect the financial position of your Company.

OPERATIONS

Domestic auto industry remained sluggish during the year resulting in subdued demand for processed steel. Demand from the transformer industry recovered during the year resulting in better capacity utilization and margins.

DIVIDEND

Your directors recommend a dividend @ 100% on its equity shares, i.e., Rs. 10 per equity share on 1,21,00,007 fully paid-up equity shares of Rs. 10 each, and pro rata dividend of Rs. 3 per equity share on 1,50,00,000 partly paid-up equity shares of Rs. 10 each, Rs. 3 per equity share paid-up, aggregating Rs. 16.60 cr.

If approved by the shareholders at the ensuing Annual General Meeting, the above dividend will be paid to those equity shareholders whose names appear on the Register of Members as on the record date fixed for this purpose, i.e., June 12, 2015.

Equity dividend for the year, together with income tax thereon, will absorb a sum of Rs. 19.98 cr against Rs. 19.42 cr paid for the previous year.

CURRENT YEAR

Your Company expects to sustain its performance in both its verticals, automotive and electrical, during the current year.

SUBSIDIARIES

Mahindra Steel Service Centre Limited (MSSCL):

The financial performance of Mahindra Steel Service Centre Limited improved during the year on account of higher realizations, and increased processing income in the power vertical. Domestic auto industry, however, showed de-growth resulting in the lower processing income. MSSCL's income for the year increased to Rs. 151.06 cr against Rs. 122.37 cr in the previous year. Its profit after tax for the year was significantly higher at Rs. 7.54 cr against Rs. 5.43 cr in the previous year.

Mahindra MiddleEast Electrical Steel Service Centre (FZC) - (MME):

The financial performance of Mahindra MiddleEast Electrical Steel Service Centre (FZC) was affected during the year on account of low demand. MME's total income for the year decreased by 46% to USD 6.08 million (INR 380.71 million) from USD 11.33 million (INR 709.76 million) in the previous year. Its profit for the year was USD 0.00 million (INR 0.25 million) as compared to USD 0.76 million (INR 47.76 million) in the previous year.

Mahindra Electrical Steel Private Limited (MESL):

Mahindra Electrical Steel Private Limited is in the process of evaluating options for its steel service centre projects in western and central India. MESL's income for the year was Rs. 66,764 (Previous year: Rs. Nil) and loss for the year was Rs. 25.99 lakh (Previous year: Rs. 69.00 lakh).

Mahindra Auto Steel Private Limited (MASL):

Mahindra Auto Steel Private Limited, a joint venture between your Company, China Steel Global Trading Corporation, CSGT International Corporation and Mitsui & Co. (Asia Pacific) Pte Ltd. is expected to commence commercial operations at its steel service centre at Chakan, near Pune, during the current financial year. MASL's income for the year was Rs. 1.25 cr (Previous year: Rs. Nil) and profit after tax for the year was Rs. 0.93 cr (Previous year: Rs. - 0.73 cr).

CONSOLIDATED FINANCIAL STATEMENT

In accordance with Section 134(7) of the Companies Act, 2013 and Accounting Standard (AS) - 21, the audited consolidated financial statement of your Company is attached.

The audited financial statements of your Company's subsidiaries, together with Reports of Directors and Auditors thereon for the year ended March 31, 2015, and a statement pursuant to the first proviso of Section 129(3) of the Companies, Act, 2013 containing the salient features of the said financial statements in Form AOC-1 are attached.

HUMAN RESOURCES

Happy and enthused employees is one of the strategic goals of your Company as reflected in its employee engagement interventions. Your Company's MCARES and Employee as Promoter Score (EPS) - metrics used by the group to assess employee satisfaction - were a robust 4.39/5.00 and 61% respectively, in the top league in the Mahindra group.

Your Company invests in premier learning opportunities to create a future-ready talent pool.

As part of our thrust on Diversity & Inclusion (D&I), your Company has constituted a Women's Council and a Young Intertrade Council to focus on gender and generational diversity.

CUSTOMER SATISFACTION

Your Company's Customer as Promoter Score (CaPS), a metric used by the Company to assess customer satisfaction, stood at a healthy (+) 55%.

Your Company believes that customer is the *raison d'être* of its existence. To reinforce this, during the year, your Company launched the Customer Engagement Programme (CEP), an initiative that seeks to reward employees who excel in external customer interface.

RISK MANAGEMENT POLICY

Your Company is exposed to a variety of risks which may impact its operations. These risks are mitigated by using an integrated risk management approach which covers the full range of risks across verticals.

Your Company has formulated a risk management policy which evaluates risks which may threaten the existence of the Company, and facilitates development of a suitable plan to mitigate the same.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Board has approved a Corporate Social Responsibility policy in accordance with the relevant provisions of the Companies Act, 2013. The same may be accessed on the Company's website: http://www.mahindraintertrade.com/corporate_social_responsibility.html.

An Annual Report on Corporate Social Responsibility activities is attached as Annexure I and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, your Company implemented a number of CSR initiatives in the areas of education, health and environment.

In an endeavor to improve the education infrastructure around the Company's service centres, classrooms were constructed for Shri Chhatrapati Shivaji Vidya Mandir, a junior college at Kanhe; for New English School at Takwe; ZP Primary School at Jambhul, and at Gonde village, near Nashik. A shed was constructed at Manjusar Primary School, near Vadodara, to facilitate distribution of mid-day meals. In addition, your Company implemented CSR initiatives such as donation of benches and scientific apparatus to local schools, uniforms for needy students and construction of a science laboratory.

To improve recreational facilities for patients and children, gardens and play parks were constructed during the year at the Primary Healthcare Centre at Takwe village and at Asoj Primary school, near Vadodara. Free eye and dental checkup camps were organized for school students in villages near the Company's service centre at Nashik.

The Company successfully ran tree plantation programmes at village Morambi, near Nashik, and at Savli, near Vadodara.

Your Company also contributed funds to the K. C. Mahindra Education Trust to support its initiatives for education of the girl child.

The total spend on CSR – related activities during the year was Rs. 187.26 lakhs.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has put in place a policy for prevention of sexual harassment. Your Company has also constituted an "Internal Complaints Committee" to which employees can address their complaints. During the year, no complaints were received by the said Committee.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Your Board has, on the recommendation of the Nomination and Remuneration Committee approved policies for the appointment/removal of directors and senior management personnel together with the criteria for determining qualifications, positive attributes and independence of directors, and remuneration of directors, key managerial personnel and other employees.

These policies are provided as Annexure II and form part of this Report.

SUSTAINABILITY INITIATIVES

Your Company views sustainability not only as a responsibility but also as an opportunity to create lasting value across economic, environment and social bottom lines. Sustainability has been integrated in your Company's business operations and decision making processes. Your Company's sustainability performance was covered in the consolidated group sustainability report of Mahindra and Mahindra Limited. This report was externally assured by KPMG with a GRI A+ rating.

Your Company has mapped out a Sustainability Roadmap under which a series of commitments have been made to improve the Company's environmental footprint and the social impact of its business.

AWARDS

Your Company, and its subsidiaries, have been recipients of the following awards during the year:

- a) Top 50: India's Best Companies To Work For 2015, by the Great Place To Work® Institute
Industry Best: India's Best Companies To Work For 2015 in Manufacturing category, by the Great Place To Work® Institute
- b) First Place: Visionary Company of the Year at the Mahindra Partners' Senior Leadership Conclave
- c) First Place: Total Employee Involvement at the CII 7th National Cluster Summit
- d) First Place: Kaizen Cost Competitiveness at the CII 7th National Cluster Summit (MSSCL)
- e) First Place: Alternative Thinking at the Mahindra Rise Awards for Front – end Transformers (MSSCL)
- f) Mahindra Game Changer Award - 2014 for 'Greening the Bluing process (MSSCL)
- g) Second Place: Energy Efficiency at the CII 7th National Cluster Summit (MSSCL)

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- h) Silver: Best HR Strategy at the Greentech HR Awards
- i) 'Best HR company to work for' at the Asian HR Leadership Awards, Dubai
- j) Best Change Management in the private sector at the Asian HR Leadership Awards - 2014, Dubai (MSSCL)
- k) Late B. G. Deshmukh Certificate of Appreciation for CSR initiatives at the MCCIA Innovation and Entrepreneurship Awards 2014 (MSSCL)
- l) Runner-up: Best of the Best (Most sustained Plant) in Manufacturing Category at the Mahindra Group Safety Awards
- m) 'SAIF Excellence Award' by SAIF Zone, Sharjah, UAE (MME)

INTERNAL CONTROLS

Your Company has implemented a system of internal controls and monitoring procedures as well as internal financial controls on financial statements and the same is, in the opinion of the Board, commensurate with the Company's size and operations. Your Company regularly conducts reviews to assess the adequacy of financial and operating controls for various businesses of the Company. Significant issues, if any, are brought to the attention of the Audit Committee. Statutory Auditors and Internal Auditor are invited to attend Audit Committee meetings.

SHARE CAPITAL

The authorised share capital of your Company as on March 31, 2015 stood at Rs. 46.75 cr divided into 2.80 cr equity shares of Rs. 10/- each and 18.75 lakhs cumulative redeemable preference shares of Rs. 100 each.

There was no change in the paid-up share capital of your Company during the year. Accordingly, as on March 31, 2015, the paid-up share capital of your Company stood at Rs. 16.60 cr divided into 1.21 cr equity shares of Rs. 10/- each fully paid-up and 1.50 cr equity shares of Rs. 10/- each, Rs. 3/- paid-up.

BOARD OF DIRECTORS

Composition:

Presently the Board comprises of the following directors:

Director (DIN)	Designation	Executive/Non-Executive Director	Independent/Non-Independent Director
Bharat Doshi (00012541)	Chairman	Non-Executive Director	Non-Independent Director
Zhooben Bhiwandiwalla (00110373)	Vice-Chairman	Executive Director	Non-Independent Director
Harsh Kumar (00082621)	Managing Director	Executive Director	Non-Independent Director
Rajeev Dubey (00104817)	Director	Non-Executive Director	Non-Independent Director
Pravin Shah (00056173)	Director	Non-Executive Director	Non-Independent Director
Parag Shah (00374944)	Director	Non-Executive Director	Non-Independent Director
Sudhir Mankad (00086077)	Director	Non-Executive Director	Independent Director
Dr. Punita Kumar-Sinha (05229262)	Director	Non-Executive Director	Independent Director

Mr. Raghunath Murti (DIN: 00082761) ceased to be a director of your Company with effect from the Thirty-Sixth Annual General Meeting held on June 23, 2014.

Mr. Sudhir Mankad and Dr. Punita Kumar-Sinha who, in the opinion of the Board, are persons with integrity and possess relevant expertise and experience, and who have given declarations to the effect that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013, have been appointed as independent directors with effect from June 23, 2014 and October 27, 2014 respectively pursuant to Section 149 of the Companies Act, 2013 for a period of five consecutive years and they would not be liable to retire by rotation.

Mr. Harsh Kumar's tenure as Managing Director was extended during the year for a period of six months, i.e., up to September 30, 2015.

Mr. Harsh Kumar and Mr. Zhooben Bhiwandiwala retire by rotation at the forthcoming Annual General Meeting, and being eligible, have offered themselves for re-appointment.

Your directors have wide experience in business related to trading, finance and general corporate management.

Meetings:

The Board met five times during the year, i.e., on April 29, 2014, July 21, 2014, October 27, 2014, January 24, 2015 and March 31, 2015 inter alia to review the financial performance of your Company and matters relating to its operations and statutory compliance. All these meetings were well attended and the gap between two consecutive meetings did not exceed 120 days.

Evaluation of performance of directors:

The Nomination and Remuneration Committee carried out an evaluation of the performance of individual directors through a structured questionnaire process covering various aspects such as performance, attendance, et al.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013, your directors, based on representation from operating management, and after due enquiry, confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2015 the applicable accounting standards have been followed;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2015 and of the profit and loss of the Company for the financial year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared annual accounts on a going concern basis; and,
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

Your Company has adopted Codes of Conduct for its directors, and senior management and employees ("the Codes"). These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and always be an integral part of the Company's ethos.

The Company has, for the year under review, received declarations from members of the board, and senior management and employees, affirming compliance with the respective Codes.

COMMITTEES OF THE BOARD

Audit Committee

The Composition of the Audit Committee is as follows:

Director	Designation
Sudhir Mankad	Chairman
Pravin Shah	Member
Dr. Punita Kumar-Sinha	Member

Pursuant to Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee was re-constituted with the induction of Dr. Punita Kumar-Sinha as its member and withdrawal of the nomination of Mr. Zhooben Bhiwandiwala with effect from October 27, 2014.

Audit Committee met four times during year, i.e., on April 29, 2014, July 21, 2014, October 27, 2014, and January 24, 2015.

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Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is as follows:

Director	Designation
Bharat Doshi	Member
Rajeev Dubey	Member
Sudhir Mankad	Member
Dr. Punita Kumar-Sinha	Member

Pursuant to Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Nomination and Remuneration Committee was re-constituted with the induction of Dr. Punita Kumar-Sinha as its member and withdrawal of the nomination of Mr. Zhooben Bhiwandiwala with effect from October 27, 2014.

Nomination and Remuneration Committee met five times during year, i.e., on April 29, 2014, July 21, 2014, October 27, 2014, January 24, 2015 and March 31, 2015.

Corporate Social Responsibility Committee (CSR Committee)

The composition of the CSR Committee is as follows:

Director	Designation
Zhooben Bhiwandiwala	Chairman
Harsh Kumar	Member
Sudhir Mankad	Member

CSR Committee met once during the year, i.e., on January 24, 2015.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, key managerial personnel of your Company with effect from 1st April, 2014 are as below:

1. Zhooben Bhiwandiwala - Executive Vice-Chairman
2. Harsh Kumar - Managing Director,
3. Jyoti Walunj - Chief Financial Officer, and,
4. Abhishek Juvekar - Company Secretary

STATUTORY AUDITORS

At the Thirty-Sixth Annual General Meeting, M/s. Deloitte Haskins & Sells, Chartered Accountants, (ICAI registration number 117365W) were appointed as Statutory Auditors of your Company to hold office up to the conclusion of the Thirty-Seventh Annual General Meeting.

Pursuant to the first proviso of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members are requested to re-appoint Statutory Auditors at the Thirty-Seventh Annual General Meeting and fix their remuneration. If re-appointed, Statutory Auditors would hold office till the conclusion of the Thirty-Eighth Annual General Meeting.

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your Company has obtained a written consent and certificate from Statutory Auditors to the effect that their re-appointment, if made, would be in conformity with the conditions, limits and criteria specified therein.

Your directors confirm that the Auditors' Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, Mr. Mario Nazareth was appointed as the Internal Auditor of your Company for the year ended March 31, 2015. The Board at its meeting held on May 6, 2015 re-appointed Mr. Mario Nazareth as the Internal Auditor of your Company for the year ending March 31, 2016.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Mehta & Mehta, a firm of Company Secretaries in practice, was appointed as the Secretarial Auditor of your Company for the financial year ended March 31, 2015.

A Secretarial Audit Report for the financial year ended March 31, 2015 issued by the Secretarial Auditor pursuant to the aforesaid provisions is provided as Annexure III and forms part of this Report.

Your directors confirm that the aforesaid Report of Secretarial Auditor does not contain any qualification, reservation or adverse remark.

COST AUDITOR

M/s. Shilpa & Co., Cost Accountants, Nashik (Firm registration no. 100558), were appointed as the Cost Auditor by the Board on April 29, 2014 to audit the cost accounts of your Company for the financial year ended March 31, 2015. Remuneration of the Cost Auditor was ratified by the shareholders at the Thirty-Sixth Annual General Meeting held on June 23, 2014. The said appointment was subsequently approved by the Central Government. The due date of filing their report is September 27, 2015.

For the year ended March 31, 2014, the due date of filing the said report was September 27, 2014. The cost audit report, accordingly, was filed on September 22, 2014 in XBRL format.

The Board, upon recommendation of the Audit Committee, re-appointed M/s. Shilpa & Co. as the Cost Auditor of your Company on May 6, 2015 to audit the cost accounts for the financial year ending March 31, 2016. Shareholders of the Company would be required to ratify the remuneration of Rs. 1,56,500 (excluding taxes and out of pocket expenses) payable to M/s. Shilpa & Co. for the said period.

As required under the provisions of Sections 139, 141 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company has obtained a written confirmation from M/s. Shilpa & Co. to the effect that they are eligible for appointment as the Cost Auditor and that they are an independent firm of Cost Accountants and have an arm's length relationship with your Company.

STOCK APPRECIATION RIGHTS (SARs)

Your Company has formulated a Stock Appreciation Rights Scheme to reward its employees and to provide an opportunity to them to participate in the growth of the Company. Accordingly, 2,73,045 SARs were granted during the year to eligible employees by the Nomination and Remuneration Committee at its meeting held on January 24, 2015.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public, or its employees, during the year.

Particulars of loans given, investments made, and guarantees and securities provided pursuant to Section 186 of the Companies Act, 2013 are given under the notes to the standalone financial statement and the same form part of this Report.

The particulars of loans/advances/investments as required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement between the Parent Company, Mahindra and Mahindra Limited and the Stock Exchanges, are furnished separately in Annexure IV and form part of this report.

PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

All transactions entered into by your Company with its related parties during the year were in the ordinary course of business and at arm's length.

Particulars of material contracts or arrangements or transactions with related parties, referred to under Section 188(1) of the Companies Act, 2013, are furnished in Form AOC-2 as annexure V and forms part of this report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2015 is annexed as Annexure VI and forms part of this Report.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company subscribes to guidelines on safety, health and environment, and encourages involvement of all its employees in activities related to safety including promotion of safety standards. Employees across facilities were trained in behavioural safety at work. Statutory requirements relating to environmental legislations, and environment protection, have been duly complied with by your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure VII and form part of this Report.

GENERAL DISCLOSURE

Your directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any ESOP scheme, etc.
- c) Particulars of employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Neither the Managing Director nor the Executive-Director of the Company receive any remuneration or commission from any of its subsidiaries.

No significant or material orders were passed by the regulators or courts or tribunals which impact the Company's going concern status and operations in future.

For and on behalf of the Board

Bharat Doshi
Chairman

Mumbai, May 27, 2015

ANNEXURE I TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES OF MAHINDRA INTERTRADE LIMITED

- (1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:
Web-link: http://www.mahindraintertrade.com/corporate_social_responsibility.html.

The objective of the Company's CSR policy is to–

- Promote a unified and strategic approach to CSR by incorporating under the 'Rise for Good' umbrella the diverse range of its philanthropic initiatives, and causes to work for thereby ensuring high social impact.
- Encourage employees to participate actively in the Company's CSR activities and give back to society in an organized manner through the employee volunteering programme called ESOPs (Employee Social Options).

The Company has pledged to contribute 2% of its average net profits earned during the three immediately preceding financial years towards CSR initiatives to meet the needs of the local communities where it operates.

Our commitment to CSR will be manifested by investing resources in the following thrust areas:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation, including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation, and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, paraolympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects;
11. Slum area development.

The Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for monitoring implementation of the CSR Policy. CSR Committee shall approve and recommend to the Board projects or programmes to be undertaken, the modalities of execution, and implementation schedule thereof.

- (2) The Composition of the CSR Committee: Mr. Zhooben Bhiwandiwala (Chairman), Mr. Sudhir Mankad and Mr. Harsh Kumar
- (3) Average net profit of the Company for last three financial years: Rs 9,354 lakhs
- (4) Prescribed CSR Expenditure (2% of the amount as in Item 3 above): Rs 187.08 lakhs
- (5) Details of CSR spend during the financial year.
- (a) Total amount spent for the financial year: Rs 187.26 lakhs

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(b) Amount unspent, if any: - Nil

(c) Manner in which the amount was spent during the financial year is detailed below:

S. No.	Particulars	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1)	CSR project or activity identified	Construction of classrooms at Gonde ZP school	Distribution of scientific apparatus in school labs	Distribution of Fibre dustbins in schools	Free Eye & Dental Checkup Camps for Schools students	Tree Plantation at Village Morambi	Development of infrastructure facility and play park in Asoj Primary school	Shed at Manjusrar Primary School for Mid day meal and other activities	Hariyali-Plantation of Trees (803 Nos) at Savli	Distribution of dustbins in Savli area at Vadodara
(2)	Sector in which the project is covered	Education	Education	Environment	Health	Environment	Education	Education	Environment	Environment
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(1) Local (2) Nashik district, Maharashtra	(1) Local (2) Nashik district, Maharashtra	(1) Local (2) Nashik district, Maharashtra	(1) Local (2) Nashik district, Maharashtra	(1) Local (2) Nashik district, Maharashtra	(1) Local (2) Vadodara district, Gujarat	(1) Local (2) Vadodara district, Gujarat	(1) Local (2) Vadodara district, Gujarat	(1) Local (2) Vadodara district, Gujarat
(4)	Amount outlay (budget project or programme wise)	36,00,000	1,00,000	60,000	50,000	82,000	2,00,000	5,00,000	60,000	1,50,000
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	(1) 33,16,336 (2) 0	(1) 90,667 (2) 0	(1) 52,100 (2) 0	(1) 47,710 (2) 0	(1) 79,676 (2) 0	(1) 2,23,126 (2) 0	(1) 5,52,000 (2) 0	(1) 59,040 (2) 0	(1) 1,46,845 (2) 0
(6)	Cumulative expenditure up to the reporting period	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above
(7)	Amount Spent direct or through implementing agency	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct

S. No.	Particulars	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	TOTAL
(1)	CSR project or activity identified	Science Lab renovation at Maratha High School, BDD Chawl, Worli	Construction of classrooms for Jr. coll. at Shri Chatrapati Vidyalaya, Kanhe	Garden for patients & Children play park at Primary Healthcare Centre, Takwe village	Bench distribution at ZP school, Jambhul	Distribution of uniforms at primary school, Kanhe village	Construction of classrooms at ZP school, Jambhul village	Construction of classrooms at ZP school, Takwe village	Contribution to KCMET for education of the underprivileged girl child under the Nanhi Kali project	-
(2)	Sector in which the project is covered	Education	Education	Health, Environment & Infra	Education	Education	Education	Education	Education	-
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(1) Local (2) Mumbai district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Others (2) Maharashtra and contiguous states	-
(4)	Amount outlay (budget project or programme wise)	2,72,000	21,00,000	7,00,000	3,00,000	2,00,000	24,00,000	21,00,000	93,47,000	-

ANNEXURE II TO THE DIRECTORS' REPORT

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Intertrade Limited (MIL).

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO), and
- (iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including functional heads.

I. APPOINTMENT OF DIRECTORS

- NRC reviews and assesses Board composition and recommends the appointment of new directors. In evaluating the suitability of an individual Board member, NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of a director as applicable:
 - 1) All Board appointments will be based on merit, in the context of skills, experience, independence and knowledge required for the Board as a whole to be effective.
 - 2) Ability of the candidate to devote sufficient time and attention to professional obligations as an Independent Director for balanced decision making
 - 3) Adherence to the Code of Conduct and ensuring the highest level of corporate governance, in letter and in spirit, by Directors
- Based on NRC's recommendation, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board, through the Managing Director, will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a director is disqualified as per any applicable Act, or rules and regulations thereunder, or due to non-adherence to the applicable policies of the company, NRC may recommend to the Board, with reasons recorded in writing, removal of a director subject to compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

NRC shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down above.

For administrative convenience, senior management personnel will be appointed or promoted and removed/relieved with the authority of the Managing Director based on business needs and suitability of the candidate.

Managing Director shall report details of such appointments to NRC at least twice in a year.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure implementation of the strategic business plans of the Company.

Board:

Successors for Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor(s) will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

Successors for Executive Director(s) shall be identified by the NRC from Senior Management or through external sources as the Board may deem fit.

The Board may also decide at its discretion not to fill a vacancy on the Board.

Senior Management Personnel:

The Company's succession planning program aims to identify high growth potential individuals, and groom them in order to maintain a robust talent pipeline.

The Company has a process of identifying individuals with high potential and having abilities to hold critical positions. Successors are mapped for such positions in order to ensure talent readiness.

The Company participates in the Mahindra Group's Talent Management process which is driven by a collaborative network of Talent Councils across the Group's various Sectors.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Intertrade Limited (MIL).

Policy Statement

Our compensation philosophy strives to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in business.

In order to effectively implement this, our compensation structure is developed through external benchmarking as appropriate, with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to Non-Executive Directors, including Independent Directors, whether as commission or otherwise. NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may deem fit for determining compensation.

The Board shall determine compensation to Non-Executive Directors within the overall limits specified in the Shareholders' resolution.

Executive Directors:

The remuneration to Managing Director and Executive Director(s) shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

Key Managerial Personnel (KMPs)

The terms of remuneration of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary (CS) shall be determined either by any Director or such other person as may be authorised by the Board.

The above remuneration shall be competitively benchmarked for similar positions in the industry and aligned with their qualifications, experience, and responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013, the Board shall approve remuneration of the above KMPs at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Employees

We follow a position and level based approach for compensation benchmarking with companies in the steel/ steel service centre and related engineering industries.

We have a CTC (Cost to Company) concept which includes a fixed component (guaranteed pay) and a variable component (performance pay). The percentage of the variable component increases with increasing hierarchy levels as employees at higher positions have a greater impact and influence on the company's overall business result. CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality

Remuneration for new employees other than KMPs and senior management will be decided by HR, and approved by the Managing Director, based on factors such as relevant job experience, last compensation drawn, skill-set of the selected candidate, internal equity and related parameters.

The Company may also grant Stock Appreciation Rights to Employees and Directors (other than Independent Directors) in accordance with the Stock Appreciation Rights Scheme of the Company and subject to compliance of the applicable statutes and regulations.

For and on behalf of the Board

Bharat Doshi
Chairman

Mumbai, May 27, 2015

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
Mahindra Intertrade Limited
Mahindra Towers,
P. K. Kurne Chowk, Worli,
Mumbai – 400 018**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (not applicable to the Company during the year under review);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (not applicable to the Company during the year under review);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the year under review);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company as the Company is not listed:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) As per the representation made by the Company, no sector specific laws are applicable to the Company, hence we cannot comment on the same.

Mahindra Intertrade Limited

We have not examined compliance with the applicable clauses of the following since it is not applicable to the Company during the period under review:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for meaningful participation at the meetings of the Board and Committees thereof.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the Directors or members dissented on any resolution passed at the meeting.

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

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred acts, laws, rules, regulations, guidelines, etc.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner

FCS No : 3667
CP No. : 3202

Place : Mumbai

Date : 30th April, 2015

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Mahindra Intertrade Limited
Mahindra Towers,
P.K. Kurne Chowk, Worli,
Mumbai – 400 018

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**
Company Secretaries,
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner

FCS No : 3667
CP No. : 3202

Place : Mumbai

Date : 30th April, 2015

ANNEXURE IV TO THE DIRECTORS' REPORT

PARTICULARS OF LOANS/ADVANCES AND INVESTMENT WHICH ARE REQUIRED TO BE DISCLOSED IN THE ANNUAL ACCOUNTS OF THE COMPANY PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT BETWEEN THE PARENT COMPANY, MAHINDRA AND MAHINDRA LIMITED AND STOCK EXCHANGES

1. Loans and advances in the nature of loans to subsidiaries by name and amount

Name of the company	(Rs in cr)	
	Balances as on March 31, 2015	Maximum outstanding during the year ended March 31, 2015
Mahindra Electrical Steel Private Limited (0.25% optionally convertible unsecured debentures)	10.75	10.75
Mahindra Electrical Steel Private Limited (Interest bearing inter-corporate deposit)	0.17	0.17

For and on behalf of the Board

Bharat Doshi
 Chairman

Mumbai, May 27, 2015

ANNEXURE V TO THE DIRECTORS' REPORT

Form No. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto **(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements /transactions	Duration of the contracts/arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
-	-	-	-	Nil	-	-	-	-

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mahindra CIE Stampings division (formerly Mahindra Ugine Steel Co. Ltd.) (MUSCO) (fellow Subsidiary)	Sale of processed steel	Annual/ Recurring	1. Sale of CR/HR Steel. 2. Payment terms - 30 days. 3. Total Value for transaction Rs 225.63 crs	Not Applicable (Refer Note)	Nil
2	Mahindra and Mahindra Limited	Sale of processed steel	Annual/ Recurring	1. Sale of CR/HR Steel. 2. Payment terms - immediate (payment is generally received in 10 days). 3. Total value for transaction Rs 192.62 crs	Not Applicable (Refer Note)	Nil

*Note: All these transactions are at arm's length and are in the ordinary course of business. Accordingly, Board approval is not required as per proviso to sub section (1) of Section 188 of the Companies Act, 2013. Approval of Audit Committee has been taken in the meeting held on 21 July 2014.

For and on behalf of the Board

Bharat Doshi
Chairman

Mumbai, May 27, 2015

ANNEXURE VI TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2015
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	Corporate Identification Number (CIN)	U51900MH1978PLC020222
ii.	Registration Date	March 20, 1978
iii.	Name of the Company	Mahindra Intertrade Limited
iv.	Category/Sub-Category of the Company	Indian Non-Government Company Limited by shares
v.	Address of the Registered office and contact details	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018 Tel.: +91-22-24935185/86 Fax: +91-22-24951236 Contact: JUVEKAR.ABHISHEK@mahindra.com
vi.	Whether listed company Yes/No	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Pvt. Ltd. 13 AB Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072 Tel.: +91-22-67720300/400 Fax: +91-22-28591568 Email: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Processing of Steel	24105	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Mahindra and Mahindra Limited Gateway Building, Apollo Bunder, Colaba, Mumbai 400 001	L65990MH1945PLC004558	Holding Company	100.00	2(46)
2	Mahindra Steel Service Centre Limited Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018	U27100MH1993PLC070416	Subsidiary Company	61.00	2(87)
3	Mahindra Electrical Steel Private Limited Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018	U27100MH2009PTC193205	Subsidiary Company	100.00	2(87)

Mahindra Intertrade Limited

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
4	Mahindra Auto Steel Private Limited Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018	U27100MH2013PTC250979	Subsidiary Company	51.00	2(87)
5	Mahindra MiddleEast Electrical Steel Service Centre (FZC) SAIF Zone, P3 11/12, P. O. Box No. 8114, Sharjah, UAE	N.A.	Subsidiary Company	90.00	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,21,00,000	1,50,00,007	2,71,00,007	100	1,21,00,000	1,50,00,007	27,100,007	100	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	1,21,00,000	1,50,00,007	2,71,00,007	100	1,21,00,000	1,50,00,007	27,100,007	100	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	1,21,00,000	1,50,00,007	2,71,00,007	100	1,21,00,000	1,50,00,007	27,100,007	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,21,00,000	1,50,00,007	2,71,00,007	100	1,21,00,000	1,50,00,007	27,100,007	100	-

(ii) Shareholding of Promoters

Sr. No.		Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra & Mahindra Limited	2,71,00,000	100	-	2,71,00,000	100	-	-
2.	Mahindra & Mahindra Ltd. Jt. With Mr. Bharat Doshi*	1	-	-	1	-	-	-
	Mahindra & Mahindra Ltd. Jt. With Mr. Narayan Shankar*	1	-	-	1	-	-	-
	Mahindra & Mahindra Ltd. Jt. with Mr. Zhooben Bhiwandiwal*	1	-	-	1	-	-	-

Mahindra Intertrade Limited

Sr. No.		Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
	Mahindra & Mahindra Ltd. Jt. with Mr. P. N. Shah*	1	-	-	1	-	-	-
	Mahindra & Mahindra Ltd. Jt. with Mr. Harsh Kumar*	1	-	-	1	-	-	-
	Mahindra & Mahindra Ltd. Jt. with Ms. Jyoti Walunj*	1	-	-	1	-	-	-
2.	Mahindra Holdings Limited	1	-	-	1	-	-	-
	Total	2,71,00,007	100	-	2,71,00,007	100	-	-

* Held as nominees of Mahindra & Mahindra Limited to comply with the statutory provisions in respect of minimum numbers of members.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1					
	At the beginning of the year	2,71,00,007	100	2,71,00,007	100
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity/etc.)	-	-	-	-
	At the end of the year	2,71,00,007	100	2,71,00,007	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Top Ten Shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity/etc.)	-	-	-	-
	At the end of the year	-	-	-	-

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Bharat Doshi (holding jointly with Mahindra and Mahindra Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year	1	–	1	–
2	Harsh Kumar (holding jointly with Mahindra and Mahindra Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year	1	–	1	–
3	Zhooben Bhiwandiwala (holding jointly with Mahindra and Mahindra Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year	1	–	1	–
4	Pravin Shah (holding jointly with Mahindra and Mahindra Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year	1	–	1	–
5	Jyoti Walunj (holding jointly with Mahindra and Mahindra Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year	1	–	1	–

V. INDEBTEDNESS:

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

(Rs in cr)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	0.11	–	0.11
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–
Change in indebtedness during the financial year	–	–	–	–
• Addition	–	–	–	–
• Reduction	–	0.06	–	0.06
Net Change	–	0.06	–	0.06
Indebtedness at the end of the financial year	–	–	–	–
i) Principal Amount	–	0.05	–	0.05
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	0.05	–	0.05

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs in cr)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Harsh Kumar (MD)	Zhooben Bhiwandiwala (Executive Vice-Chairman)	
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.44	–	1.44
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.14	–	0.14
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	– as % of profit	0.40	0.22	0.62
	– others, specify...	–	–	–
5	Others, please specify SAR's	0.44	–	0.44
	Total (A)	2.42	0.22	2.64
	Ceiling as per the Act	–	–	7.22

B. Remuneration to other directors:

(Rs in cr)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Raghunath Murti	Bharat Doshi	Parag Shah	Sudhir Mankad	Dr. Punita Kumar Sinha	
1	Independent Directors						
	• Fee for attending board/ committee meetings	–	–	–	0.03	0.02	0.05
	• Commission	–	–	–	0.06	0.03	0.09
	• Others, please specify	–	–	–	–	–	–
	Total (1)	–	–	–	0.09	0.05	0.14
2	Other Non-Executive Directors						
	• Fee for attending board/ committee meetings	–	0.03	–	–	–	0.03
	• Commission	0.01	0.12	0.04	–	–	0.17
	• Others, please specify	–	–	–	–	–	–
	Total (2)	0.01	0.15	0.04	–	–	0.20
	Total (B)=(1+2)	0.01	0.15	0.04	0.09	0.05	0.34
	Total Managerial Remuneration	–	–	–	–	–	2.98
	Overall Ceiling as per the Act	–	–	–	–	–	7.94

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(Rs in cr)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Abhishek Juvekar	Jyoti Walunj	
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	0.44	0.44
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	0.03	0.03
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission				
	– as % of profit	–	–	–	–
	– others, specify...	–	–	–	–
5	Others, please specify (Fees)	–	0.02	–	0.02
	Value of Stock Appreciation Rights	–	–	0.08	0.08
	Total	–	0.02	0.55	0.57

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(Rs in cr)

Type	Section of the Companies Act.	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Bharat Doshi
Chairman

Mumbai, May 27, 2015

ANNEXURE VII TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

- (a) the steps taken or impact on conservation of energy: In processing of steel, the primary plant operation is not power intensive. However, normal precautions are taken by the Company to minimize power consumption.
- (b) the steps taken by the company for utilizing alternate sources of energy: **Nil**
- (c) the capital investment on energy conservation equipments: **Nil**

B. TECHNOLOGY ABSORPTION

- i) the efforts made towards technology absorption: **None**
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **Not applicable**
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
 - (a) the details of technology imported: **Nil**
 - (b) the year of import: **Nil**
 - (c) whether the technology been fully absorbed: **Nil**
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **Nil**
- iv) the expenditure incurred on Research and Development:

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:
(in terms of actual inflow and outflow)**

Total Foreign Exchange Earned and Used:

	For the Year ended March 31 2015	(Rupees in cr) For the Year ended March 31 2014
Total Foreign Exchange Earned	11.41	10.79
Total Foreign Exchange Used	272.44	198.85

For and on behalf of the Board

Bharat Doshi
Chairman

Mumbai, May 27, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA INTERTRADE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order:
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25.1 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS

Chartered Accountants

Firm's Registration No. 117365W

U. M. Neogi

Partner

(Membership No. 30235)

Mumbai, 6 May, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Intertrade Limited on the financial statements for the year ended 31st March, 2015)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (v), (viii) and (xi) of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of special nature for which alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
 - (b) No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
 - (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (ix) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 117365W)

(U. M. Neogi)
(Partner)
(Membership No. 30235)

Mumbai, 6 May, 2015

Mahindra Intertrade Limited

Balance Sheet as at 31 March, 2015

Particulars	Notes	Rs. in Crores	
		As at 31 March, 2015	As at 31 March, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' fund			
(a) Share capital	3	16.60	16.60
(b) Reserves and surplus	4	380.50	328.41
		<u>397.10</u>	<u>345.01</u>
2 Non current liabilities			
(a) Deferred tax liabilities (net)	30	3.58	4.02
(b) Long term provisions	5	2.32	2.25
		<u>5.90</u>	<u>6.27</u>
3 Current liabilities			
(a) Short term borrowings	6	0.05	0.11
(b) Trade payables	7	120.34	211.06
(c) Other current liabilities	8	12.84	10.86
(d) Short term provisions	9	21.79	22.97
		<u>155.02</u>	<u>245.00</u>
Total		<u>558.02</u>	<u>596.28</u>
B ASSETS			
1 Non current assets			
(a) Fixed assets			
(i) Tangible assets	10	44.99	49.33
(ii) Intangible assets		0.06	0.01
		<u>45.05</u>	<u>49.34</u>
(b) Non current investments	11	90.43	55.51
(c) Long term loans and advances	12	3.00	2.88
		<u>138.48</u>	<u>107.73</u>
2 Current assets			
(a) Current investments	13	11.00	6.00
(b) Inventories	14	160.75	127.45
(c) Trade receivables	15	205.23	191.99
(d) Cash and cash equivalents	16	33.30	135.90
(e) Short term loans and advances	17	8.70	13.50
(f) Other current assets	18	0.56	13.71
		<u>419.54</u>	<u>488.55</u>
Total		<u>558.02</u>	<u>596.28</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Jyoti Walunj
Chief Financial Officer

U. M. Neogi
Partner

Abhishek Juvekar
Company Secretary

Bharat Doshi

Chairman

Zhooben Bhiwandiwala

Executive Vice-Chairman

Harsh Kumar

Managing Director

Sudhir Mankad

Director

Place: Mumbai Date: 6 May, 2015

Place: Mumbai Date: 6 May, 2015

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

Rs. in Crores

Particulars	Notes	For the year ended 31 March, 2015	For the year ended 31 March, 2014
1 Revenue from operations (gross)	19	1,286.42	1,241.84
Less: Excise duty		(92.90)	(87.20)
Revenue from operations (net)		1,193.52	1,154.64
2 Other income	20	20.17	14.23
3 Total revenue (1+2)		1,213.69	1,168.87
4 EXPENDITURE:			
(a) Cost of materials consumed	21(a)	989.76	962.22
(b) Purchase of stock in trade	21(b)	76.09	67.33
(c) Changes in inventories of finished goods and stock in trade	21(c)	(13.40)	(1.23)
(d) Employee benefits expense.....	22	12.90	12.46
(e) Finance costs	23	1.33	1.46
(f) Depreciation and amortisation expense	10	5.10	5.99
(g) Other expenses.....	24	31.67	28.07
Total expenses		1,103.45	1,076.30
5 Profit before tax (3-4)		110.24	92.57
6 Tax expense:			
(a) Current tax expense.....		38.46	29.23
(b) Deferred tax.....	30	(0.39)	(1.03)
7 Profit after tax (5-6)		72.17	64.37
8 Earnings per equity share (of Rs. 10 each):	29		
Basic/Diluted (Rs.).....		43.48	38.77

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Jyoti Walunj
Chief Financial Officer

U. M. Neogi
Partner

Abhishek Juvekar
Company Secretary

Bharat Doshi

Zhooben Bhiwandiwal

Harsh Kumar

Sudhir Mankad

Chairman

Executive Vice-Chairman

Managing Director

Director

Place: Mumbai Date: 6 May, 2015

Place: Mumbai Date: 6 May, 2015

Cash flow statement for the year ended 31 March, 2015

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	110.24	92.57
Adjustments for:		
Depreciation and Amortisation	5.10	5.99
Interest income	(3.48)	(3.74)
Dividend income	(6.76)	(7.70)
Finance costs.....	1.33	1.46
Net gain on sale of current investments.....	(0.75)	(2.38)
Profit on sale of assets.....	(9.18)	0.04
	(13.74)	(6.33)
Operating Profit before Working Capital Changes	96.50	86.24
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets/liabilities:		
Trade and other receivables	(8.53)	(23.98)
Inventories.....	(33.30)	36.27
Trade payables and other liabilities.....	(88.45)	1.34
	(130.28)	13.63
Cash generated from operations	(33.78)	99.87
Net income tax (paid)	(40.52)	(27.21)
NET CASH FLOW FROM OPERATING ACTIVITIES	(74.30)	72.66
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Capital Expenditure on fixed assets, including capital advances	(0.85)	(1.75)
Proceeds from sale of fixed assets (net).....	22.45	0.06
Inter corporate deposits placed	(0.89)	(111.82)
Inter corporate deposits refunded.....	0.77	114.06
Current investments not considered as Cash and cash equivalents		
– Purchased	(1,984.95)	(1,979.99)
– Proceeds from sale.....	1,980.70	2,012.38
Purchase of non current investments		
– Subsidiaries/Joint Ventures.....	(34.92)	(19.91)
Refund of Share Application money	–	10.50
Interest received		
– Subsidiaries/Joint Ventures.....	0.02	1.91
– Others	3.42	1.71
Dividend received		
– Subsidiaries/Joint Ventures.....	4.15	3.47
– Others	2.61	4.23

Mahindra Intertrade Limited

Particulars	For the year ended 31 March, 2015	Rs. in Crores For the year ended 31 March, 2014
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(7.49)	34.85
C. CASH FLOW USED IN FINANCING ACTIVITIES		
(Proceeds)/Repayments from other short-term borrowings.....	(0.06)	<i>(0.07)</i>
Finance Costs	(1.33)	<i>(1.37)</i>
Dividends paid.....	(16.60)	<i>(14.94)</i>
Tax on dividend	(2.82)	<i>(2.54)</i>
NET CASH FLOW USED IN FINANCING ACTIVITIES.....	(20.81)	<i>(18.92)</i>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C).....	(102.60)	<i>88.59</i>
Cash and cash equivalents at the beginning of the year (refer note 16)	135.90	<i>47.31</i>
Cash and cash equivalents at the end of the year (refer note 16)...	33.30	<i>135.90</i>
	(102.60)	<i>88.59</i>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (refer note 16)		
Component of cash and cash equivalents		
Cash on hand	*	*
with banks: in current accounts.....	6.30	<i>10.23</i>
in deposit account.....	27.00	<i>125.67</i>
	33.30	<i>135.90</i>

* Represents Rs. 20,214 (2014: Rs. 29,240)

Note: The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Jyoti Walunj
Chief Financial Officer

U. M. Neogi
Partner

Abhishek Juvekar
Company Secretary

Bharat Doshi

Chairman

Zhooben Bhiwandiwal

Executive Vice-Chairman

Harsh Kumar

Managing Director

Sudhir Mankad

Director

Place: Mumbai Date: 6 May, 2015

Place: Mumbai Date: 6 May, 2015

Notes forming part of the financial statements

1. Corporate information

Mahindra Intertrade Limited is a public limited company incorporated on 21 May, 1998 under the Companies Act, 1956. The Company's main activity is steel processing and it has service centres at Nashik and Vadodara. The Company processes automotive and electrical steel.

2. Significant Accounting Policies followed by the Company:

2.1 Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (The Act). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

2.2 Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates, are recognized in the periods in which the results are known/materialize.

2.3 Inventories:

Inventories are stated at cost or net realizable value, whichever is lower. Cost is arrived at on a weighted average method and includes, where appropriate, manufacturing overheads and excise duty.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

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

2.6 Fixed Assets:

- (a) Fixed Assets are stated at cost less accumulated depreciation/amortization. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are included in the cost of asset upto the date the asset is ready for its intended use.
- (b)
 - (i) Leasehold land is amortised over the period of lease.
 - (ii) Depreciation on tangible fixed assets has been provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, taking into account the estimated usage of the asset in case of Motor Vehicle and based on technical advice in case of Blanking line.
Motor Vehicles: 5 years
Blanking Line (Nashik): 20 years
- (c) Goodwill arising on acquisition of business is being amortised equally over a period of ten years.

2.7 Revenue Recognition:

Sale of products are recognized, when the significant risks and rewards of ownership are transferred to the Buyer. Sales include excise duty, but excludes sales tax and value added tax.

Sales of services are recognised when services are rendered.

2.8 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. All foreign currency monetary items outstanding at the year end (excluding long term liability) are translated at the relevant rates of exchange prevailing at the year end and the resulting exchange differences are recognized in the Statement of Profit and Loss. In respect of forward exchange contracts, the premium or discount arising at the inception of such a contract is amortized as expense or income over the life of the contract.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing and acquisition of fixed assets are added to or subtracted from the cost of depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

2.10 Investments:

Long term Investments are valued at cost less provision, if any, for decline other than temporary, in value of such investments. Current investments are valued at the lower of cost and fair value, determined by category of investment.

2.11 Employee Benefits:

i) Defined Contribution Plan:

Company's contributions paid/payable during the year to the provident fund, superannuation fund, employee state insurance corporation and labour welfare fund are recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

ii) Defined Benefit Plan/Long Term Compensated Absences:

Company's liability towards gratuity, compensated absence and post retirement medical benefit schemes are determined by an independent actuary using the projected unit credit method at each Balance Sheet date. Past service cost are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation, as reduced by the fair value of Scheme assets.

2.12 Taxes on Income:

Tax expense comprises current and deferred tax. Current Tax is determined as either (i) the amount of tax payable in respect of taxable income after considering usual allowances and disallowances under the Income-tax Act, 1961 or (ii) Minimum Alternate Tax for the year. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of the earlier years.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.14 Stock Appreciation Rights (SARs)

The compensation cost of SARs granted to employees is accounted by the Company using the intrinsic value method. The fair value of the equity shares is based on valuation obtained from an independent valuer. Difference between market value and face value of the equity shares, being the intrinsic value, is recognised as compensation cost over the vesting period.

Note 3 Share capital:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares	Rs. in Crores	Number of Shares	Rs. in Crores
(a) Authorised				
Equity shares of Rs. 10 each.....	28,000,000	28.00	28,000,000	28.00
Cumulative redeemable preference shares of Rs. 100 each	1,875,000	18.75	1,875,000	18.75
	29,875,000	46.75	29,875,000	46.75
(b) Issued				
Equity shares of Rs. 10 each.....	27,100,007	27.10	27,100,007	27.10
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each.....	12,100,007	12.10	12,100,007	12.10
(d) Subscribed but not fully paid up				
Equity shares of Rs. 10 each, Rs. 7 not paid up	15,000,000	4.50	15,000,000	4.50
	27,100,007	16.60	27,100,007	16.60

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity shares of Rs. 10 each				
Year ended 31 March, 2015 (Subscribed and fully paid up)				
Number of shares.....	12,100,007	–	–	12,100,007
Amount (Rs. in crores).....	12.10	–	–	12.10
Year ended 31 March, 2014 (Subscribed and fully paid up)				
Number of shares.....	12,100,007	–	–	12,100,007
Amount (Rs. in crores).....	12.10	–	–	12.10
Year ended 31 March, 2015 (Subscribed but not fully paid up)				
Number of shares.....	15,000,000	–	–	15,000,000
Amount (Rs. in crores).....	4.50	–	–	4.50
Year ended 31 March, 2014 (Subscribed but not fully paid up)				
Number of shares.....	15,000,000	–	–	15,000,000
Amount (Rs. in crores).....	4.50	–	–	4.50

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

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 shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person or being a company present by a representative duly authorised or by proxy who is not himself a member shall have one vote. and (ii) On a poll: one vote for each equity share registered in the name of the member or company present by a representative duly authorised. 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. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of shares held by the holding company

Particulars	As at 31 March, 2015	As at 31 March, 2014
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees)	27,100,006	27,100,006

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees)	27,100,006	99.999%	27,100,006	99.999%

Note 4 Reserves and surplus:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
(a) Capital redemption reserve	18.75	18.75
(b) General Reserve		
Opening balance	45.65	39.21
Add: Transferred from surplus in the statement of profit and loss	7.22	6.44
Closing balance	52.87	45.65
(c) Surplus in the statement of profit and loss		
Opening balance	264.01	225.50
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of Rs. 0.05 crore) (Refer Note 25.3)	0.10	–
Add: Profit for the year	72.17	64.37
Less: Transferred to General Reserve	7.22	6.44
Proposed dividends	16.60	16.60
Tax on dividend	3.38	2.82
Closing balance	308.88	264.01
	380.50	328.41

Note 5 Long term provisions:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Provision for Employee benefits:		
(i) Provision for compensated absences	2.09	1.64
(ii) Provision for post retirement medical benefits (refer note 26)	0.12	0.11
(iii) Provision for other employee benefits (refer note 32)	0.11	0.50
	2.32	2.25

Note 6 Short term borrowings:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Unsecured:		
Book overdrawn balance ..	0.05	0.11
	0.05	0.11

Note 7 Trade payables:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Trade payables:		
Acceptances	43.96	114.46
Other than acceptances – micro and small enterprises (refer note 25.2).....	–	–
Other than acceptances – Other than micro and small enterprises..	76.38	96.60
	120.34	211.06

Note 8 Other current liabilities:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
(a) Other payables:		
(i) Statutory remittances (contribution to provident fund and employee states insurance corporation, withholding taxes, excise duty, service tax, etc.)	2.52	1.02
(ii) Value added tax payable	7.03	7.53
(iii) Payables on purchase of fixed assets.....	0.15	–
(iv) Advance from customers.....	2.40	1.44
(v) Dealer deposit	0.74	0.87
	12.84	10.86

Note 9 Short term provisions:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for compensated absences.....	0.62	0.51
(ii) Provision for post retirement medical benefit (refer note 26)	0.01	0.01
(iii) Provision for other employee benefits (refer note 32).....	0.61	0.35
(b) Provision - Others:		
(i) Provision for taxation (net of payments)	0.57	2.68
(ii) Provision for proposed equity dividend.....	16.60	16.60
(iii) Provision for tax on proposed dividend.....	3.38	2.82
	21.79	22.97

Note 10 Fixed assets:

Rs. in Crores

Description of assets	Gross Block			Depreciation and Amortisation			Net Balance as at 31 March, 2015
	Balance as at 1 April, 2014	Additions during the year at cost	Deductions and adjustments during the year	Balance as at 1 April, 2014	Depreciation and Amortisation for the year	Deductions and Adjustments of Depreciation and Amortisation recorded against surplus balance in statement of profit and loss account	
A Tangible assets:							
Land	1.11 (1.11)	-	-	-	-	-	1.11 (1.11)
Land – leasehold	1.16 (1.16)	-	-	0.12 (0.07)	0.01 (0.05)	-	1.04 (1.04)
Buildings *	19.81 (19.81)	-	-	4.01 (3.39)	0.82 (0.62)	-	14.98 (15.80)
Electrical Installations	0.03 (-)	-	-	-	*** (***)	-	0.03 (0.03)
Plant and equipment	60.88 (59.77)	0.47 (1.18)	-	31.08 (26.21)	3.74 (4.91)	-	26.52 (29.80)
Furniture and fixtures	0.46 (0.49)	0.02 (0.04)	-	0.14 (0.18)	0.07 (0.03)	-	0.27 (0.32)
Vehicles	1.69 (1.50)	0.32 (0.35)	0.42 (0.16)	1.59 (1.69)	0.27 (0.28)	0.36 (0.10)	0.74 (0.75)
Office equipment	0.39 (0.40)	0.07 (0.01)	0.01 (0.02)	0.45 (0.39)	0.11 (0.02)	0.01 (0.01)	0.13 (0.27)
Computers	1.38 (1.56)	0.08 (0.08)	0.02 (0.26)	1.44 (1.38)	0.08 (0.08)	0.02 (0.26)	0.16 (0.21)
Sub Total (A)	86.91	0.96	0.45	37.58	5.10	0.39	44.99
Previous year	(85.80)	(1.69)	(0.58)	(32.07)	(5.99)	(0.48)	(49.33)
B Intangible assets:							
Goodwill	4.76 (4.76)	-	-	4.76 (4.76)	-	-	-
Computer software	0.52 (0.51)	0.06 (0.01)	-	0.51 (0.51)	** (**)	-	0.06 (0.01)
Website	0.47 (0.47)	-	-	0.47 (0.47)	-	-	-
Sub Total (B)	5.75	0.06	-	5.74	-	-	0.06
Previous year	(5.74)	(0.01)	(-)	(5.74)	(-)	(-)	(0.01)
TOTAL (A+B)	92.65	1.02	0.45	43.33	5.10	0.39	45.05
Previous year	(91.54)	(1.70)	(0.58)	(37.81)	(5.99)	(0.48)	(49.34)

* Includes Rs. 500 (2014: Rs. 500) in respect of 10 shares of Rs. 50 each in Shah and Nahar Industrial Premises (A-1) Co-operative Society Limited.

** Represents Rs. 43,423 (2014: Rs. 46,944)

*** Represents Rs. 19,359 (2014: Rs. 4,680)

Note: figures in brackets are in respect of the previous year

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Note 11 Non current investments:

Particulars	As at 31 March, 2015	Rs. in Crores As at 31 March, 2014
(a) Investment in equity shares (Non trade and fully paid-up unless otherwise specified)		
Unquoted (at cost unless otherwise specified):		
500 Ordinary shares of Rs. 1,000 each fully paid up in Seekar Fashions Private Limited.....	0.05	0.05
Less: Provision for decline, other than temporary, in the value.....	0.05	0.05
	-	-
1 Ordinary share of Rs. 10 each fully paid up in Mahindra Holdings Limited.....	*	*
(b) Investment in equity shares (Trade and fully paid-up unless otherwise specified)		
Unquoted (at cost unless otherwise specified):		
In subsidiary companies:		
900 Equity shares of USD 550 each in Mahindra Middle East Electrical Steel Service Centre (FZC), Sharjah **	2.25	2.25
50,000 Equity shares of Rs. 10 each in Mahindra Electrical Steel Private Limited	0.05	0.05
10,089,257 Equity shares of Rs. 10 each in Mahindra Steel Service Centre Limited **	42.45	42.45
3,49,35,000 (2014: 10,000) Equity shares of Rs. 10 each in Mahindra Auto Steel Private Limited.***	34.93	0.01
	79.68	44.76
(c) Investment in Debentures (trade and fully paid-up unless otherwise specified)		
Unquoted (at cost unless otherwise specified):		
In subsidiary company:		
107,500 nos 0.25% Optionally Convertible Unsecured Debentures of Rs. 1,000 each in Mahindra Electrical Steel Private Limited	10.75	10.75
	90.43	55.51
* Amount less than Rs.1,000		
** Which is also a Joint venture.		
*** Which also became a joint venture in the current year.		

Note 12 Long term loans and advances:

Particulars	As at 31 March, 2015	Rs. in Crores As at 31 March, 2014
Unsecured, considered good		
(a) Security deposits	0.15	0.15
(b) Capital advance	-	0.02
(c) Loans and advances to related party (Refer note 1 below).....	0.17	0.05
(d) Other Loans and advances		
(i) Advance income tax (net of provisions)	2.50	2.55
(ii) Surplus of plan assets over obligation - gratuity (refer note 26)	0.18	0.11
	3.00	2.88

Note 1: Includes Inter corporate deposits to related party:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Mahindra Electrical Steel Private Limited.....	0.17	0.05

Note 13 Current investments:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Unquoted investments in Mutual funds (At lower of cost and fair value):		
(a) NIL (2014: 59,980.171) units of Rs.1,000 each in HSBC Cash Management Fund – Daily Dividend plan	–	6.00
(b) 72,758.685 (2014: NIL) units of Rs.1,000 each in Taurus Liquid Fund – Existing Plan-Super Institutional Growth	11.00	–
	<u>11.00</u>	<u>6.00</u>

Note 14 Inventories:

Particulars (at lower of cost and net realisable value)	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
(a) Raw materials [refer note 21(a)]	94.24	95.80
Goods in transit.....	31.08	10.01
	<u>125.32</u>	<u>105.81</u>
(b) Work-in-Progress [refer note 21(c)]	12.28	6.59
(c) Finished goods [refer note 21(c)]	16.22	11.41
(d) Stock in trade [refer note 21(c)]	6.30	3.40
(e) Stores and spares.....	0.63	0.24
	<u>160.75</u>	<u>127.45</u>

Note 15 Trade receivables:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good.....	0.04	0.04
Doubtful	1.63	1.63
	<u>1.67</u>	<u>1.67</u>
Less: provision for doubtful trade receivables	(1.63)	(1.63)
	<u>0.04</u>	<u>0.04</u>
(b) Other Trade receivables		
Unsecured, considered good.....	205.19	191.95
	<u>205.23</u>	<u>191.99</u>

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Note 16 Cash and cash equivalents:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
(a) Cash on hand.....	*	*
(b) Balances with banks		
(i) In current account.....	6.30	10.23
(ii) In deposit account.....	27.00	125.67
	33.30	135.90

* Represents Rs. 20,214 (2014: Rs. 29,240)

Note 17 Short term loans and advances:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Unsecured, considered good		
(a) Deposits to related party.....	0.02	–
(b) Prepaid expenses.....	0.02	0.01
(c) Balances with government authorities:		
(i) CENVAT credit receivable.....	0.57	0.68
(ii) Value added tax credit receivable.....	3.11	3.72
(iii) Service tax credit receivable.....	2.78	1.71
	6.46	6.11
(d) Other loans and advances:		
(i) Advances to suppliers.....	0.58	3.39
(ii) Refund receivable from custom authorities.....	1.48	3.70
(iii) Others.....	0.14	0.29
	2.20	7.38
	8.70	13.50

Note 18 Other current assets:

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
(a) Interest accrued on inter corporate deposits.....	–	0.02
(b) Interest accrued on fixed deposits.....	0.52	0.46
(c) Interest accrued on investment.....	0.03	–
(d) DEPB licences.....	0.01	0.02
(e) Leasehold land held for sale (Ref. note 1 below).....	–	13.21
	0.56	13.71

Note 1: The Company had entered in to an Agreement to Lease with Maharashtra Industrial Development Corporation (MIDC) during FY-2014 for a plot of land at Chakan. The Company was in the process of assigning the rights under the said agreement to its subsidiary Mahindra Auto Steel Private Limited as at the Balance Sheet date, which was completed in April, 2014.

Note 19 Revenue from operations:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Revenue from –		
(a) Sale of products (Refer Note (i) below).....	1,243.51	1,207.42
(b) Sale of services (Refer Note (ii) below).....	5.89	2.34
(c) Other operating revenues (Refer Note (iii) below)	37.02	32.09
	1,286.42	1,241.84
Less: Excise duty.....	92.90	87.20
	1,193.52	1,154.64

Note

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i) Sale of products comprises:		
Manufactured goods		
- Steel products.....	1,160.72	1,133.75
Traded goods		
- Steel products.....	82.79	73.66
Total – Sale of products.....	1,243.51	1207.42
(ii) Sale of services comprises:		
- Job work processing	0.52	0.78
- Installation/repairs	0.35	0.16
- Management fees	5.02	1.40
Total – Sale of services.....	5.89	2.34
(iii) Other operating revenues comprise:		
- Scrap sales.....	25.57	22.48
- Commission income.....	6.93	6.58
- Insurance claim.....	0.22	0.46
- Cash discount.....	4.00	2.32
- DEPB income	–	0.07
- Other Operating income	0.30	0.18
Total – Other operating revenues	37.02	32.09
	1,286.42	1,241.84

Note 20 Other income:

Particulars	Rs. in Crores	
	For they ear ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest income:		
Interest on inter- corporate deposits.....	0.02	1.57
Interest on debentures	0.03	–
Interest of Fixed Deposits.....	3.38	2.13
On others	0.05	0.04

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Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(b) Dividend income:		
(i) from long-term investments in subsidiaries	4.15	3.47
(ii) from current investments	2.61	4.23
(c) Other:		
- Liabilities no longer required written back	–	0.29
- Provision for doubtful debts no longer required	–	0.12
- Gain on sale of current investments, net	0.75	2.38
- Gain on sale of fixed assets, net	9.18	–
	<u>20.17</u>	<u>14.23</u>

Note 21(a) Cost of materials consumed:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Opening Stock	105.81	143.25
Add: Purchases [includes processing charges Rs.16.97 crores (2014 Rs. 15.28 crores)]	1,009.27	924.78
	<u>1,115.08</u>	<u>1,068.03</u>
Less: Closing Stock	125.32	105.81
	<u>989.76</u>	<u>962.22</u>

Details of Raw materials and components consumed:	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Steel products	989.76	962.22

Details of closing stock of Raw materials & components:	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Steel products	125.32	105.81

Note 21(b) Purchase of stock in trade:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Traded goods Steel products	76.09	67.33
	<u>76.09</u>	<u>67.33</u>

Note 21(c) Changes in inventories of finished goods, work-in-progress and stock in trade:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Inventories at the end of the year:		
Finished goods	16.22	11.41
Work-in-Progress	12.28	6.59
Stock in trade	6.30	3.40
	<u>34.80</u>	<u>21.40</u>

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Inventories at the beginning of the year:		
Finished goods	11.41	10.54
Work-in-Progress	6.59	6.62
Stock in trade	3.40	3.01
	<u>21.40</u>	<u>20.17</u>
(Increase)/Decrease in Stock	<u>(13.40)</u>	<u>(1.23)</u>

Details of closing stock of Finished goods, work-in-progress and stock in trade

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Finished goods:		
Steel products	16.22	11.41
Work-in-Progress:		
Steel products	12.28	6.59
Stock-in-trade:		
Steel products	6.30	3.40
	<u>34.80</u>	<u>21.40</u>

Note 22 Employee benefits expense:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Salaries, wages, bonus, etc	10.47	9.70
(b) Stock Appreciation Rights expense (refer note 32)	0.81	1.72
(c) Contribution to Provident and other funds (refer note 26)	0.46	0.43
(d) Gratuity expense (refer note 26)	0.32	0.08
(e) Post retirement medical benefit expense (refer note 26)	0.02	(0.11)
(g) Staff welfare	0.82	0.64
	<u>12.90</u>	<u>12.46</u>

Note 23 Finance costs:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Usance Interest	1.07	1.37
(b) Interest on income tax	0.26	0.09
	<u>1.33</u>	<u>1.46</u>

Note 24 Other expenses:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Stores consumed	0.29	0.32
(b) Power and fuel	0.88	0.85
(c) Rent including lease rentals	2.29	2.23
(d) Rates and taxes	0.32	0.18

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(e) Excise duty (refer note 33)	0.67	0.16
(f) Insurance.....	0.77	0.91
(g) Repairs and maintenance		
- Buildings	0.03	0.08
- Machinery	0.17	0.33
- Others	1.01	0.62
(h) Freight outward	11.90	9.48
(i) Bad debts and advances written off.....	-	0.03
(j) Auditors' remuneration (refer note below).....	0.18	0.19
(k) Directors' fees	0.07	0.02
(l) Commission to Non whole time Directors	0.26	0.32
(m) Loss on foreign exchange transactions and translations.....	4.81	6.39
(n) Loss on Fixed Assets sold	-	0.04
(o) Expenditure on CSR activities	1.87	-
(p) Miscellaneous expenses	6.15	5.92
	31.67	28.07

Note:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<u>Payment to auditors:</u>		
To statutory auditors		
(a) For audit.....	0.18	0.17
(b) For taxation work.....	-	0.02
(c) For other services.....	-	-
(d) Reimbursement of expenses	#	#
	0.18	0.19

Represents out of pocket expenses Rs. 36,469 (F2014: Rs. 36,000)

Note 25 Additional information to the financial statements

25.1 Contingent liabilities (to the extent not provided for):

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Claims against the Company not acknowledged as debts:		
Taxation demand for various assessment years, which is being contested by the Company		
	0.55	0.55
Demand for Maharashtra Value Added Tax, Gujarat Value Added Tax, Central Sales Tax (Maharashtra & Gujarat) for the financial year 2010-2011 against which appeal have been filed with the appellate authority after the year end.....		
	3.54	-
Total	4.09	0.55

25.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

- (i) The identification of vendors as a "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006 (The Act) has been done on the basis of the information to the extent provided by the vendors to the Company. This has been relied upon by the auditors.

25.3 Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful life of its fixed assets, in accordance with the provisions of Schedule II to the Act. The carrying amount of the assets as on that date have been depreciated over the remaining useful life of the assets as per Schedule II of the Companies Act, 2013. Consequently, depreciation for the year is lower by Rs. 0.69 Crore. Further, an amount of Rs. 0.10 Crore (net of deferred tax of Rs. 0.05 Crore) has been recognized in the Surplus in the statement of profit and loss, where the remaining useful life of such assets is Nil as at 1st April, 2014 in line with the provisions of Schedule II to the Companies Act, 2013.

25.4 Derivative Instruments:

The Company has entered into Forward Exchange contracts and plain vanilla option (being derivative instruments), which are not intended for trading or speculative purposes, but for hedge purposes.

(i) The following are the outstanding Forward Exchange Contracts entered into by the Company:

Particulars	Year	Currency	Amt. in FC in Crores	Buy/Sell	Cross currency
Payable on account of Import of Raw Material	31 March 2015	USD	0.42	Buy	Rupees
	31 March 2014	USD	1.60	Buy	Rupees

(ii) The following are the outstanding plain vanilla options entered into by the Company:

Particulars	Year	Currency	Amt. in FC in Crores	Buy/Sell	Cross currency
Payable on account of Import of Raw Material	31 March 2015	USD	–	Buy	Rupees
	31 March 2014	USD	0.01	Buy	Rupees

(iii) The year end foreign currency exposures that have not been hedged by a derivatives instrument or otherwise are given below.

Particulars	Currency	As at 31 March, 2015		As at 31 March, 2014	
		Amt. in FC in Crores	Rs. in Crores	Amt. in FC in Crores	Rs. in Crores
Payable on account of Import of Raw Material.....	USD	0.60	37.84	0.28	17.13
	EURO	#	0.05	#	*
Receivable on account of commission and services rendered	GBP	##	**	–	–
	USD	0.01	0.44	###	0.07

Represents amount EURO 7831.68 (2014: 94.46)

Represents amount GBP 361.72

Represents amount USD 11,615.64

* Represents amount (2014: 7801)

** Represents amount Rs.33,141

25.5 Value of imports calculated on CIF basis:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Raw materials.....	272.44	197.37

25.6 Expenditure in foreign currency:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Travelling.....	0.16	0.10
Interest	1.07	1.37
Others*.....	*	0.01

* Represents amount Rs. 5583.20

25.7 Details of consumption of imported and indigenous raw material:

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Rs. in Crores	%	Rs. in Crores	%
Raw Material:				
Import	251.05	25	183.00	19
Indigenous.....	738.71	75	779.22	81
	989.76	100	962.22	100

25.8 Earnings in foreign exchange:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Export of goods on FOB basis	-	0.02
Commission	6.93	6.42
Dividend	3.60	3.47
Services rendered	0.88	0.88

Note 26 Employee benefit plans:

Following are the relevant disclosures in pursuance of Accounting Standard 15 on "Employee Benefits".

- (i) The Company has recognized, in the Statement of Profit and Loss for the year, an amount of Rs. 0.46 crore (2014: Rs. 0.43 crore) as expenses under defined contribution plans.

Benefit (contribution to):	Rs. in Crores	
	2015	2014
Provident Fund	0.28	0.29
Pension Fund.....	0.10	0.06
Superannuation Fund	0.08	0.08
Total	0.46	0.43

- (ii) The Company operates defined benefit plans as follows:

- a. Funded – Post Retirement Gratuity
- b. Unfunded – Post Retirement Medical Benefits

- a. Details of funded and unfunded defined benefit obligations in respect of gratuity and postretirement medical benefits are as follows:

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Gratuity	Post-retirement medical benefits	Gratuity	Post-retirement medical benefits
Components of employer expense				
Current service cost.....	0.15	*	0.16	0.01
Interest cost	0.15	0.01	0.12	0.02
Expected return on plan assets.....	(0.13)	-	(0.13)	-
Actuarial losses/(gains).....	0.15	0.01	(0.08)	(0.14)
Effect of the limit in Para 59(b).....	-		*	-
Total expense recognised in the Statement of Profit and Loss	0.32	0.02	0.08	(0.11)
Actual contribution and benefit payments for year				

Particulars	Rs. in Crores			
	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Gratuity	Post-retirement medical benefits	Gratuity	Post-retirement medical benefits
Actual benefit payments	0.05	*	0.05	*
Net asset/(liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	2.11	–	1.70	–
Fair value of plan assets	2.29	–	1.81	–
Effect of the limit in Para 59(b)	*	–	*	–
Funded status [surplus/(deficit)]	0.18	–	0.11	–
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year.....	1.70	0.11	1.52	0.23
Current service cost	0.15	*	0.16	0.01
Interest cost	0.15	0.01	0.12	0.02
Actuarial (gains)/losses.....	0.20	0.01	(0.06)	(0.14)
Liabilities settle on divestiture.....	(0.04)	*	–	–
Benefits paid.....	(0.05)	*	(0.05)	*
Present value of DBO at the end of the year	2.11	0.13	1.70	0.11
Change in fair value of assets during the year				
Plan assets at beginning of the year	1.81	–	1.70	–
Expected return on plan assets.....	0.13	–	0.13	–
Actuarial gain/(loss)	0.05	–	0.02	–
Benefits paid.....	(0.05)	–	(0.05)	–
Contributions by Employer	0.35	–	0.02	–
Plan assets at the end of the year	2.29	–	1.81	–
Expected Employers Contribution next year.....	0.05	0.01	0.05	0.01
Actuarial assumptions				
Discount rate.....	8.05%	8.05%	8.95%	8.95%
Expected return on plan assets.....	7.5%	–	7.5%	–
Salary escalation.....	10%	–	10%	–
Attrition	8%	8%	10%	10%
Medical cost inflation.....	–	7%	–	7%
Mortality tables.....	Indian assured lives mortality (2006-08) Ult table	Indian assured lives mortality (2006-08) Ult table	Indian assured lives mortality (2006-08) Ult table	Indian assured lives mortality (2006-08) Ult table
Effect of 1% point change in the assumed medical inflation rate:	31 March, 2015		31 March, 2014	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Effect on the aggregate service and interest cost of Post Employment Medical Benefits	*	(*)	*	(*)
Effect on the accumulated Post Employment Medical Benefits obligations.....	0.01	(0.01)	0.01	(0.01)

(iii) Experience adjustment for gratuity

Mahindra Intertrade Limited

	Rs. in Crores				
	2015	2014	2013	2012	2011
Defined benefit obligation	2.11	1.70	1.52	1.30	1.25
Fair value of plan assets	2.29	1.81	1.70	1.59	1.88
Effect of the limit in Para 59(b)			0.01	0.02	-
(Deficit)/surplus	0.18	0.11	0.17	0.27	0.63
Experience adjustment on plan assets	0.05	0.02	*	0.06	**
Experience adjustment on plan liabilities	0.04	0.07	0.08	0.38	**

** The details of experience adjustments arising on account of plan liabilities and assets for earlier years as required by paragraph 120 (n)(ii) of AS 15 are not readily available in the valuation statement received from LIC and hence, are not furnished for.

Due to absence of data provided by LIC, break-up of Plan assets (assets allocation) in insurer managed funds have not been furnished

(iv) Experience Adjustments of Post-employment medical benefits

	Rs. in Crores				
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defined benefit obligation	0.13	0.11	0.23	0.27	0.26
Surplus/(deficit)	(0.13)	(0.11)	(0.23)	(0.27)	(0.26)
Experience adjustments on plan liabilities	*	(0.13)	(0.07)	*	0.08

(v) Basis used to determine the expected rate of return:

Based on expectation of the average long term rate of return expected on investment of the fund, during the estimated term of obligation.

(vi) The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.

Note: * Represents amount less than Rs. 50,000

Note 27 Segment Reporting:

The company has a single segment namely steel processing for the purpose of accounting standard 17 on segment reporting.

Note 28 Related party transactions:

Related party disclosures as required by AS-18 "Related Party Disclosures" are given below:

Holding Company

Mahindra & Mahindra Limited

Subsidiary Companies

MESL Mahindra Electrical Steel Private Limited

Subsidiary Companies and Joint Ventures

MSSCL Mahindra Steel Service Centre Limited

MMESS Mahindra MiddleEast Electrical Steel Service Centre (FZC)

MASL Mahindra Auto Steel Private Limited (which become a Joint Venture in the Current Year)

Key Managerial Personnel

Mr. Harsh Kumar, Managing Director

Mr. Zhooben Bhiwandiwalla, Executive Director

Other parties with whom transactions have taken place during the year

Fellow Subsidiaries:

MHRIL Mahindra Holidays & Resorts India Limited

MNAL Mahindra Trucks and Buses Limited (formerly known as Mahindra Navistar Automotives Limited)

MUSCO Mahindra Ugin Steel Company Limited (upto 9th December, 2014)

MLL Mahindra Logistics Limited

MRL	Mahindra Retail Private Limited
MVML	Mahindra Vehicle Manufacturers Limited
MBPO	Mahindra Integrated Business Solutions Private Limited
MSONAL	Mahindra Sona Limited
NBS	NBS International Limited
MNEPL	Mahindra Heavy Engines Pvt. Ltd.
NSSPL	Mahindra Sanyo Special Steel Private Limited

(B) Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2015:

(a) Particulars	Rs. in Crores					
	(Receipt/income)/Expenditure/payment					
	Holding	Company	Subsidiary Company/ Subsidiary Companies and Joint Ventures	Fellow	Subsidiaries	
	2015	2014	2015	2014	2015	2014
Purchase of finished goods	-	-	*	0.66	-	-
Purchase of fixed assets	0.11	0.15	-	-	-	-
Sale of fixed assets.....	-	-	22.35	0.01	-	-
Processing charges paid.....	-	-	16.97	16.01	-	-
Sale of finished goods **.....	192.62	214.55	38.60	26.83	312.60	434.19
Income from services rendered **.....	-	-	1.65	0.52	-	-
Deputation of personnel to related parties	-	-	0.41	0.35	-	-
Deputation of personnel from related parties	0.09	-	0.08	0.03	-	-
Other income.....	-	-	3.44	0.94	-	0.13
Other expenses.....	2.26	2.19	0.76	-	0.24	0.34
Reimbursement received from parties.....	0.17	0.21	0.38	0.94	*	*
Reimbursement made to parties.....	1.15	1.05	0.21	0.16	0.03	1.11
Interest received	-	-	0.04	1.09	-	0.48
Dividend received	-	-	4.15	3.47	-	-
Inter corporate deposits placed.....	-	-	1.73	81.83	-	30.00
Inter corporate deposits refunded by parties	-	-	1.58	84.06	-	30.00
Other Deposit	-	-	-	-	0.02	0.02
Share application money received back	-	-	-	10.50	-	-
Investment in Equity Shares	-	-	34.92	9.16	-	-
Investment in Debentures	-	-	-	10.75	-	-
paid during the current year	16.60	14.94	-	-	-	-

* Represents amount less than Rs. 1 lakh.

** excluding taxes.

	2015 Rs. in Crores	2014 Rs. in Crores
(b) Transactions with Key Management Personnel:		
Managerial Remuneration		
Mr. Harsh Kumar, Managing Director	2.22	2.09
Mr. Zhooben Bhiwandiwal, Executive Director	0.22	0.64

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	2015 Rs. in Crores	2014 Rs. in Crores
(c) Outstanding receivables as on 31st March:		
From Holding Company	1.43	3.23
From Subsidiary Company/Subsidiary Companies and Joint Ventures (including Inter-corporate Deposits & Interest thereon).....	29.35	4.62
From Fellow subsidiaries	2.74	2.08
(d) Outstanding payables as on 31st March:		
To fellow subsidiaries	0.11	0.25
To Key Managerial Personnel.....	0.62	1.00
(e) Disclosure of transactions between the Company, fellow subsidiaries and subsidiaries and joint ventures and the status of outstanding balance as on 31st March, 2015:		

(Rs. in Crores) (previous year's figures are in brackets)

	Subsidiaries & Joint Ventures					Fellow Subsidiaries													
	MMES	MSSCL	MESL	MASL	TOTAL	MUSCO	MLL	MNAL	MHRIL	MRL	MVML	MBPO	MSONAL	NBS	MGPTL	MNEPL	NSSPL	TOTAL	
Purchase of finished goods	-	*	-	-	*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(0.66)	(-)	(-)	(0.66)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of fixed assets.....	-	-	22.35	22.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(0.01)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Processing charges paid.....	-	16.97	-	-	16.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(16.01)	(-)	(-)	(16.01)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of finished goods **.....	-	38.60	-	-	38.60	225.63	-	-	-	86.97	-	-	-	-	-	-	-	-	312.60
	(0.02)	(26.81)	(-)	(-)	(26.83)	(341.94)	(-)	(-)	(-)	(-)	(92.17)	(-)	(-)	(-)	(-)	(-)	(-)	(0.08)	(434.19)
Income from services rendered **.....	-	1.65	-	-	1.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(0.52)	(-)	(-)	(0.52)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Deputation of personnel to related parties	-	0.41	-	-	0.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(0.35)	(-)	(-)	(0.35)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Deputation of personnel from related parties.....	-	0.08	-	-	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(0.03)	(-)	(-)	(0.03)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Other income	0.88	0.06	-	2.50	3.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(0.88)	(0.06)	(-)	(-)	(0.94)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Other expenses	-	0.76	-	-	0.76	0.06	-	-	0.15	-	-	0.01	-	* 0.02	-	-	-	-	0.24
	(-)	(-)	(-)	(-)	-	(0.05)	(-)	(-)	(0.27)	(-)	(-)	(0.01)	(*)	(0.01)	(-)	(-)	(-)	(-)	(0.34)
Reimbursement received from parties ...	0.02	0.24	*	0.11	0.38	-	-	-	-	*	-	-	-	-	-	-	-	-	*
	(0.04)	(0.10)	(-)	(0.80)	(0.94)	(-)	(-)	(-)	(0.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(*)
Reimbursement made to parties.....	-	0.21	-	-	0.21	* 0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.01
	(-)	(0.16)	(-)	(-)	(0.16)	(0.01)	(-)	(1.04)	(-)	(-)	(-)	(-)	(-)	(0.03)	(0.03)	(-)	(-)	(-)	(1.11)
Interest received	-	-	0.03	0.01	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(1.06)	(0.02)	(-)	(1.09)	(-)	(-)	(-)	(-)	(0.30)	(-)	(-)	(-)	(-)	(-)	(0.18)	(-)	(-)	(0.48)
Dividend Received	3.60	0.55	-	-	4.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(3.47)	(-)	(-)	(-)	(3.47)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Inter corporate deposits placed.....	-	0.03	0.12	1.57	1.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(81.78)	(0.05)	(-)	(81.83)	(-)	(-)	(-)	(-)	(10.00)	(-)	(-)	(-)	(-)	(-)	(20.00)	(-)	(-)	(30.00)
Inter corporate deposits refunded by parties	-	0.01	-	1.57	1.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(83.98)	(0.08)	(-)	(84.06)	(-)	(-)	(-)	(-)	(10.00)	(-)	(-)	(-)	(-)	(-)	(20.00)	(-)	(-)	(30.00)
Capital advance paid.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Other Deposit.....	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.02
	(-)	(-)	(-)	(-)	-	(0.02)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.02)
Share application money received back ..	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(10.50)	(-)	(10.50)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Shares	-	-	-	34.92	34.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(9.15)	(-)	(0.01)	(9.16)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(10.75)	(-)	(10.75)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Outstanding receivables (including Inter-corporate deposit & interest thereon).....	0.22	15.66	10.94	2.53	29.35	-	-	-	-	-	2.74	-	-	-	-	-	-	-	2.74
	(0.22)	(3.58)	(0.02)	(0.80)	(4.62)	(-)	(-)	(-)	(-)	(-)	(2.08)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.08)
Outstanding payables	-	-	-	-	-	-	0.07	-	0.02	0.02	-	*	-	-	-	-	-	-	0.11
	(-)	(-)	(-)	(-)	-	(-)	(0.07)	(-)	(0.15)	(0.02)	(-)	(*)	(-)	(-)	(-)	(-)	(-)	(-)	(0.01)

* Represents amount less than Rs. 1 lakh.

** excluding taxes.

Note 29 Earnings per share:

Particulars	Rs. in Crores	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Basic/Diluted		
Profit after tax (Rs. in crores) (A).....	72.17	64.37
Weighted average number of shares – Basic (B)	16,600,007	16,600,007
Earnings per share – Basic/Diluted (Rupees) (A/B).....	43.48	38.77
Nominal value per share (Rs.).....	10	10

Note 30 Deferred tax (liability)/asset (net):

Particulars	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
Tax effect of items constituting deferred tax liability.....		
On difference between book balance and tax balance of fixed assets	(5.33)	(5.63)
	<u>(5.33)</u>	<u>(5.63)</u>
Tax effect of items constituting deferred tax assets		
On provision for doubtful debts	0.55	0.55
Stock Appreciation Rights	0.24	0.29
On provision for employee benefits.....	0.96	0.77
	<u>1.75</u>	<u>1.61</u>
Deferred Tax Liability (net).....	<u>(3.58)</u>	<u>(4.02)</u>

Note 31 Interest in joint ventures:

(i) In Jointly Controlled Entities: Name of the Entity	Country of Incorporation	% of Ownership Interest
	A. Mahindra MiddleEast Electrical Steel Service Centre FZC	Sharjah, UAE
B. Mahindra Steel Service Centre Limited	India	61%
C. Mahindra Auto Steel Private Limited (which became a joint venture in the current year).....	India	51%
(ii) Interests in the assets, liabilities, income, expenses and contingent liabilities with respect to Jointly Controlled Entities:		

A. Mahindra MiddleEast Electrical Steel Service Centre FZC

	Rs. in Crores	
	As at 31 March, 2015	As at 31 March, 2014
I. ASSETS		
1. Non current assets		
a) Property, plant and equipment.....	19.83	21.21
b) Long-term loans and advance.....	-	-
2. Current Assets		
a) Inventories.....	3.08	4.90
b) Trade and other receivables	9.00	13.49
c) Cash and cash equivalents.....	0.35	6.15
d) Asset held for sale	0.09	-
II. LIABILITIES		
1. Non Current Liabilities	0.20	0.11
2. Current Liabilities	3.79	13.59

Mahindra Intertrade Limited

		Rs. in Crores	
		As at 31 March, 2015	<i>As at 31 March, 2014</i>
III.	INCOME		
	1. Sale of goods and Services.....	34.16	63.12
	2. Other income.....	0.10	0.74
IV.	EXPENDITURE		
	1. Cost of sales	30.40	56.48
	2. Administrative and general expenses	1.59	1.76
	3. Distribution costs.....	0.51	0.88
	4. Finance cost	0.35	0.46
	5. Depreciation	1.40	1.38
V.	Contingent liabilities.....	7.72	15.30
VI.	Capital commitments.....	-	-

The information furnished above has been derived from the audited accounts of Mahindra MiddleEast Electrical Steel Service Centre FZC for the year ended 31 March, 2015 wherein amounts reported in Indian Rupees for the years ended 31 March, 2015 have been given by translating the figures reported in Dhs., at the rate of Rs. 17.07 = 1 Dhs.

B. Mahindra Steel Service Centre Limited

		As at	Rs. in Crores
		31 March, 2015	<i>As at</i> <i>31 March, 2014</i>
I.	ASSETS		
	1. Non-current assets		
	a) Fixed assets	56.95	59.73
	b) Long term loans and advances.....	0.96	0.87
	c) Other non-current assets	3.67	-
	2. Current assets		
	a) Inventories.....	30.45	16.96
	b) Trade receivables.....	21.47	17.99
	c) Cash and cash equivalents.....	0.44	4.69
	d) Short term loans and advances	12.65	14.90
	e) Other current assets.....	0.73	*
	* represents Rs. 25,620		
II.	LIABILITIES		
	1. Non current liabilities		
	a) Long term borrowings.....	7.88	14.71
	b) Deferred tax liabilities (net)	6.48	5.69
	c) Long term provision.....	0.44	0.38
	2. Current liabilities		
	a) Short term borrowings	2.17	-
	b) Trade payables.....	43.71	25.14
	c) Other current liabilities	8.35	14.71
	d) Short term provision	1.34	0.79
III.	INCOME		
	1. Revenue from operations (net).....	91.92	74.38
	2. Other income.....	0.23	0.27
IV.	EXPENDITURE		
	1. Cost of sales	63.31	52.07
	2. Employee benefits expenses	4.54	3.84

	As at 31 March, 2015	Rs. in Crores As at 31 March, 2014
3. Finance cost	2.12	2.84
4. Depreciation	5.93	4.70
5. Other expenses.....	8.01	6.82
V. Contingent liabilities.....	0.14	0.07
VI. Capital commitments.....	0.04	-

C. Mahindra Auto Steel Private Limited

	Rs. in Crores As at 31 March, 2015
I. ASSETS	
1. Non-current assets	
a) Fixed assets	40.10
b) Long term loans and advances.....	0.46
2. Current assets	
a) Current investment	4.08
b) Cash and cash equivalents.....	2.62
c) Short term loans and advances	3.20
d) Other Current Assets.....	0.14
II. LIABILITIES	
1. Non current liabilities	
a) Long term borrowings.....	11.24
b) Long term provision.....	0.07
2. Current liabilities	
a) Trade payables.....	0.01
b) Other current liabilities	4.22
c) Short term provision	0.01
III. INCOME	
1. Other income.....	0.64
IV. EXPENDITURE	
1. Finance cost	0.01
2. Other expenses.....	0.05
V. Capital commitments.....	4.36

Note 32. Stock Appreciation Rights:

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2013 (SARS-2013) during the years ended 31st March 2013, 31st March 2014 and 31st March, 2015. Under the scheme, eligible employees are entitled to receive appreciation in value of equity shares over its face value on exercise of the SARs. The SARs may be exercised up to a period of three years from the date of vesting.

The compensation cost of SARs granted to employees is accounted by the Company using the intrinsic value method. The fair value of the equity shares is based on valuation obtained from an independent valuer. Difference between market value and face value of the equity shares, being the intrinsic value, has been recognised as compensation cost over the vesting period. The related expenses for SARs amounting to Rs. 0.81 crores (2014: Rs.1.72 crores) has been recognised as employee cost.

Mahindra Intertrade Limited

Summary of SARs:

SARs outstanding on 1 st April 2014	165,707
SARs granted during the year	273,048
SARs forfeited during the year	2,311
SARs exercised during the year	79,167
SARs outstanding on 31 st March 2015	357,277

The fair value of SARs granted during the year is Rs. 83.81 per SARs.

Had the Company adopted fair value method as described in the Guidance note on Accounting for Employee Share - based Payments issued by the Institute of Chartered Accountants of India, the employee compensation cost would have been lower by Rs. 0.55 crore, profit after tax higher by Rs. 0.37 crore and the earnings per share would have been higher by Re. 0.22

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

	Grant dated 28 th January, 2015	Grant dated 20 th March, 2014
Risk free interest rate	Annualised continuously compounded rate on safe asset with same maturity	
Expected volatility	13.51%	17.36%
Expected dividend yield	8.95%	6.37%

Note 33 Excise duty:

Excise duty disclosed under "Other Expenses" (Note 24) represents the difference between the excise duty on opening stock and closing stock of finished goods.

Note 34 Previous year's figures:

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

	Bharat Doshi	Chairman
	Zhooben Bhiwandiwalla	Executive Vice-Chairman
	Harsh Kumar	Managing Director
	Sudhir Mankad	Director
Jyoti Walunj Chief Financial Officer		
Abhishek Juvekar Company Secretary		

Place: Mumbai Date: 6 May, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA INTERTRADE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MAHINDRA INTERTRADE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2015;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of Mahindra MiddleEast Electrical Steel Service Centre a foreign subsidiary, whose financial statements reflect total assets of Rs. 35.74 crores as at 31st March, 2015, total revenues of Rs. 37.18 crores and net cash outflows amounting to Rs. 6.45 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company and the subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order:
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 25.1 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Uday M. Neogi
(Partner)
(Membership No. 30235)

Mumbai, 27 May, 2015

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Intertrade Limited on the consolidated financial statements for the year ended 31st March, 2015).

Our reporting on the Order includes three subsidiary companies incorporated in India, to which the Order is applicable.

- (i) Having regard to the nature of the business/activities/results during the year of the Holding Company and the subsidiary companies incorporated in India, clauses (v) & (viii) of the Order are not applicable to the Group.
- (ii) In respect of its fixed assets of the Holding Company and the subsidiary companies incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Holding Company and subsidiary companies incorporated in India have physically verified the fixed assets during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of the physical verification of fixed assets is reasonable having regard to the size of the respective entities and the nature of their assets.
- (iii) In respect of the inventories of the Holding Company and a subsidiary company incorporated in India:
 - (a) As explained to us, the inventories were physically verified during the year by the Management of the respective entities. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Holding Company and the subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items of the Holding Company and a subsidiary company incorporated in India, are of special nature for which alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, no major weakness in such internal control system has been observed.
- (vi) According to the information and explanations given to us, in our opinion, the Holding Company and a subsidiary company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. The Companies (Cost Records and Audit Amendment Rules, 2014 prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the other subsidiaries incorporated in India.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and the subsidiary companies incorporated in India:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to the respective entities with the appropriate authorities.

Mahindra Intertrade Limited

- (b) No undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) As at 31st March, 2015 the following are the particulars of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess that have not been deposited on account of any dispute for one of the subsidiaries:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved
Income-tax Laws	Income tax	Appellate Authority – Commissioner (Appeals)	A.Y. 2011 - 2012	Rs. 503,910

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the aforesaid entities in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (viii) According to the information and explanations given to us, the Holding Company and the subsidiary companies incorporated in India have not defaulted in repayment of dues to banks. The Holding company and the subsidiary companies incorporated in India have not taken any loan from financial institution. In case of a subsidiary company incorporated in India, where there are debenture holders, there were no defaults in repayment of dues.
- (ix) According to the information and explanations given to us, the Holding Company and the subsidiary companies incorporated in India have not given guarantees for loans taken by others outside of the Group from banks and financial institutions.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by one subsidiary company incorporated in India during the year for the purposes for which they were obtained. There were no term loans in case of the Holding Company and other two subsidiary companies incorporated in India.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company and its subsidiary companies incorporated in India and no material fraud on the Holding Company and its subsidiary companies incorporated in India have been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Uday M. Neogi
(Partner)
(Membership No. 30235)

Mumbai, 27 May, 2015

Consolidated Balance Sheet as at 31 March, 2015

		Rs. in Crores
		As at 31 March, 2015
Particulars	Notes	
A EQUITY AND LIABILITIES		
1 Shareholders' fund		
(a) Share capital	2	16.60
(b) Reserves and surplus	3	408.13
		<u>424.73</u>
2 Minority interest		73.87
3 Non current liabilities		
(a) Long-term borrowings.....	4	34.95
(b) Deferred tax liabilities (net)	30	14.20
(c) Long term provisions	5	3.18
		<u>52.32</u>
4 Current liabilities		
(a) Short term borrowings	6	3.61
(b) Trade payables	7	180.31
(c) Other current liabilities	8	32.64
(d) Short term provisions.....	9	22.60
		<u>239.16</u>
Total		<u><u>790.08</u></u>
B ASSETS		
1 Non current assets		
(a) Fixed assets		
(i) Tangible assets	10	181.61
(ii) Intangible assets		0.06
(iii) Capital work in progress		53.15
		<u>234.82</u>
(b) Long term loans and advances	11	5.30
(c) Other non-current assets	12	6.02
		<u>246.14</u>
2 Current assets		
(a) Current investments	13	19.00
(b) Inventories	14	214.00
(c) Trade receivables	15	231.70
(d) Cash and cash equivalents	16	39.82
(e) Short term loans and advances.....	17	36.05
(f) Other current assets.....	18	3.37
		<u>543.94</u>
Total		<u><u>790.08</u></u>

See accompanying notes forming part of the financial statements

In terms of our report attachedFor **Deloitte Haskins & Sells**
Chartered Accountants**Harsh Kumar**

Managing Director

Sudhir Mankad

Director

Jyoti Walunj

Chief Financial Officer

Uday M. Neogi
Partner**Abhishek Juvekar**

Company Secretary

Place: Mumbai Date: 27 May, 2015

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

		Rs. in Crores
Particulars	Notes	For the year ended 31 March, 2015
1 Revenue from operations (gross)	19	1,426.01
Less: Excise duty		(106.08)
Revenue from operations (net)		<u>1,319.93</u>
2 Other income.....	20	<u>8.82</u>
3 Total revenue (1+2)		<u>1,328.75</u>
4 Expenditure:		
(a) Cost of materials consumed	21(a)	1,069.55
(b) Purchase of stock in trade	21(b)	76.09
(c) Changes in inventories of finished goods, work-in-progress and stock in trade.....	21(c)	(14.88)
(d) Employee benefits expense.....	22	22.13
(e) Finance costs	23	4.98
(f) Depreciation and amortisation expense	10	16.59
Less- transfer to capital work-in-progress.....		(0.15)
(g) Other expenses.....	24	<u>45.32</u>
Total expenses		<u>1,219.63</u>
5 Profit before tax (3-4)		109.12
6 Tax expense:		
(a) Current tax expense.....		43.19
(b) Deferred tax.....		<u>1.04</u>
7 Profit before minority interest (5-6)		64.89
Minority share in (Profit)		3.40
8 Net profit for the year		61.49
9 Earnings per equity share (of Rs. 10 each):	29	
Basic/Diluted (Rs.).....		37.04

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Uday M. Neogi
Partner

Harsh Kumar

Managing Director

Sudhir Mankad

Director

Jyoti Walunj

Chief Financial Officer

Abhishek Juvekar

Company Secretary

Place: Mumbai Date: 27 May, 2015

Consolidated Cash flow statement for the year ended 31 March, 2015

Particulars	Rs. in Crores For the year ended 31 March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax for the year	109.12
Adjustments for:	
Depreciation and Amortisation	16.44
Interest income.....	(4.19)
Dividend income	(3.48)
Finance costs.....	4.98
Net gain on sale of current investments.....	(0.75)
Liabilities no longer required written back.....	(0.01)
Profit on fixed assets sold.....	(0.03)
Gain on deemed disposal of partial stake in the subsidiary.....	(0.36)
	12.60
Operating Profit before Working Capital Changes	121.72
Changes in working capital:	
Adjustments for (increase)/decrease in operating assets/liabilities:	
Trade and other receivables	(19.81)
Inventories.....	(53.53)
Trade payables and other liabilities.....	(78.62)
	(151.96)
Cash Generated from Operations.....	(30.24)
Net income tax (paid)	(43.72)
	(73.96)
NET CASH FLOW FROM OPERATING ACTIVITIES	(73.96)
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	
Capital Expenditure on fixed assets, including capital advances.....	(69.03)
Proceeds from sale of fixed assets (net).....	2.29
Subscription received on divesture of interest in subsidiaries	33.57
Current investments not considered as Cash and cash equivalents	
– Purchased	(2,586.17)
– Proceeds from sale.....	2,573.92
Interest received	
– Others.....	4.08
Dividend received	
– Others.....	3.48
	(37.87)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(37.87)
C. CASH FLOW USED IN FINANCING ACTIVITIES	
(Proceeds)/Repayments from borrowings	3.05
Finance Costs.....	(4.97)
Dividends paid.....	(17.36)
Tax on dividend	(2.97)
	(22.25)

Mahindra Intertrade Limited

	Rs. in Crores
	For the year ended
	31 March, 2015
Particulars	
NET CASH FLOW USED IN FINANCING ACTIVITIES.....	(22.25)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(134.08)
Cash and cash equivalents at the beginning of the year (refer note 16).....	150.18
Cash and cash equivalents at the end of the year (refer note 16).....	39.82
	(110.36)
Reconciliation of Cash and cash equivalents with the Balance Sheet:	
Cash and cash equivalents as per Balance Sheet (refer note 16)	
Component of cash and cash equivalents	
Cash on hand	0.01
with banks: in current accounts.....	7.81
in deposit account.....	32.00
	39.82

Note: The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Uday M. Neogi
Partner

Harsh Kumar

Managing Director

Sudhir Mankad

Director

Jyoti Walunj

Chief Financial Officer

Abhishek Juvekar

Company Secretary

Place: Mumbai Date: 27 May, 2015

Notes forming part of the consolidated financial statements

1.1 Basis of accounting and preparation of consolidated financial statements:

The consolidated financial statements of Mahindra Intertrade Limited (the Company) and its subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (The Act). The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

1.2 Principles of Consolidation

The consolidated financial statements relate to Mahindra Intertrade Limited and its subsidiaries. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements". The consolidated financial statements have been prepared on the following basis:

- (a) Investments in subsidiaries:
 - (i) The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealised profits or losses have been fully eliminated.
 - (ii) The difference between the costs of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill on consolidation or Capital Reserve on consolidation.
 - (iii) Minority Interest in the net assets of consolidated subsidiaries consists:
 - (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (b) The minorities' share of movements in equity since the date the parent subsidiary relationship comes into existence.
 - (c) The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until minority's share of losses previously absorbed by the majority has been recovered.
 - (iv) The financial statements of the subsidiaries are drawn up to 31st March 2015.

The Subsidiaries (Which along with Mahindra Intertrade Limited, the parent, constitute the group) considered in the presentation of these consolidated financial statements are:

Name of Subsidiary Company	Country of Incorporation	Proportion of ownership interest
Mahindra Steel Service Centre Limited (MSSCL)	India	61%
Mahindra Auto Steel Private Limited (MASPL)	India	51%
Mahindra Electrical Steel Private Limited (MESPL)	India	100%
Mahindra MiddleEast Electrical Steel Service Centre (FZC) (MMESS)	UAE	90%

1.3 Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates, are recognized in the periods in which the results are known/materialize.

1.4 Inventories:

Inventories are stated at cost or net realizable value, whichever is lower. Cost is arrived at on a weighted average method and includes, where appropriate, manufacturing overheads and excise duty.

1.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.6 Cash flow statement

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

1.7 Fixed Assets:

(a) Fixed Assets are stated at cost less accumulated depreciation/amortization. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are included in the cost of asset upto the date the asset is ready for its intended use.

(b) Leasehold land is amortised over the period of lease.

(c) Goodwill arising on acquisition of business is being amortised equally over a period of ten years.

(d) (i) Depreciation on tangible fixed assets for the Group excluding foreign subsidiary MMES (referred to in (ii) below) has been provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, taking into account the estimated usage of the asset in case of Motor Vehicle and based on technical advice in case of Blanking line.

Motor Vehicles: 5 years

Blanking Line (Nashik): 20 years

(ii) In case of a foreign subsidiary MMES having the book value of fixed assets of Rs. 22.03 crore as at 31 March, 2015:

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current period are as follows:

Factory Building 18 years (Remaining lease period)

Plant and Machinery: 20 years

Vehicles: 5 years

Furniture and Fixtures: 10 years

Office Equipment: 5 years

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.8 Impairment of Assets:

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If an indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceed their recoverable amount. The recoverable amount is greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

1.9 Revenue Recognition:

Sale of products are recognized, when the significant risks and rewards of ownership are transferred to the Buyer. Sales include excise duty, but excludes sales tax and value added tax.

Sales of services are recognised when services are rendered.

1.10 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.11 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. All foreign currency monetary items outstanding at the year end (excluding long term liability) are translated at the relevant rates of exchange prevailing at the year end and the resulting exchange differences are recognized in the Statement of Profit and Loss. In respect of forward exchange contracts, the premium or discount arising at the inception of such a contract is amortized as expense or income over the life of the contract.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing and acquisition of fixed assets are added to or subtracted from the cost of depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

1.12 Investments:

Long term Investments are valued at cost less provision, if any, for decline other than temporary, in value of such investments. Current investments are valued at the lower of cost and fair value, determined by category of investment.

1.13 Employee Benefits:

In case of Indian Subsidiaries

i) Defined Contribution Plan:

Company's contributions paid/payable during the year to the provident fund, superannuation fund, employee state insurance corporation and labour welfare fund are recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

ii) Defined Benefit Plan/Long Term Compensated Absences:

Company's liability towards gratuity, compensated absence and post retirement medical benefit schemes are determined by an independent actuary using the projected unit credit method at each Balance Sheet date. Past service cost are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation, as reduced by the fair value of Scheme assets.

In case of a Foreign Subsidiary

Provision for gratuity is made for amounts payable under the labour law in force in Sharjah Airport International Free Zone, Sharjah (FZ), applicable to the employees' accumulated periods of service at the reporting date.

1.14 Borrowing Costs:

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

1.15 Operating Lease

The Group's significant leasing arrangement are in respect of operating lease for land and warehouse. The leasing arrangement is for 25 years, which is not non-cancellable and is renewable by mutual consent on agreed terms. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

1.16 Taxes on Income:

Tax expense comprises current and deferred tax. Current Tax is determined as either (i) the amount of tax payable in respect of taxable income after considering usual allowances and disallowances under the Income-tax Act, 1961 or (ii) Minimum Alternate Tax for the year. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of the earlier years.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit for the year (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

1.18 Stock Appreciation Rights (SARs)

The compensation cost of SARs granted to employees is accounted by the Company using the intrinsic value method. The fair value of the equity shares is based on valuation obtained from an independent valuer. Difference between market value and face value of the equity shares, being the intrinsic value, is recognised as compensation cost over the vesting period.

Note 2 Share capital:

Particulars	As at 31 March, 2015	
	Number of Shares	Rs. in Crores
(a) Authorised		
Equity shares of Rs. 10 each.....	28,000,000	28.00
Cumulative redeemable preference shares of Rs. 100 each.....	1,875,000	18.75
	<u>29,875,000</u>	<u>46.75</u>
(b) Issued		
Equity shares of Rs. 10 each.....	27,100,007	27.10
(c) Subscribed and fully paid up		
Equity shares of Rs. 10 each.....	12,100,007	12.10
(d) Subscribed but not fully paid up		
Equity shares of Rs. 10 each, Rs. 7 not paid up	15,000,000	4.50
	<u>27,100,007</u>	<u>16.60</u>
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period		

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity shares of Rs. 10 each				
Year ended 31 March, 2015 (Subscribed and fully paid up)				
Number of shares.....	12,100,007	–	–	12,100,007

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Amount (Rs. in crores).....	12.10	–	–	12.10
Year ended 31 March, 2014 (Subscribed and fully paid up)				
Number of shares.....	12,100,007	–	–	12,100,007
Amount (Rs. in crores).....	12.10	–	–	12.10
Year ended 31 March, 2015 (Subscribed but not fully paid up)				
Number of shares.....	15,000,000	–	–	15,000,000
Amount (Rs. in crores).....	4.50	–	–	4.50
Year ended 31 March, 2014 (Subscribed but not fully paid up)				
Number of shares.....	15,000,000	–	–	15,000,000
Amount (Rs. in crores).....	4.50	–	–	4.50

- (ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

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 shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person or being a company present by a representative duly authorised or by proxy who is not himself a member shall have one vote. and (ii) On a poll: one vote for each equity share registered in the name of the member or company present by a representative duly authorised. 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. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of shares held by the holding company

Particulars	As at 31 March, 2015
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees)	27,100,006

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31 March, 2015	
	Number of shares	% of holding
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees)	27,100,006	99.999%

Note 3 Reserves and surplus:

	Rs. in Crores
	As at 31 March, 2015
(a) Capital Reserve on Consolidation	2.97
(b) Capital Redemption Reserve	18.75
(c) General Reserve	
Opening balance.....	45.70
Add: Transferred from surplus in the statement of profit and loss.....	7.22

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	Rs. in Crores
	As at 31 March, 2015
Closing balance.....	52.93
(d) Statutory Reserve (Refer Note 25.5)	1.07
(e) Foreign Currency Translation Reserve	8.71
(f) Surplus in the statement of profit and loss.....	
Opening balance	293.53
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of Rs. 0.20 crore and minority interest Rs. 0.11 crore) (Refer Note 25.2)	0.28
Add: Profit for the year	61.49
Less: Transferred to General Reserve.....	7.22
Proposed dividends.....	16.60
Tax on dividend	3.59
Dividend paid.....	3.63
	<hr/>
Closing balance	323.70
	<hr/>
	408.13

Note 4 Long-term borrowings

	Rs. in Crores
	As at 31 March, 2015
(a) Term loans from banks	
Secured.....	19.03
Less: Current maturities of long term debt (refer note 8).....	(10.72)
	<hr/>
	8.31
(b) Deferred payment liabilities	
Unsecured.....	1.51
Less: Current maturities of long term debt (refer note 8)	(0.26)
	<hr/>
	1.25
(c) Other loans and advances	
(i) Other loans and advances	
Unsecured.....	22.03
(ii) Interest free sales tax loan from SICOM	
Unsecured.....	3.60
Less: Current maturities of long term debt (refer note 8)	(0.24)
	<hr/>
	3.36
	<hr/>
	34.95

Note 5 Long term provisions:

	Rs. in Crores
	As at 31 March, 2015
Particulars	
Provision for Employee benefits:	
(i) Provision for compensated absences	2.84
(ii) Provision for Gratuity	0.06
(iii) Provision for post retirement medical benefits (refer note 28).....	0.13
(iv) Provision for other employee benefits (refer note 28).....	0.15
	3.18
	3.18

Note 6 Short term borrowings:

	Rs. in Crores
	As at 31 March, 2015
Particulars	
Other loans and advances	
Secured	3.56
Unsecured:	
Book overdrawn balance	0.05
	3.61
	3.61

Note 7 Trade payables:

	Rs. in Crores
	As at 31 March, 2015
Particulars	
Trade payables:	
Acceptances	92.91
Other than acceptances – Other than micro and small enterprises.....	87.40
	180.31
	180.31

Note 8 Other current liabilities:

	Rs. in Crores
	As at 31 March, 2015
Particulars	
(a) Current maturities of long-term debt [Refer note 4]	11.22
(b) Interest accrued but not due on borrowings	0.43
(c) Other payables:	
(i) Statutory remittances (contribution to provident fund and employee states insurance corporation, withholding taxes, excise duty, service tax, etc.)	3.18
(ii) Value added tax payable	8.03
(iii) Payables on purchase of fixed assets	3.37
(iv) Advance from customers	2.62

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	Rs. in Crores
	As at 31 March,
Particulars	2015
(v) Dealer deposit	3.40
(vi) Advance received for sale of leasehold land-Naini (refer note 34)	0.30
(vii) Other current liabilities	0.09
	<hr/>
	32.64
	<hr/>

Note 9 Short term provisions:

	Rs. in Crores
	As at 31 March,
Particulars	2015
(a) Provision for employee benefits:	
(i) Provision for compensated absences	0.74
(i) Provision for gratuity	0.23
(iii) Provision for post retirement medical benefit (refer note 28)	0.01
(iv) Provision for other employee benefits (refer note 28)	0.62
(b) Provision - Others:	
(i) Provision for taxation (net of payments)	0.58
(ii) Provision for proposed equity dividend	16.60
(iii) Provision for tax on proposed dividend	3.72
(iv) Provision for Stock Appreciation Rights	0.10
	<hr/>
	22.60
	<hr/>

Note 10 Fixed assets:

Rs. in Crores

Description of assets	Gross Block			Depreciation and Amortisation				Net Balance as at 31 March, 2015
	Balance as at 1 April, 2014	Additions during the year at cost	Deductions and adjustments during the year	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation and Amortisation for the year	Deductions and Adjustments of Depreciation and Amortisation	
A Tangible assets:								
Land	1.11	-	-	1.11	-	-	-	1.11
Land – leasehold	10.86	13.98	1.34	23.50	0.52	0.28	0.10	22.80
Buildings *	52.98	0.01	-	52.99	10.15	1.93	-	40.91
Electrical Installations	3.48	-	-	3.48	1.30	0.27	-	1.88
Plant and equipment	195.46	6.81	0.97	201.30	75.30	13.16	-	112.59
Furniture and fixtures	1.18	0.12	-	1.30	0.40	0.14	-	0.74
Vehicles	2.33	0.32	0.54	2.11	1.44	0.34	0.48	0.81
Office equipment	0.97	0.09	0.01	1.05	0.23	0.27	0.01	0.34
Computers	2.10	0.18	0.03	2.25	1.59	0.20	0.04	0.43
Sub Total (A)	270.47	21.51	2.89	289.09	90.93	16.59	0.63	181.61
B Intangible assets:								
Goodwill	4.76	-	-	4.76	4.76	-	-	4.76
Computer software	0.52	0.06	-	0.58	0.52	**	-	0.06
Website	0.47	-	-	0.47	0.47	-	-	0.47
Sub Total (B)	5.75	0.06	-	5.81	5.76	-	-	0.06
TOTAL (A+B)	276.22	21.57	2.89	294.90	96.70	16.59	0.63	181.67

* Includes Rs. 500 in respect of 10 shares of Rs. 50 each in Shah and Nahar Industrial Premises (A-1) Co-operative Society Limited.

** Represents Rs. 43,423

Note 11 Long term loans and advances:

Particulars	Rs. in Crores As at 31 March, 2015
Unsecured, considered good	
(a) Capital advance	0.73
(b) Security deposits	0.49
(c) Prepaid expenses	0.06
(d) Other Loans and advances	
(i) Advance income tax (net of provisions)	3.81
(ii) Surplus of plan assets over obligation - gratuity (refer note 28)	0.21
	5.30

Note 12 Other non-current assets

Particulars	Rs. in Crores As at 31 March, 2015
Unsecured, Considered Good	
Industrial Investment Promotion Assistance receivable..... (Refer note 33)	6.02
	6.02

Note 13 Current investments:

Particulars	Rs. in Crores As at 31 March, 2015
Unquoted investments in Mutual funds (At lower of cost and fair value):	
125,674.092 units of Rs.1,000 each in Taurus Liquid Fund - Existing Plan-Super Institutional Growth.....	19.00
	19.00

Note 14 Inventories:

Particulars (at lower of cost and net realisable value)	Rs. in Crores As at 31 March, 2015
(a) Raw materials.....	125.98
Goods in transit	39.69
	165.67
(b) Work-in-Progress	15.71
(c) Finished goods	24.93
(d) Stock in trade	6.30
(e) Stores and spares	1.39
	214.00

Note 15 Trade receivables:

	Rs. in Crores
	As at 31 March, 2015
Particulars	
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment	
Unsecured, considered good	0.08
Doubtful	1.63
	<u>1.71</u>
Less: provision for doubtful trade receivables	(1.63)
	<u>0.08</u>
(b) Other Trade receivables	
Unsecured, considered good	231.62
	<u>231.70</u>

Note 16 Cash and cash equivalents:

	Rs. in Crores
	As at 31 March, 2015
Particulars	
(a) Cash on hand	0.01
(b) Balances with banks	
(i) In current account	7.81
(ii) In deposit account	32.00
	<u>39.82</u>

Note 17 Short term loans and advances:

	Rs. in Crores
	As at 31 March, 2015
Particulars	
Unsecured, considered good	
(a) Security deposits	0.14
(b) Custom deposits	0.32
(c) Prepaid expenses	0.32
(d) Minimum Alternate Tax (MAT) credit entitlement	1.47
(e) Balances with government authorities:	
(i) CENVAT credit receivable	19.69
(ii) Value added tax credit receivable	5.29
(iii) Service tax credit receivable	5.17
(iv) Entry Tax receivable	0.59
	<u>30.74</u>
(f) Other loans and advances:	
(i) Advances to suppliers	1.33
(ii) Advance/Loans to employees	0.08
(iii) Refund receivable from custom authorities	1.48
(iii) Others	0.17
	<u>3.06</u>
	<u>36.05</u>

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Note 18 Other current assets:

Particulars	Rs. in Crores
	As at 31 March, 2015
(a) Interest accrued on Fixed Deposits	0.57
(b) Industrial Investment Promotion Assistance receivable (Ref Note 33)	1.20
(c) DEPB licences	0.01
(d) Leasehold Land held for sale (Ref Note 34).....	1.35
(e) Defined contribution plan assets receivable in respect of employee transferred to the company	0.06
(f) Exchange difference recoverable under currency swap	0.18
	<u>3.37</u>

Note 19 Revenue from operations:

Particulars	Rs. in Crores
	For the year ended 31 March, 2015
Revenue from –	
(a) Sale of products (Refer Note (i) below).....	1,370.57
(b) Sale of services (Refer Note (ii) below).....	3.71
(c) Other operating revenues (Refer Note (iii) below)	51.73
	<u>1,426.01</u>
Less: Excise duty	106.08
	<u>1,319.93</u>

Note

Particulars	Rs. in Crores
	For the year ended 31 March, 2015
(i) Sale of products comprises:	
Manufactured goods	
- Steel products.....	1,287.78
Traded goods	
- Steel products.....	82.79
Total - Sale of products	<u>1,370.57</u>
(ii) Sale of services comprises:	
- Job work processing	3.36
- Installation/repairs	0.35
Total - Sale of services	<u>3.71</u>
(iii) Other operating revenues comprise:	
- Scrap sales.....	32.78
- Commission income.....	6.93
- Insurance claim	0.43
- Cash discount.....	4.06
- Industrial investment promotion assistance	7.22
- Other Operating income	0.31
Total - Other operating revenues.....	<u>51.73</u>
	<u>1,426.01</u>

Note 20 Other income:

Particulars	Rs. in Crores For the year ended 31 March, 2015
(a) Interest income:	
Interest of Fixed Deposits.....	4.04
On others	0.15
(b) Dividend income:	
from current investments	3.48
(c) Other:	
- Liabilities no longer required written back.....	0.01
- Gain on sale of current investments, net	0.75
- Gain on sale of fixed assets, net.....	0.03
- Gain on deemed disposal of partial stake in the subsidiary (Refer note 25.4)	0.36
	<u>8.82</u>

Note 21(a) Cost of materials consumed:

Particulars	Rs. in Crores For the year ended 31 March, 2015
Opening Stock.....	127.66
Add: Purchases [includes processing charges Rs. 16.97 crores]	1,107.55
	<u>1,235.21</u>
Less: Closing Stock	165.66
	<u>1,069.55</u>

Note 21(b) Purchase of stock in trade:

Particulars	Rs. in Crores For the year ended 31 March, 2015
Traded goods Steel products	76.09
	<u>76.09</u>

Note 21(c) Changes in inventories of finished goods, work-in-progress and stock in trade:

Particulars	Rs. in Crores For the year ended 31 March, 2015
Inventories at the end of the year:	
Finished goods	24.93
Work-in-Progress	15.71
Stock in trade	6.30
	<u>46.94</u>
Inventories at the beginning of the year:	
Finished goods	16.37
Work-in-Progress	12.29
Stock in trade	3.40
	<u>32.06</u>
(Increase)/Decrease in Stock.....	<u>(14.88)</u>

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Note 22 Employee benefits expense:

Particulars	Rs. in Crores For the year ended 31 March, 2015
(a) Salaries, wages, bonus, etc	18.82
(b) Stock Appreciation Rights expense (refer note 31).....	0.97
(c) Contribution to Provident and other funds (refer note 28)	0.80
(d) Gratuity expense (refer note 28).....	0.53
(e) Post retirement medical benefit expense (refer note 28)	0.03
(f) Staff welfare.....	1.58
	<u>22.73</u>
Less-debited to capital work- in- progress	(0.60)
	<u>22.13</u>

Note 23 Finance costs:

Particulars	Rs. in Crores For the year ended 31 March, 2015
(a) Interest expense on	
(i) Borrowings	2.89
(ii) Other.....	
Usance Interest.....	1.83
delayed/deferred payment of tax.....	0.26
	<u>4.98</u>

Note 24 Other expenses:

Particulars	Rs. in Crores For the year ended 31 March, 2015
(a) Stores consumed	0.81
(b) Power and fuel	3.50
(c) Rent including lease rentals.....	3.07
(d) Rates and taxes.....	1.01
(e) Excise duty (refer note 32)	0.05
(f) Insurance	1.08
(g) Repairs and maintenance	
- Buildings	0.17
- Machinery	0.61
- Others	2.80
(h) Freight outward	13.74
(i) Bad debts and advances written off.....	0.02
(j) Auditors' remuneration.....	0.30
(k) Directors' fees	0.07
(l) Commission to Non whole time Directors	0.26
(m) Loss on foreign exchange transactions and translations.....	9.33
(n) Expenditure on CSR activities	1.99
(o) Miscellaneous expenses	10.06
	<u>48.87</u>
Less-debited to capital work-in-progress	3.55
	<u>45.32</u>

Note 25 Additional information to the financial statements

25.1 Contingent liabilities (to the extent not provided for):

Particulars	Rs. in Crores As at 31 March, 2015
(i) Claims against the Company not acknowledged as debts:	
(a) Taxation demand for various assessment years	0.60
(b) Demand for Maharashtra Value Added Tax, Gujarat Value Added Tax, Central Sales Tax (Maharashtra and Gujarat) for the financial year 2010-2011 against which appeals have been filed with the appellate authorities after the year end	3.54
(c) Letters of Credit	8.58
(ii) Commitments	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	
Tangible assets.....	8.62
(iii) Other money for which the company is contingently liable	
(a) Corporate Guarantee given by the Company to M/s SHV Energy Private Limited ...	0.12
(b) Bill discounted under Letter of Credit by HDFC Bank.....	0.06

25.2 Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Group has, effective 1st April 2014, reviewed and revised the estimated useful life of its fixed assets, in accordance with the provisions of Schedule II to the Act. The carrying amount of the assets as on that date have been depreciated over the remaining useful life of the assets as per Schedule II of the Companies Act, 2013. Consequently, depreciation for the year is higher by Rs. 1.08 Crore. Further, an amount of Rs. 0.39 Crore (net of deferred tax of Rs. 0.20 Crore) has been recognized in the Surplus in the statement of profit and loss, where the remaining useful life of such assets is Nil as at 1st April, 2014 in line with the provisions of Schedule II to the Companies Act, 2013.

25.3 Derivative Instruments:

The Company has entered into Foreign Exchange Contracts (being a derivative instruments), which are not intended for trading or speculative purposes, but for hedge purposes.

(i) The following are the outstanding Foreign Exchange Contracts entered into by the Company:

Particulars	Year	Currency	Amt. in FC in Crores	Buy/Sell	Cross currency
Forward contracts (payable on account of import of Raw Material)	31 March 2015	USD	0.92	Buy	Rupees
Forward contracts (Foreign currency loan for import of Machinery)	31 March 2015	USD	0.06	Buy	Rupees
Forward contracts (payable on purchase of Fixed assets)	31 March 2015	EURO	0.04	Buy	Rupees
Forward contracts (Import of Machinery)	31 March 2015	JPY	0.75	Buy	Rupees
Currency exchange/interest rate swap (Import of machinery)	31 March 2015	USD	0.35	Buy	Rupees

- (ii) The year end foreign currency exposures that have not been hedged by a derivatives instrument or otherwise are given below.

Particulars	As at 31 March, 2015		
	Currency	Amt. in FC in Crores	Rs. in Crores
Payable on account of Import of Raw Material.....	USD	0.88	55.48
Payable on account of Import of Plant and Machinery	USD	*	0.09
Receivable on account of commission and services rendered	EURO	#	0.05
	GBP	##	**
	USD	0.01	0.44

Represents amount EURO 7831.68
Represents amount GBP 361.72
* Represents amount USD 14,600
** Represents amount Rs.33,141

25.4 Gain on deemed disposal of partial stake in the subsidiary (MASPL).

In accordance with the terms of the Shareholders and Share Subscription Agreement, the Company had subscribed to 1,78,40,000 equity shares of Rs. 10 each of MASPL amounting to Rs. 17.84 crore on 28 April, 2014 after which the holding of the Company was reduced from 100% to 51%. The gain of Rs. 0.36 crore on deed disposal of partial stake in the subsidiary is accounted and disclosed as other income during the year.

25.5 Statutory Reserve

According to the article of association of MMESS, 10% of the net profit for each year is required to be transferred to the statutory reserve. The management may resolve to discontinue such annual transfers when the reserve reaches 50% of the paid up share capital. The reserve is not available for distribution. No appropriations to the statutory reserve has been made out of current year profit as the statutory reserve has accumulated to 50% of the paid up share capital.

Note 26 Segment Reporting:

The Group has a single segment namely steel processing for the purpose of accounting standard 17 on segment reporting.

Note 27 Related party transactions:

Related party disclosures as required by AS-18 "Related Party Disclosures" are given below.

Holding Company

Mahindra & Mahindra Limited

Key Managerial Personnel

Mr. Harsh Kumar, Managing Director

Mr. Zhooben Bhiwandiwalla, Executive Director

Other parties with whom transactions have taken place during the year

Fellow Subsidiaries:

MHRIL	Mahindra Holidays & Resorts India Limited
MUSCO	Mahindra Ugin Steel Company Limited (upto 9 th December, 2014)
MLL	Mahindra Logistics Limited
MRL	Mahindra Retail Private Limited
MVML	Mahindra Vehicle Manufacturers Limited
MBPO	Mahindra Integrated Business Solutions Private Limited
MSONAL	Mahindra Sona Limited
NBS	NBS International Limited
NSSPL	Mahindra Sanyo Special Steel Private Limited

(B) Disclosure of transactions between the Group and related parties and the status of outstanding balance as on 31st March, 2015:

(a) Particulars	Rs. in Crores	
	(Receipt/income)/Expenditure/payment	
	Holding Company	Fellow Subsidiaries
	2015	2015
Purchase of fixed assets	0.11	–
Advance paid for purchase of fixed assets.....	0.07	–
Advance paid on account of port charges for import of machinery	–	0.18
Sale of finished goods **.....	192.62	312.60
Processing Income **	–	*
Deputation of personnel from related parties	0.09	–
Other expenses.....	2.32	0.29
Reimbursement received from parties.....	0.17	*
Reimbursement made to parties.....	1.16	0.03
Other Deposit.....	–	0.02
Dividend paid during the current year	16.60	–

* Represents amount less than Rs. 1 lakh.

** excluding taxes.

2015
Rs. in Crores

(b) Transactions with Key Management Personnel:

Managerial Remuneration

Mr. Harsh Kumar, Managing Director	2.22
Mr. Zhooben Bhiwandiwalla, Executive Director	0.22

(c) Outstanding receivables as on 31st March:

From Holding Company	1.50
From Fellow subsidiaries	2.92

(d) Outstanding payables as on 31st March:

To Holding Company	0.05
To Fellow Subsidiaries	0.18
To Key Managerial Personnel.....	0.62

Mahindra Intertrade Limited

(e) Disclosure of transactions between the Company and fellow subsidiaries and the status of outstanding balance as on 31st March, 2015:

	(Rs. in Crores)									
	MUSCO	MLL	MHRIL	MRL	MVML	MBPO	MSONAL	NBS	NSSPL	TOTAL
Advance paid on account of port charges for import of machinery ...	-	0.18	-	-	-	-	-	-	-	0.18
Processing Income **	*	-	-	-	-	-	-	-	-	*
Sale of finished goods **	225.63	-	-	-	86.97	-	-	-	-	312.60
Other expenses	0.06	-	0.18	-	-	0.03	*	0.02	-	0.29
Reimbursement received from parties	-	-	-	*	-	-	-	-	-	*
Reimbursement made to parties	*	0.02	-	-	-	-	-	-	0.01	0.03
Other Deposit	0.02	-	-	-	-	-	-	-	-	0.02
Outstanding receivables	-	0.18	-	-	2.74	-	-	-	-	2.92
Outstanding payables	-	0.14	0.02	0.02	-	*	-	-	-	0.18

* Represents amount less than Rs. 1 lakh

** excluding taxes.

Note 28 Employee Benefit:

Following are the relevant disclosures in pursuance of the Accounting Standard 15, "Employee Benefits".

- (i) The Company has recognized, in the statement of profit and loss for the year, an amount of Rs. 0.80 Crores as expenses under defined contribution plans.

	Rs. in Crores
Benefit (contribution to):	2015
Provident Fund	0.54
Pension Fund	0.18
Superannuation Fund	0.08
Total	0.80

- (ii) The Company operates defined benefit plans as follows:

- a. Unfunded - Post Retirement Medical Benefits
- b. Funded & unfunded - Post Retirement Gratuity

- a. Details of funded and unfunded defined benefit obligations in respect of Gratuity and Post Retirement Medical Benefits are as follows:

Particulars	Rs. in Crores		
	For the year ended 31 March, 2015		
	Gratuity		Post-retirement medical benefits
	Funded	Unfunded	Unfunded
1. Reconciliation of opening and closing balances of obligation			
a. Opening Obligation.....	2.54	–	0.12
b. Current Service Cost.....	0.24	*	*
c. Interest Cost.....	0.23	*	0.01
d. Actuarial (gain)/loss	0.24	*	0.01
e. Liabilities assumed on transfer of employees.....	0.00	–	*
f. Liabilities assumed on acquisition	(0.04)	0.06	*
g. Benefits paid.....	(0.10)	–	(0.01)
h. Closing Obligation	3.12	0.06	0.14
The defined benefit obligation is wholly funded by the company			
2. Change in Plan Assets (Reconciliation of opening & closing balances):			
a. Opening fair value of plan assets	2.70	–	–
b. Expected return on plan assets.....	0.19	–	–
c. Actuarial gain/(loss)	0.10	–	–
d. Contributions.....	0.42	–	*
e. Asset received on transfer of employees	0.02	–	–
f. Benefits paid.....	(0.10)	–	*
g. Closing fair value of plan assets	3.33	–	–
3. Expected employer's contribution next year:	0.10	*	*
4. Reconciliation of fair value of assets and obligations:			
a. Fair value of plan assets as at the year end	3.33	–	–
b. Present value of obligation as at the year end	3.12	0.06	0.13
c. Amount recognised in the balance sheet - (assets)/liabilities....	(0.21)	0.06	–
5. Expense recognised in the year			
a. Current Service Cost	0.24	*	*
b. Interest Cost.....	0.23	*	0.01
c. Expected return on plan assets	(0.19)	–	–
d. Actuarial (gain)/loss	0.15	*	0.01
e. Expenses recognized in the year	0.43	*	0.03
The expense is included in line item- Post retirement medical benefit expense in note 25.			
6. Investment Details:			
a. Insurer (LIC) Managed funds	100%	–	–
7. Assumptions			
a. Discount rate	8.05%	8.05%	8.05%
b. Expected rate of return on assets.....	7.50%	–	–
c. Salary Growth Rate.....	10%	10%	–
d. Annual Increase in Healthcare cost	–	–	7.00%
e. Normal retirement age.....	60 years	60 years	60 years
f. Attrition rate	8.00%-9.00%	8.00%	8.00%-9.00%
g. Mortality.....	**Note	**Note	**Note
** Note: Indian Assured Lives Mortality (2006-08)			

8. Effect of one percentage point change in the assumed medical inflation rate	Rs. in Crores	
	Increase by 1%	Decrease by 1%
	2015	2015
Effect on the aggregate service and interest cost of Post Employment Medical Benefits	*	*
Effect on the accumulated Post Employment Medical Benefit obligations	0.02	(0.01)

9. Experience adjustments

Particulars	Gratuity		Post-retirement medical benefits
	Funded	Unfunded	Unfunded
Defined Benefit obligation.....	3.12	0.06	0.14
Fair Value of Plan Assets	3.33	–	–
Surplus/(Deficit).....	0.21	(0.06)	(0.14)
Experience adjustments on plan assets.....	0.10	–	–
Experience adjustments on plan liabilities	0.01	*	*

* Represents amount less than Rs. 1 lakh

Due to absence of data provided by LIC, break-up of Plan assets (assets allocation) in insurer managed funds have not been furnished.

Basis used to determine the expected rate of return:

Based on expectation of the average long term rate of return expected on investment of the fund, during the estimated term of obligation.

The estimates of future salary increases take into account inflation, seniority, promotion and the other relevant factors.

Note 29 Earnings per share:

Particulars	For the year ended 31 March, 2015
Basic/Diluted	
Profit after tax (Rs. in crores) (A).....	61.49
Weighted average number of shares – Basic (B)	16,600,007
Earnings per share – Basic/Diluted (Rupees) (A/B)	37.04
Nominal value per share (Rs.).....	10

Note 30 Deferred tax (liability)/asset (net):

Particulars	Rs. in Crores As at 31 March, 2015
Tax effect of items constituting deferred tax liability	
On difference between book balance and tax balance of fixed assets	(16.27)
	(16.27)
Tax effect of items constituting deferred tax assets	
On provision for doubtful debts.....	0.55
Stock Appreciation Rights	0.28
On provision for employee benefits	1.23
	2.07
Deferred Tax Liability (net).....	(14.20)

Note 31. Stock Appreciation Rights:

The Group has granted Stock Appreciation Rights (“SARs”) to eligible employees in accordance with the Stock Appreciation Rights Scheme 2013 (SARS-2013) during the years ended 31st March 2013, 31st March 2014 and 31st March, 2015. Under the scheme, eligible employees are entitled to receive appreciation in value of equity shares over its face value on exercise of the SARs. The SARs may be exercised up to a period of three years from the date of vesting.

The compensation cost of SARs granted to employees is accounted by the Group using the intrinsic value method. The fair value of the equity shares is based on valuation obtained from independent valuers. Difference between market value and face value of the equity shares, being the intrinsic value, has been recognised as compensation cost over the vesting period. The related expenses for SARs amounting to Rs. 0.97 crores has been recognised as employee cost.

Summary of SARs:

SARs outstanding on 1 st April 2014	194,982
SARs granted during the year	340,646
SARs forfeited during the year	2,311
SARs exercised during the year	93,449
SARs outstanding on 31 st March 2015	439,868

The fair value of SARs granted during the year is from Rs. 83.70 to Rs. 83.83 per SARs.

Had the Group adopted fair value method as described in the Guidance note on Accounting for Employee Share - based Payments issued by the Institute of Chartered Accountants of India, the employee compensation cost would have been lower by Rs. 0.58 crore, profit after tax higher by Rs. 0.39 crore and the earnings per share would have been higher by Re. 0.23.

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

	Grant dated Between 28th January, 2015 to 26th February 2015
Risk free interest rate	Annualised continuously compounded rate on safe asset with same maturity
Expected volatility	13.51%
Expected dividend yield	6.68%

Note 32 Excise duty:

Excise duty disclosed under “Other Expenses” (Note 25) represents the difference between the excise duty on opening stock and closing stock of finished goods.

Note 33 Industrial Investment Promotion Assistance:

In terms of Madhya Pradesh Industrial Investment Promotion Assistance Scheme, MSSCL in respect of Plant set up in an earlier year at Bhopal is entitled for Industrial Investment Promotion Assistance (IIPA) equivalent to 75% of amount deposited as VAT or CST during each of the 10 years ending March 2020. In the earlier years in view of uncertainty about the receipt of IIPA amount the Company had not recognised the amount receivable in the respective years beginning 2010-2011. Considering the sanction orders received for the year 2010-2011 during the previous year and for the year 2011-2012 during the year, the Company has accrued IIPA of Rs. 7.22 Crores relating to the years 2012-2015 (including Rs. 4.53 Crores upto the year ended 31 March 2014) during the year.

Note 34 Leasehold land held for sale

MESPL has entered into a Memorandum of Agreement dated March 11, 2015, with a third party for surrendering its leasehold rights in the plot of land at Naini in favour of the said party, subject to U.P. State Industrial Development Corporation Limited (UPSIDC) granting the required permission. As at the balance sheet date, the third party was in the process of obtaining the permission from UPSIDC to have the leasehold rights transferred from the Company in its favour. The Company has received an advance of Rs. 0.30 Crores being part of the agreed consideration.

Mahindra Intertrade Limited

Note 35 Leases

MMESS has entered into operating lease arrangements for the custom built warehouse, the significant terms and conditions of which are as under:

The tenure of lease agreement is generally for a period of 7 to 25 years, renewable thereafter for another equal term.

The future minimum lease payments under non-cancellable lease are as follows:

Less than 1 year: Rs. 0.53 crore

Between 1 and 5 years: Rs. 2.14 crore

Above 5 years: Rs. 5.34 crore

During the year an amount of Rs. 0.52 crore was recognised as an expense in the statement of profit and loss in respect of operating leases

Note 36 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Rs. in Crores			
	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Mahindra Intertrade Limited	82.49%	350.37	92.17%	56.68
Subsidiaries				
Indian				
Mahindra Steel Service Centre Limited	19.75%	83.89	12.24%	7.52
Mahindra Auto Steel Private Limited	7.95%	33.77	1.52%	0.93
Mahindra Electrical Steel Private Limited	-0.54%	(2.31)	-0.42%	(0.26)
Foreign				
Mahindra Middle East Electrical Steel Service Centre [FZC]	7.74%	32.87	0.04%	0.02
Minority Interests in all subsidiaries	-17.39%	(73.87)	-5.54%	(3.40)
TOTAL	100.00%	424.73	100.00%	61.49

Note 37 Previous year's figures:

The Group has prepared and presented its consolidated financial statements for the first time and hence, in terms of Accounting Standard 21 "Consolidated Financial Statement", corresponding (comparative) figures for the previous year have not been presented.

Harsh Kumar	Managing Director
Sudhir Mankad	Director
Jyoti Walunj	Chief Financial Officer
Abhishek Juvekar	Company Secretary

Place: Mumbai Date: 27 May, 2015

FORM AOC-I

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

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

Part "A": Subsidiaries

Sr. No.	Sr. No. --->	1	2	3	4
	Name of the subsidiary ----->	Mahindra Steel Service Centre Limited	Mahindra Auto Steel Private Limited	Mahindra Electrical Steel Private Limited	Mahindra Middle East Electrical Steel Service Centre [FZC]
Sr. No.	Particulars				
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 March 2015	31 March 2015	31 March 2015	31 March 2015
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	Reporting Currency: USD Exchange Rate INR 62.64/ 1 USD
3	Share capital	16.54	68.50	0.05	2.50
4	Reserves & surplus	76.79	0.20	(2.36)	29.02
5	Total assets	208.71	99.21	8.94	35.94
6	Total Liabilities	208.71	99.21	8.94	35.94
7	Investments	–	8.00*	–	–
8	Turnover	151.06	1.25	0.01	37.15
9	Profit before taxation	13.50	1.13	(0.26)	0.02
10	Provision for taxation	5.96	0.20	–	–
11	Profit after taxation	7.54	0.93	(0.26)	0.02
12	Proposed Dividend	1.65	–	–	–
13	% of shareholding	61%	51%	100%	90%
Names of subsidiaries which are yet to commence operations					
1	Mahindra Auto Steel Private Limited				
2	Mahindra Electrical Steel Private Limited				
Names of subsidiaries which have been liquidated or sold during the year- Nil					

* comprises investment of current nature

Part "B": Associates and Joint Ventures

Nil

Jyoti Walunj

Chief Financial Officer

Abhishek Juvekar

Company Secretary

Bharat Doshi

Zhooben Bhiwandiwalla

Harsh Kumar

Sudhir Mankad

For and on behalf of the Board

Chairman

Executive Vice-Chairman

Managing Director

Director

Mumbai, May 27, 2015

**Mahindra MiddleEast
Electrical Steel Service
Centre (FZC)**

BOARD OF DIRECTORS

Zhooben Bhiwandiwala

Harsh Kumar

K. Chandrasekar

Sumit Issar

Kazuhiro Koshikawa

AUDITORS

KPMG, UAE

BANKERS

Bank of Baroda

ICICI Bank Limited

Standard Chartered Bank

REGISTERED OFFICE

SAIF Zone, P3, 11/12, P. O. Box 8114, Sharjah, U.A.E

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

DIRECTORS' REPORT

Your directors present their Eleventh Report, together with the audited financial statement of your Company for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

(Amount in Million)

	For the year ended March 31			
	2015		2014	
	USD	INR	USD	INR
Total Income	6.08	380.71	11.33	709.76
Profit before depreciation & interest	0.28	17.57	1.07	67.53
Depreciation	0.25	15.52	0.24	15.34
Profit before interest.....	0.03	2.05	0.83	52.19
Interest	0.03	1.80	0.07	4.43
Profit for the year	0.00	0.25	0.76	47.76
Balance of profit for earlier years.....	4.86	304.52	4.76	298.11
Less: Dividend.....	0.66	41.34	0.66	41.34
Balance carried to Balance Sheet.....	4.21	263.43	4.86	304.52

DIVIDEND

During the year, your directors declared an interim dividend of USD 330 per share (INR 20,539.20) on 1,000 shares of the face value of USD 550 (INR 34,232) each, fully paid up, aggregating USD 330,000 (INR 20,539,200). For the year ended March 31, 2015, your directors recommend a final dividend of USD 330 (INR 20,539.20) per share on 1,000 shares of the face value of USD 550 (INR 34,232) each, fully paid up, aggregating USD 3,30,000 (INR 20,539,200). The said dividend will be paid to those shareholders whose names appear in the Register of Members as on April 29, 2015, the Record Date fixed for this purpose.

OPERATIONS

The total income of your Company for the year decreased to USD 6.08 million (INR 380.71 million) from USD 11.33 million (INR 680.53 million), a decrease of 46%.

Profit for the year was USD 0.00 million (INR 0.25 million) as compared to USD 0.76 million (INR 47.76 million) in the previous year, primarily on account of sluggish demand from your Company's anchor customer, ABB and shortage of M4/M5 grade CRGO.

The transformer core line remained under-utilised during the year.

OUTLOOK FOR THE CURRENT YEAR

Your Company expects to improve its performance during the current year.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors state that:

- in the preparation of the annual financial statement for the year ended March 31, 2015 the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2015 and of the profit of the Company for the financial year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and,
- they have prepared annual accounts on a going concern basis.

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

CODES OF CONDUCT

Your Company has adopted Codes of Conduct ('Codes') for its directors, and senior management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has, for the year, received declarations under these Codes from directors, and senior management and employees, affirming compliance with the respective Codes.

AUDITORS

M/s. KPMG, UAE, Auditors of your Company, have expressed their willingness to accept re-appointment for the financial year ending on March 31, 2016.

Members are requested to re-appoint Auditors for the current year and fix their remuneration.

For and on behalf of the Board

Harsh Kumar
Director

Mumbai, April 29, 2015

INDEPENDENT AUDITORS' REPORT

The Shareholders

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Report on the financial statements

We have audited the accompanying financial statements of Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company"), which comprise the statement of financial position as at 31 March 2015, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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 International Standards on Auditing. 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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of a matter

Without qualifying our opinion above, as discussed in note 2(c) to the financial statements, we draw attention to the fact that the amounts presented in United Arab Emirates Dirham and Indian Rupees in the accompanying financial statements are supplementary information solely for the convenience of users. Such supplementary information does not form part of the audited financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on it.

Report on other legal and regulatory requirements

We further confirm that the financial statements comply, in all material respects, where appropriate, with the implementing regulations of the Sharjah Airport International Free Zone Authority.

For **KPMG Lower Gulf Limited**

Sharjah
29 April 2015

Muhammad Tariq
Partner
Registration No: 793

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Statement of financial position as at 31 March

	Note	Unaudited Supplementary information (refer note 2 (c))					
		2015		2014		2014	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.
ASSETS							
Property, plant and equipment	4	3,516,844	3,763,441	12,906,815	2,20,295,107	13,811,827	235,741,944
Non-current assets		3,516,844	3,763,441	12,906,815	2,20,295,107	13,811,827	235,741,944
Inventories	5	547,177	869,541	2,008,139	34,275,167	3,191,216	54,468,049
Trade and other receivables	6	1,562,358	2,374,347	5,733,852	97,866,105	8,713,850	148,729,096
Prepayments	7	34,017	20,136	124,844	2,130,825	73,900	1,261,319
Cash and bank balances...	8	61,429	1,090,708	225,444	3,847,913	4,002,899	68,321,949
Asset held for sale	9	16,349	–	60,000	1,024,101	–	–
Total current assets		2,221,330	4,354,732	8,152,279	139,144,111	15,981,865	272,780,413
Total assets		5,738,174	8,118,173	21,059,094	359,439,218	29,793,692	508,522,356
EQUITY							
Share capital	10	550,000	550,000	2,018,500	34,452,000	2,018,500	34,452,000
Retained earnings.....		4,205,384	4,861,423	15,433,759	263,425,253	17,841,419	304,519,537
Statutory reserves		275,063	275,063	1,009,481	17,229,946	1,009,481	17,229,946
Total equity		5,030,447	5,686,486	18,461,740	315,107,199	20,869,400	356,201,483
LIABILITIES							
Employee benefits		36,255	20,832	133,056	2,271,013	76,452	1,304,916
Non-current liabilities.....		36,255	20,832	133,056	2,271,013	76,452	1,304,916
Trade and other payables...	11	671,472	2,410,855	2,464,298	42,061,006	8,847,840	151,015,957
Total current liabilities.....		671,472	2,410,855	2,464,298	42,061,006	8,847,840	151,015,957
Total liabilities		707,727	2,431,687	2,597,354	44,332,019	8,924,292	152,320,873
Total equity and liabilities		5,738,174	8,118,173	21,059,094	359,439,218	29,793,692	508,522,356

The attached notes 1 to 22 are an integral part of these financial statements.

The independent auditors' report is set out on pages 1 and 2.

The Board of Directors has authorised the issue of these financial statements on 29 April 2015.

Zhooben Bhiwandiwala	}	Directors
Harsh Kumar		
Sumit Issar		

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Statement of profit or loss and other comprehensive income for the year ended 31 March

	Note	Unaudited Supplementary information (refer note 2 (c))							
		2015		2014		2015		2014	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.		
Revenue	12	6,059,827	11,197,712	22,239,565	379,587,564	41,095,602	701,424,680		
Cost of sales.....	13.1	(5,632,343)	(10,019,611)	(20,670,698)	(352,809,966)	(36,771,973)	(627,628,435)		
Gross profit.....		427,484	1,178,101	1,568,867	26,777,597	4,323,629	73,796,245		
Other income.....	14	14,350	131,439	52,664	898,884	482,382	8,233,339		
Selling and distribution expenses.....		(90,114)	(154,947)	(330,717)	(5,644,741)	(568,656)	(9,705,880)		
Administrative and general expenses.....	13.2	(290,011)	(313,146)	(1,064,340)	(18,166,289)	(1,149,250)	(19,615,465)		
Operating profit.....		61,709	841,447	226,474	3,865,452	3,088,105	52,708,240		
Finance income.....		3,584	1,632	13,155	224,502	5,990	102,228		
Finance cost.....	15	(61,332)	(80,684)	(225,089)	(3,841,837)	(296,110)	(5,054,046)		
Net Finance costs		(57,748)	(79,052)	(211,934)	(3,617,335)	(290,120)	(4,951,819)		
Profit for the year.....		3,961	762,395	14,540	248,116	2,797,986	47,756,421		
Other comprehensive income		-	-	-	-	-	-		
Total comprehensive income for the year.....		3,961	762,395	14,540	248,116	2,797,986	47,756,421		

The attached notes 1 to 22 are an integral part of these financial statements.

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The Board of Directors has authorised the issue of these financial statements on 29 April 2015.

Zhooben Bhiwandiwala	}	Directors
Harsh Kumar		
Sumit Issar		

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Statement of cash flows for the year ended 31 March

			Unaudited Supplementary information (refer note 2 (c))			
	2015	2014	2015		2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Cash flows from operating activities:						
Profit for the year	3,961	762,395	14,540	248,117	2,797,986	47,756,423
Adjustments for:						
Depreciation	247,687	244,928	909,012	15,515,114	898,886	15,342,290
Interest expenses	28,793	70,775	105,670	1,803,594	259,745	4,433,346
Interest income	(3,584)	(1,632)	(13,155)	(224,502)	(5,990)	(102,228)
Impairment loss on property, plant and equipment	8,174	-	30,000	512,019	-	-
	285,031	1,076,466	1,046,067	17,854,342	3,950,627	67,429,831
Changes in:						
Inventories	322,364	1,145,257	1,183,076	20,192,881	4,203,095	71,738,898
Trade and other receivables	811,989	563,123	2,979,998	50,862,991	2,066,661	35,274,025
Prepayments	(13,881)	(2,420)	(50,944)	(869,506)	(8,881)	(151,589)
Trade and other payables	(1,729,722)	(759,417)	(6,348,078)	(108,349,786)	(2,787,061)	(47,569,881)
Employee benefit expenses	15,424	74	56,603	966,159	271	4,635
Net cash from/(used in) from operating activities	(308,795)	2,023,083	(1,133,278)	(19,342,920)	7,424,712	126,725,919
Investing activities:						
Acquisition of property, plant and equipment	(25,613)	(175,252)	(94,000)	(1,604,398)	(643,171)	(10,977,785)
Interest received	3,584	2,722	13,155	224,502	9,990	170,506
Net cash used in investing activities	(22,029)	(172,530)	(80,845)	(1,379,896)	(633,181)	(10,807,279)
Financing activities:						
Short-term borrowings repaid	-	(1,151,984)	-	-	(4,227,781)	(72,160,278)
Interest paid	(38,455)	(74,515)	(141,131)	(2,408,821)	(273,473)	(4,667,620)
Dividend paid	(660,000)	(660,000)	(2,422,200)	(41,342,400)	(2,422,200)	(41,342,400)
Net cash used in financing activities	(698,455)	(1,886,499)	(2,563,331)	(43,751,221)	(6,923,454)	(118,170,298)
Net decrease in cash and cash equivalents	(1,029,279)	(35,946)	(3,777,454)	(64,474,037)	(131,923)	(2,251,658)
Cash and cash equivalents:						
Cash and cash equivalents at the beginning of the year # Refer Note 8	1,090,708	1,126,654	4,002,898	68,321,949	4,134,821	70,573,607
Cash and cash equivalents at the end of the year # Refer Note 8...	61,429	1,090,708	225,444	3,847,913	4,002,898	68,321,949
# Refer Note 8						
Reconciliation of Cash and cash equivalents with the Balance Sheet						
Cash on hand	837	-	3,073	52,430	-	-
Bank balance in current accounts	60,592	391,053	222,371	3,795,483	1,435,165	24,495,560
Fixed deposit account with banks (with original maturity of 3 months or less)	-	699,655	-	-	2,567,734	43,826,389
Total	61,429	1,090,708	225,444	3,847,913	4,002,899	68,321,949

The attached notes 1 to 22 are an integral part of these financial statements.

The independent auditors' report is set out on pages 1 and 2.

The Board of Directors has authorised the issue of these financial statements on 29 April 2015.

Zhooben Bhiwandiwala Harsh Kumar Sumit Issar	}	Directors
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Statement of changes in equity

	Share capital						Retained earnings						Statutory reserve						Share capital						Unaudited Supplementary information (refer note 2 (c))							
	Share capital		Retained earnings		Statutory reserve		Share capital		Retained earnings		Statutory reserve		Share capital		Retained earnings		Statutory reserve		Share capital		Retained earnings		Statutory reserve		Share capital		Retained earnings		Statutory reserve		Total equity	
	USD	USD	USD	USD	USD	USD	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.		
Balance as at 1 April 2013	550,000	4,759,028	275,063	5,584,091	2,018,500	34,452,000	17,465,633	298,105,514	1,009,481	17,229,946	20,493,613	349,787,460	2,018,500	34,452,000	17,465,633	298,105,514	1,009,481	17,229,946	20,493,613	349,787,460	2,018,500	34,452,000	17,465,633	298,105,514	1,009,481	17,229,946	20,493,613	349,787,460				
Total comprehensive income for the year ...	-	762,395	-	762,395	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-		
Profit for the year	-	762,395	-	762,395	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-		
Total other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total comprehensive income for the year ...	-	762,395	-	762,395	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-	2,797,986	47,756,423	-	-		
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Contributions and distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Dividend declared and paid (Refer note 20) ...	-	(660,000)	-	(660,000)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-		
Balance as at 31 March 2014	550,000	4,861,423	275,063	5,686,486	2,018,500	34,452,000	17,841,419	304,519,537	1,009,481	17,229,946	20,869,399	356,201,482	2,018,500	34,452,000	17,841,419	304,519,537	1,009,481	17,229,946	20,869,399	356,201,482	2,018,500	34,452,000	17,841,419	304,519,537	1,009,481	17,229,946	20,869,399	356,201,482				
Total comprehensive income for the year ..	-	3,961	-	3,961	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-		
Profit for the year	-	3,961	-	3,961	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-		
Total other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total comprehensive income for the year ...	-	3,961	-	3,961	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-	14,540	248,116	-	-		
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Contributions and distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Dividend declared and paid (Refer note 20) ...	-	(660,000)	-	(660,000)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-	(660,000)	(41,342,400)	-	-		
Balance as at 31 March 2015	550,000	4,205,384	275,063	5,030,447	2,018,500	34,452,000	15,433,759	263,425,253	1,009,481	17,229,946	18,461,739	315,107,198	2,018,500	34,452,000	15,433,759	263,425,253	1,009,481	17,229,946	18,461,739	315,107,198	2,018,500	34,452,000	15,433,759	263,425,253	1,009,481	17,229,946	18,461,739	315,107,198				

The attached notes 1 to 22 are an integral part of these financial statements.

The independent auditors' report is set out on pages 1 and 2.

The Board of Directors has authorised the issue of these financial statements on 29 April 2015.

Zhooben Bhiwandiwala
Harsh Kumar
Sumit Issar
Directors

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. REPORTING ENTITY

Mahindra MiddleEast Electrical Steel Service Centre (FZC), was incorporated and licensed on 8 August 2004 at Sharjah Airport International Free Zone, Sharjah (FZ) with limited liability in the United Arab Emirates (UAE). Subsequently, the Company has entered into an agreement for subscription of capital by Nippon Steel & Sumitomo Metal Corporation [(NSSMC) (formerly known as Nippon Steel Corporation)], Japan to reorganise the Company and manage it as a FZC. Consequent upon the induction of NSSMC as a shareholder, the status changed from Free Zone Establishment (FZE) to Free Zone Company (FZC) with limited liability with effect from 28 November 2005. The Company is engaged in processing of steel coils and supply of slit coils and laminations. The shareholding pattern as of 31 March 2015 is as follows:

Shareholders	Percentage
Mahindra Intertrade Limited	90%
Nippon Steel & Sumitomo Metal Corporation..... (formerly known as Nippon Steel Corporation)	10%

The ultimate holding Company being Mahindra & Mahindra Limited.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared under historical cost convention and comply with International Financial Reporting Standards issued by International Accounting Standards Board and the rules and regulations of Sharjah Airport International Free Zone Authority (SAIF Zone). The financial statements were authorised for issue by the Board of directors on 29 April 2015.

(b) Functional and presentation currency

These financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency.

(c) Convenience translation

In addition to presenting the financial statements in USD, supplementary information in United Arab Emirates Dirham ("Dhs") and Indian Rupee ("Rs") has been prepared for the convenience of users of the financials statements.

All amounts (including previous year information) are translated from USD to Dhs. and Rs. at the closing exchange rate at 31 March 2015 based on average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India of Dhs. 3.67 to USD 1 and Rs. 62.64 to USD 1 respectively.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in every future period affected.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impairment losses on trade receivables

The Company reviews its trade receivables to assess impairment at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining

whether impairment losses should be reported in the profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(ii) Provision for obsolete and expired inventory

The Company reviews its inventory to assess loss on account of obsolescence and expiry on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than cost based on best estimates by the management. The provision for obsolescence of inventory is based on the aging and past movement of the inventory.

(iii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

(e) Impairment losses on non-current assets

The Company classifies certain non-current assets as assets held for sale and records the carrying value of each asset at lower of its carrying value or its estimated fair value, less estimated costs. Impairment losses on initial classification as held-for-sale and subsequent losses on remeasurement is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When part of an item of Property, plant and equipment have different useful lives, they are accounted for as separate item (major components) of Property, plant and equipment.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Factory Building	18 years
Plant and Machinery	20 years
Vehicles	5 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	5 years

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Property, plant and equipment having value less than or equal to USD 136 [(Dhs. 500) (Rs. 8,168) as on 31 March 2015] each, are fully depreciated in the year of acquisition. Depreciation methods, useful lives and residual values are re-assessed at the reporting date.

(b) Inventories

Inventories are measured at the lower of cost and net realizable value, after making due allowance for any obsolete or slow moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined as follows:

Raw materials:

The cost of raw materials includes insurance, freight and other incidental charges incurred in acquiring the inventories and bringing them to their present location and condition. Valuation of the raw materials is determined on a weighted average cost basis.

Work in progress:

The cost of work in progress includes cost of raw material and an appropriate share of production overheads based on normal operating capacity.

Finished goods:

The cost of finished goods is arrived at on a weighted average cost basis and includes cost of direct materials and direct labour plus an appropriate share of production overheads based on normal operating capacity.

(c) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and balance with banks in current accounts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(d) Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Sale of services are recognised when services are rendered.

(e) Finance income and finance costs

Finance income comprises interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on borrowings and pre-shipment credit. Interest costs is recognised as it accrues in profit or loss, using the effective interest method.

(f) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency ("USD") at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate

at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(g) Employee benefit

Provision for gratuity is made for amounts payable under the labour law in force in Sharjah Airport International Free Zone, Sharjah (FZ), applicable to the employees' accumulated periods of service at the reporting date.

(h) Assets held for sale

Non current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at lower of their carrying amount and fair value less cost to sale. Impairment losses on initial classification as held for sale and subsequent gain / losses on measurement are recognized in profit and loss. Once classified as held for sale intangible assets and property plant and equipment are no longer amortized or depreciated.

(i) Operating lease

Leases in terms of which the substantial risks and rewards of ownership remain with the lessor are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

(j) Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in active markets. Such assets are recognized initially at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise long term loans and advances, trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash and bank balances including fixed deposits with an original maturity of three months or less.

(ii) Non-derivative financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial liabilities of the Company comprise short-term borrowings, trade and other payables and due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(k) Impairment

Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

Financial assets measured at amortised cost

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together with similar risk characteristics.

In assessing collective impairment, the Company uses relevant historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognized in profit or loss.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(l) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2015 – (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT:

Particulars	Unaudited Supplementary information (refer note 2 (c))																								
	Factory Building		Plant and Machinery		Vehicles		Furniture and Fixtures		Office Equipment		Computers		Under Construction		Total										
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD									
Cost:																									
At 1 April 2013	619,224	3,966,882	36,962	20,696	3,373	5,399	-	4,653,036	2,274,388	38,819,511	14,558,457	248,485,488	135,651	2,315,300	75,953	1,296,397	12,379	211,285	19,812	338,193	-	-	17,076,640	291,466,173	
Additions	21,440	92,894	-	245	-	24,523	139,102	78,686	1,343,002	340,919	5,818,880	-	-	900	15,347	-	-	-	-	-	-	90,000	1,536,121	510,505	8,713,349
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2014	641,164	4,059,776	36,962	20,941	3,373	5,399	24,523	4,793,138	2,353,074	40,162,513	14,899,376	254,304,368	135,651	2,315,300	76,653	1,311,744	12,379	211,285	19,812	338,193	90,000	1,536,121	17,587,145	300,179,522	
Additions	-	18,801	-	6,812	-	-	-	25,613	-	-	69,000	1,177,695	-	-	25,000	42,670	-	-	-	-	-	-	-	94,000	1,604,399
Reclassification to assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,000	1,536,121	-	90,000	1,536,121
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2015	641,164	4,078,577	36,962	27,753	3,373	5,399	-	4,793,228	2,353,074	40,162,513	14,968,376	255,482,063	135,651	2,315,300	101,853	1,738,448	12,379	211,285	19,812	338,193	-	-	17,591,145	300,247,800	
Depreciation :																									
At 1 April 2013	36,704	711,632	23,007	7,871	2,538	1,997	-	783,769	134,704	2,299,139	2,611,690	44,576,628	84,436	1,441,158	28,887	493,039	9,388	160,233	7,327	125,092	-	-	2,876,432	49,095,289	
Depreciation for the year	35,361	202,177	4,354	2,137	210	689	-	244,928	129,774	2,215,013	741,906	12,664,367	15,980	272,735	7,844	133,862	772	13,154	2,530	43,159	-	-	898,886	15,342,290	
Depreciation on Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2014	72,065	913,809	27,361	10,008	2,768	2,686	-	1,028,697	264,479	4,514,152	33,553,675	57,240,996	100,416	1,713,893	36,731	626,901	10,160	173,387	9,857	168,251	-	-	3,775,318	64,437,579	
Depreciation for the year	35,020	203,974	4,354	2,843	207	689	-	247,687	130,726	2,231,237	748,581	12,776,931	15,980	272,735	10,434	178,086	761	12,966	2,530	43,159	-	-	909,012	15,515,114	
At 31 March 2015	107,685	1,117,783	31,715	12,851	2,975	3,375	-	1,276,384	395,204	6,745,389	4,102,255	70,017,928	116,396	1,986,628	47,165	804,987	10,921	186,353	12,387	211,410	-	-	4,684,330	79,952,695	
Net Book Value :																									
At 31 March 2015	533,479	2,960,794	5,247	14,902	398	2,024	-	3,516,844	1,957,870	33,417,124	10,866,121	185,464,135	19,255	328,672	54,688	933,461	1,458	24,932	7,425	126,783	-	-	12,906,815	220,295,107	
At 31 March 2014	569,099	3,145,967	9,601	10,933	605	2,713	24,523	3,763,441	2,088,595	35,648,361	11,545,701	197,063,372	35,235	601,407	40,122	684,843	2,219	37,898	9,955	169,942	90,000	1,536,121	13,811,827	235,741,944	

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

		Unaudited Supplementary information (refer note 2 (c))					
		31 March 2015	31 March 2014	31 March 2015		31 March 2014	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.
5. INVENTORIES							
Raw materials and consumables		407,797	584,243	1,496,615	25,544,404	2,144,172	36,596,982
Work in progress.....		33,588	42,240	123,268	2,103,952	155,021	2,645,914
Finished goods		105,792	243,058	388,256	6,626,811	892,023	15,225,153
		547,177	869,541	2,008,139	34,275,167	3,191,216	54,468,049
		Unaudited Supplementary information (refer note 2 (c))					
		31 March 2015	31 March 2014	31 March 2015		31 March 2014	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.
6. TRADE AND OTHER RECEIVABLES							
Trade receivables.....		1,540,739	2,349,734	5,654,512	96,511,891	8,623,522	147,187,338
Other receivables due from related parties..		-	174	-	-	638	10,899
Deposits		21,619	24,439	79,340	1,354,214	89,690	1,530,859
		1,562,358	2,374,347	5,733,852	97,866,105	8,713,850	148,729,096
		Unaudited Supplementary information (refer note 2 (c))					
		31 March 2015	31 March 2014	31 March 2015		31 March 2014	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.
7. PREPAYMENTS							
Prepayments.....		34,017	20,136	124,844	2,130,825	73,900	1,261,319
		34,017	20,136	124,844	2,130,825	73,900	1,261,319
		Unaudited Supplementary information (refer note 2 (c))					
		31 March 2015	31 March 2014	31 March 2015		31 March 2014	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.
8. CASH AND BANK BALANCES							
Cash and cash equivalents							
Cash on hand.....		837	-	3,073	52,430	-	-
Bank balance in current accounts.....		60,592	391,053	222,371	3,795,483	1,435,165	24,495,560
Fixed deposit account with banks (with original maturity of 3 months or less).....		-	699,655	-	-	2,567,734	43,826,389
		61,429	1,090,708	225,444	3,847,913	4,002,899	68,321,949
		Unaudited Supplementary information (refer note 2 (c))					
		31 March 2015	31 March 2014	31 March 2015		31 March 2014	
		USD	USD	Dhs.	Rs.	Dhs.	Rs.
9. ASSETS HELD FOR SALE							
Property, plant and equipment.....		16,349	-	60,000	1,024,101	-	-
		16,349	-	60,000	1,024,101	-	-

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Fair value measurement

The Company's management is responsible for performing the valuation of fair value measurement included in the financial statement, including level 3 fair values.

The valuation process and results for non recurring measurement are reviewed and approved by the Plant Head in the year in which the measurement occurs. All level 3 valuation results are discussed with the Board of Directors as part of its yearly review of the Company's financial statements.

		Unaudited Supplementary information (refer note 2 (c))			
		31 March 2015	31 March 2015	31 March 2015	31 March 2015
		USD	USD	Dhs.	Rs.
10. SHARE CAPITAL					
Authorized, issued and paid :					
1,000 Shares of USD 550 (Dhs. 2,019) (Rs. 33,033) each		550,000	550,000	2,018,500	34,452,000
				2,018,500	34,452,000
[900 Shares of USD 550 (Dhs. 2,019) (Rs. 34,232) each held by Mahindra Intertrade Limited, which is a subsidiary of Mahindra & Mahindra Limited] [100 Shares of USD 550 (Dhs. 2,019) (Rs. 34,232) each held by Nippon Steel & Sumitomo Metal Corporation (formerly known as Nippon Steel Corporation)], Japan.					

Share capital

		Ordinary Share	
		31 March 2015	31 March 2014
In issue at 1 April 2014		1,000	1,000
In issue at 31 March 2015		1,000	1,000

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of USD 550 per share. Each shareholder is entitled to one vote per share at general meetings of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

		Unaudited Supplementary information (refer note 2 (c))			
		31 March 2015	31 March 2015	31 March 2015	31 March 2015
		USD	USD	Dhs.	Rs.
11. TRADE AND OTHER PAYABLES:					
Trade payables due to related party.....		38,714	38,989	142,082	2,425,045
Trade payables		5,90,684	21,99,543	21,67,809	37,000,446
Accrued expenses		37,680	102,643	138,282	2,360,275
Trade payables		667,078	2,341,175	2,448,173	41,785,766
Interest payable		2,150	11,813	7,892	134,676
Other payables		1,236	1,367	4,537	77,423
Advance from customers.....		1,008	56,500	3,696	63,141
Other payables		4,394	69,680	16,125	275,240
		671,472	2,410,855	2,464,298	42,061,006
				8,847,840	151,015,957

RELATED PARTIES

Management's policy is to conduct transactions with related parties on prices at mutually agreed terms.

List of related parties with whom the Company has transactions:

Mahindra Intertrade Limited - Joint Venture Partner

Mahindra Steel Service Centre Limited - Fellow subsidiary

Mahindra & Mahindra Limited-Ultimate holding company

Nippon Steel & Sumitomo Metal Corporation (formerly known as Nippon Steel Corporation) - Joint Venture Partner

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Transactions with related parties						
Mahindra Intertrade Limited:						
Reimbursements made.....	3,586	6,388	13,162	224,627	23,444	400,144
Purchase.....	-	2,479	-	-	9,098	155,285
Service charges paid*..	142,710	145,217	523,746	8,939,354	532,947	9,096,393
Dividend paid.....	594,000	594,000	2,179,980	37,208,160	2,179,980	37,208,160
Mahindra Steel Service Centre Limited:						
Purchase.....	-	307,131	-	-	1,127,172	19,238,686
Purchase of spare part..	4,200	-	15,414	263,088	-	-
Sales.....	-	5,350	-	-	19,635	335,124
Reimbursements of income.....	-	2,632	-	-	9,661	164,868
Reimbursements of expense.....	-	174	-	-	638	10,899
Mahindra & Mahindra Limited:						
Professional fees.....	2,676	-	9,821	167,625	-	-
Nippon Steel & Sumitomo Metal Corporation (formerly known as Nippon Steel Corporation):						
Dividend paid.....	66,000	66,000	242,220	4,134,240	242,220	4,134,240

* The managerial services are rendered by Joint Venture Partner Mahindra Intertrade Limited and the same is paid as service charges.

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Outstanding payable						
To Mahindra Intertrade Limited.....	36,038	36,357	132,261	2,257,420	133,429	2,277,402
To Mahindra Steel Service Centre Limited.....	-	2,632	-	-	9,661	164,868
To Mahindra & Mahindra Limited.....	2,676	-	9,821	167,625	-	-
	38,714	38,989	142,082	2,425,045	143,090	2,442,270

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
12. REVENUE						
Sales of goods.....	5,978,773	11,197,712	21,942,097	374,510,341	41,095,602	701,424,680
Sales of services.....	81,054	-	297,468	5,077,223	-	-
	6,059,827	11,197,712	2,22,39,565	37,95,87,564	4,10,95,602	70,14,24,680

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
13. EXPENSES BY NATURE						
Changes in inventories of finished goods and work in progress	137,266	422,240	503,765	8,598,342	1,549,621	26,449,114
Raw materials and consumables used	4,786,186	8,891,762	17,565,303	299,806,691	32,632,767	556,979,972
Employee benefit expenses.....	328,014	323,043	1,203,810	20,546,797	1,185,568	20,235,414
Depreciation	247,687	244,928	909,012	15,515,114	898,888	15,342,290
Other expenses	141,284	145,029	518,513	8,850,030	532,256	9,084,617
Freight	90,114	154,947	330,717	5,644,741	568,656	9,705,880
Impairment loss on property, plant and equipment.....	8,174	-	30,000	512,019	-	-
Travelling and conveyance	4,720	10,408	17,322	295,661	38,199	651,957
Communication expenses.....	15,164	14,060	55,653	949,873	51,601	880,718
Audit fees (includes out of pocket expenses).....	12,534	12,550	46,000	785,130	46,057	786,132
Repairs and maintenance.....	20,143	25,955	73,923	1,261,758	95,253	1,625,821
Insurance.....	15,949	17,378	58,532	999,045	63,779	1,088,558
Service charges	142,720	145,217	523,783	8,939,981	532,947	9,096,393
Bank charges.....	37,450	39,101	137,442	2,345,868	143,502	2,449,287
General expenses.....	25,063	41,086	91,980	1,569,946	150,785	2,573,627
	6,012,468	10,487,704	22,065,755	376,620,996	38,489,879	656,949,780

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
13.1. COST OF SALES						
Changes in inventories of finished goods and work in progress	137,266	422,240	503,765	8,598,342	1,549,621	26,449,114
Raw materials and consumables used	4,786,186	8,891,762	17,565,303	299,806,691	32,632,767	556,979,972
Employee benefit expenses.....	328,014	323,043	1,203,810	20,546,797	1,185,568	20,235,414
Depreciation on plant and machinery and building.....	239,593	237,537	879,307	15,008,106	871,761	14,879,318
Other expenses	141,284	145,029	518,513	8,850,030	532,256	9,084,617
	5,632,343	10,019,611	20,670,698	352,809,966	36,771,973	627,628,435

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
13.2. ADMINISTRATIVE AND GENERAL EXPENSES						
Impairment loss on property, plant and equipment.....	8,174	-	30,000	512,019	-	-
Travelling and conveyance.....	4,720	10,408	17,322	295,661	38,199	651,957
Communication expenses.....	15,164	14,060	55,653	949,873	51,601	880,718
Audit fees (includes out of pocket expenses).....	12,534	12,550	46,000	785,130	46,057	786,132
Repairs and maintenance.....	20,143	25,955	73,923	1,261,758	95,253	1,625,821
Depreciation on others.....	8,094	7,391	29,705	507,008	27,127	462,972
Insurance.....	15,949	17,378	58,532	999,045	63,779	1,088,558
Service charges.....	142,720	145,217	523,783	8,939,981	532,947	9,096,393
Bank charges.....	37,450	39,101	137,442	2,345,868	143,502	2,449,287
General expenses.....	25,063	41,086	91,980	1,569,946	150,785	2,573,627
	290,011	313,146	1,064,340	18,166,289	1,149,250	19,615,465

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
14. OTHER INCOME						
Insurance claim received.....	9,351	119,027	34,319	585,747	436,830	7,455,851
Other miscellaneous income.....	4,999	12,412	18,345	313,137	45,552	777,488
	14,350	131,439	52,664	898,884	482,382	8,233,339

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
15. FINANCE COST						
Interest expenses.....	28,793	70,775	105,670	1,803,594	259,744	4,433,346
Exchange loss (net)....	32,539	9,909	119,419	2,038,243	36,366	620,700
	61,332	80,684	225,089	3,841,837	296,110	5,054,046

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
16. CONTINGENT LIABILITIES AND COMMITMENTS						
Letters of credit.....	1,369,381	2,714,598	5,025,630	85,778,026	9,962,575	170,042,419
	1,369,381	2,714,598	5,025,630	85,778,026	9,962,575	170,042,419

17. STATUTORY RESERVE

According to the articles of association of the Company, 10% of the net profit for each year is required to be transferred to a statutory reserve. The management may resolve to discontinue such annual transfers when the reserve reaches 50% of the paid up share capital. The reserve is not available for distribution. No appropriations to the statutory reserve have been made out of current year profits (2014: nil) as the statutory reserve has accumulated to 50% of the paid up share capital.

18. LEASES

The Company has entered into operating lease arrangements for the custom built warehouse, the significant terms and conditions of which are as under :

The tenure of the lease agreement is generally for a period of 7 to 25 years, renewable thereafter for another equal term.

The future minimum lease payments under non-cancellable lease are as follow:

- Less than one year : USD 85,220 (2014 : USD 85,220) [2015 : (Dhs. 312,843) (Rs. 5,304,093)] [2014 : (Dhs. 312,843) (Rs. 5,304,093)]
- Between one and five years : USD 340,880 (2014 : 340,880) [2015 : (Dhs. 1,251,030) (Rs. 21,216,371)] [2014 : (Dhs. 1,251,030) (Rs. 21,216,371)]
- Above five years : USD 852,200 (2014 : 937,420) [2015 : (Dhs. 3,127,574) (Rs. 53,040,928)] [2014 : (Dhs. 3,440,331) (Rs. 58,345,021)]

During the year an amount of USD 85,220 (2014 : USD 85,220) [2015 : (Dhs. 312,843) (Rs. 5,304,093)] [2014: (Dhs. 312,843) (Rs. 5,304,093)] was recognised as an expense in profit or loss in respect of operating leases.

19. FINANCIAL INSTRUMENTS

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to cash at bank and trade and other receivables.

Trade receivables

The exposure to credit risk on trade receivables is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represent the maximum open amount.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The collective loss allowance is determined taking into consideration the current economic factors.

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Exposure to credit risk :

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Trade receivables ..	1,540,739	2,349,734	5,654,512	96,511,891	8,623,522	147,187,338
Other receivables...	21,619	24,613	79,340	1,354,214	90,330	1,541,758
Cash at banks	60,592	1,090,708	222,371	3,795,483	4,002,898	68,321,949
	1,622,950	3,465,055	5,956,223	101,661,588	12,716,750	217,051,045

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Domestic.....	-	51,840	-1	-	190,250	3,247,258
Other GCC countries.....	1,540,739	2,297,894	5,654,513	96,511,891	8,433,272	143,940,080
	1,540,739	2,349,734	5,654,512	96,511,891	8,623,522	147,187,338

The age of trade receivables at the reporting date was:

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Not past due ..	1,061,673	2,218,049	3,896,341	66,503,197	8,140,238	138,938,589
Past due 0-180 days...	478,850	128,003	1,757,381	29,995,164	469,772	8,018,109
Past due more than 180 days...	216	3,682	791	13,530	13,512	230,640
	1,540,739	2,349,734	5,654,513	96,511,891	8,623,522	147,187,338

The allowance account in respect of trade receivables is used to record impairment losses unless the Company is satisfied that no recovery of the outstanding receivable is possible; at that point such amount is considered uncollectible and hence, written off.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to amounts due to a related party, short term borrowings and trade and other payables. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of letter of credit facilities.

The following are the contractual maturities of financial liabilities (including estimated interest payments).

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Carrying amount						
Trade and other payables	632,758	2,371,866	2,464,298	39,635,961	8,704,748	148,573,686
Dues to related parties...	38,714	38,989	142,082	2,425,045	143,090	2,442,271

Mahindra MiddleEast Electrical Steel Service Centre (FZC)

	Unaudited Supplementary information (refer note 2 (c))					
	31 March 2015	31 March 2014	31 March 2015		31 March 2014	
	USD	USD	Dhs.	Rs.	Dhs.	Rs.
Contractual cash flows						
Trade and other payables	632,758	2,371,866	2,464,298	39,635,961	8,704,748	148,573,686
Dues to related parties.	38,714	38,989	142,082	2,425,045	143,090	2,442,271
6 months or less :						
Trade and other payables	632,758	2,371,866	2,464,298	39,635,961	8,704,748	148,573,686
Dues to related parties.	38,714	38,989	142,082	2,425,045	143,090	2,442,271
More than 6 months :						
Trade and other payables	-	-	-	-	-	-
Dues to related parties.	-	-	-	-	-	-

Market risk

Currency risk

Foreign exchange risk is limited since all significant transactions are either in USD or Dhs (which is currently fixed to USD).

Interest risk

The Company has placed fixed deposits / margin money in form of fixed deposits with banks at normal commercial rates.

Short term borrowings (Trust Receipts) carry interest at fixed rate linked to USD Libor.

Preshipment credit from foreign banks have been availed at fixed rate linked to USD Libor.

Fair value

The fair values of the Company's financial instruments approximate their carrying values.

Capital risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders.

20. DIVIDEND

The Board of Directors has declared and paid the final dividend for the year 2013-2014 at the rate of USD 330 (2013 : USD 330) [2014 : (Dhs. 1,211.10) (Rs. 20,539.20)] [2013 : (Dhs. 1,211.10) (Rs. 20,539.20)] per share aggregating USD 330,000 (2013 : USD 330,000) [2014 : (Dhs. 1,211,100) (Rs. 20,539,200)] [2013 : (Dhs. 1,211,100) (Rs. 20,539,200)] at its meeting held on 24 April 2014 which has been recognised as a distribution to its shareholders during the year ended 31 March 2015.

The Board of Directors has declared and paid an interim dividend for the year 2014-2015 at the rate of USD 330 per share (2014 : USD 330) [2015 : (Dhs. 1,211.10) (Rs. 20,539.20)] [2014 : (Dhs. 1,211.10) (Rs. 20,539.20)] aggregating USD 330,000 (2014 : USD 330,000) [2015 : (Dhs. 1,211,100) (Rs. 20,539,200)] [2014 : (Dhs. 1,211,100) (Rs. 20,539,200)].

The Board of Directors has declared the final dividend for the year 2014-2015 at the rate of USD 330 (2014 : USD 330) [2015 : (Dhs. 1,211.10) (Rs. 20,539.20)] [2014 : (Dhs. 1,211.10) (Rs. 20,539.20)] per share aggregating USD 330,000 (2014 : USD 330,000) [2015 : (Dhs. 1,211,100) (Rs. 20,539,200)] [2014 : (Dhs. 1,211,100) (Rs. 20,539,200)] at its meeting held on 29 April 2015 [2014 : 24 April 2014] which has not been recognised as a distribution to its shareholders during the year 31 March 2015 [2014 : 31 March 2014].

21. NEW STANDARDS AND INTERPRETATIONS

New standard and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning after 1 April 2014, and have not been applied in preparing these financial statements.

(i) IFRS 9 Financial instruments (2010), IFRS 9 Financial instruments (2009):

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting. IFRS 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted.

(ii) IFRS 15 Revenue from Contracts with Customers:

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

Management is in the process of assessing the impact of the new standards, amendments to standards on the financial statements of the Company.

22. PRIOR YEAR COMPARATIVES

Prior year's figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

Zhooben Bhiwandiwala	}	Directors
Harsh Kumar		
Sumit Issar		

**Mahindra
Steel
Service
Centre
Limited**

BOARD OF DIRECTORS

Rajeev Dubey
Chairman

Harsh Kumar
Managing Director

Sumit Issar

Daisuke Kadono
Nominee of Metal One Corporation

Yuta Furuhashi
Nominee of Metal One Corporation

Nobuaki Takashi
Alternate Director to Mr. Daisuke Kadono

Toyokazu Makino
Alternate Director to Mr. Yuta Furuhashi

P. R. Barpande
Independent Director

Ajay Mehta
Independent Director

COMPANY SECRETARY

Bakul Sheth

CHIEF FINANCIAL OFFICER

Jitendra Rahate

AUDIT COMMITTEE

Rajeev Dubey
Chairman

P. R. Barpande
Ajay Mehta

NOMINATION AND REMUNERATION COMMITTEE

Rajeev Dubey
P. R. Barpande
Ajay Mehta

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Rajeev Dubey
Chairman

Harsh Kumar
P. R. Barpande

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

Tower 3, 27th – 32nd Floor, Indiabulls Finance Centre,
Elphinstone (West), Mumbai - 400013, India.

BANKERS

Axis Bank Limited
HDFC Bank Limited
YES Bank Limited

REGISTERED OFFICE

Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai - 400018, India.

CIN: U27100MH1993PLC070416

Tel. No.: +91 22 24935185/86

Fax: +91 22 24951236

Email: contact.mil@mahindra.com

Website: mahindraintertrade.com

NOTICE OF THE ANNUAL GENERAL MEETING

The Twenty Second Annual General Meeting of Mahindra Steel Service Centre Limited will be held on Thursday, 30th July, 2015, at 11.30 a.m., in the Board Room, 6th Floor, Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018, to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.

2. To declare a dividend on equity shares.

3. To appoint a Director in place of Mr. Rajeev Dubey (DIN: 00104817), 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/s, the following as an Ordinary Resolution:

“RESOLVED that pursuant to section 139 of the Companies Act, 2013, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, having Registration No. 117365W, the retiring Statutory Auditors of the Company, 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 next Annual General Meeting of the Company, to conduct the audit of the accounts of the Company for financial year 2015-16, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors plus service tax and other levies as may be applicable, and out of pocket expenses, as may be incurred by them during the course of the audit.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification/s, the following as an Ordinary Resolution:

“RESOLVED that in accordance with the provisions of section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Daisuke Kadono (DIN: 06861397), who was appointed as an Additional Director, and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Act and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing his candidature

for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass with or without modification/s, the following as an Ordinary Resolution:

“RESOLVED that in accordance with the provisions of section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Yuta Furuhashi (DIN: 06941121), who was appointed as an Additional Director, and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Act and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification/s, the following as an Ordinary Resolution:

“RESOLVED that in accordance with the provisions of section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Sumit Issar (DIN: 06951249), who was appointed as an Additional Director, and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Act and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modification/s, the following as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 1,10,000/- plus service tax and other levies as may be applicable, and reimbursement of out of pocket expenses payable to M/s. Shilpa & Co., Cost Accountants, (Firm Registration No. 100558), as cost auditors to conduct the audit of the cost accounts of the Company for the financial year ending 31st March, 2016, as approved by the

Board of Directors at its meeting held on 24th April, 2015, be and is hereby confirmed and ratified.”

NOTES:

- (A) An Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of Item Nos. 5, 6, 7 and 8 of the Notice is annexed hereto.
- (B) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (C) The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- (D) The dividend on equity shares for the year ended 31st March, 2015, if sanctioned at the Meeting, will be paid to those members (i) whose names appear as Beneficial Owners as at the end of business hours on 30th July, 2015, being the

Record Date fixed for the purpose by the Board, in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) in respect of shares held in electronic form; and (ii) whose names appear as Members in the Register of Members of the Company as at the end of business hours on 30th July, 2015, being the Record Date fixed for the purpose by the Board, after giving effect to valid transfers in respect of shares held in physical form.

**By Order of the Board of Directors of
Mahindra Steel Service Centre Limited**

Bakul Sheth
Company Secretary

Registered Office:
Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai – 400018, India.
CIN: U27100MH1993PLC070416
Email: sheth.bakul@mahindra.com
Website: www.mahindraintertrade.com
24th April, 2015.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, ANNEXED TO THE NOTICE DATED 24TH APRIL, 2015.

ITEM NO. 5

Mr. Daisuke Kadono was appointed as an Additional Director on 31st July, 2014, on the Board of the Company to represent Metal One Corporation, Japan (JV partner of the Company). He holds office up to the date of this Annual General Meeting (AGM) of the Company.

Mr. Kadono is a Graduate and has many years of experience in the business of steel.

Company has received a notice in writing from a member of the Company, proposing the candidature of Mr. Kadono for the office of Director of the Company at this Annual General Meeting.

Mr. Kadono is not disqualified from being appointed as a Director in terms of section 164(2) of the Companies Act, 2013.

Board is of the view that the knowledge and experience of Mr. Kadono will be of benefit to the Company and, therefore, recommends his appointment as a Director of the Company to the shareholders.

Apart from Mr. Kadono, no other Director or Key Managerial Personnel of the Company or their respective relatives is/are concerned or interested in this item of business.

The resolution at Item No. 5 is recommended by the Board to be passed as an Ordinary Resolution.

ITEM NO. 6

Mr. Yuta Furuhashi was appointed as an Additional Director on 13th November, 2014, on the Board of the Company to represent Metal One Corporation, Japan (JV partner of the Company). He holds office up to the date of this Annual General Meeting (AGM) of the Company.

Mr. Furuhashi holds Masters Degree in Materials Science and Engineering from the Tokyo Institute of Technology and has many years of experience in the business of steel.

Company has received a notice in writing from a member of the Company, proposing the candidature of Mr. Furuhashi for the office of Director of the Company at this Annual General Meeting.

Mr. Furuhashi is not disqualified from being appointed as a Director in terms of section 164(2) of the Companies Act, 2013.

Board is of the view that the knowledge and experience of Mr. Furuhashi will be of benefit to the Company and, therefore, recommends his appointment as a Director of the Company to the shareholders.

Apart from Mr. Furuhashi, no other Director or Key Managerial Personnel of the Company or their respective relatives is/are concerned or interested in this item of business.

The resolution at Item No. 6 is recommended by the Board to be passed as an Ordinary Resolution.

ITEM NO. 7

Mr. Sumit Issar was appointed as an Additional Director on 31st March, 2015, on the Board of the Company. He holds office up to the date of this Annual General Meeting (AGM) of the Company.

Mr. Issar is a Mechanical Engineer and an MBA in Marketing. He has many years of experience in the business of steel.

Company has received a notice in writing from a member of the Company, proposing the candidature of Mr. Issar for the office of Director of the Company at this Annual General Meeting.

Mr. Issar is not disqualified from being appointed as a Director in terms of section 164(2) of the Companies Act, 2013.

Board is of the view that the knowledge and experience of Mr. Issar will be of benefit to the Company and, therefore, recommends his appointment as a Director of the Company to the shareholders.

Apart from Mr. Issar, no other Director or Key Managerial Personnel of the Company or their respective relatives is/are concerned or interested in this item of business.

The resolution at Item No. 7 is recommended by the Board to be passed as an Ordinary Resolution.

ITEM NO. 8

The cost accounts being maintained by the Company for the year ending 31st March, 2016 are required to be audited in terms of the Notification dated 31st December, 2014 from the Ministry of Corporate Affairs, Government of India.

Board of Directors of the Company has, upon the recommendation of the Audit Committee, appointed

M/s. Shilpa & Co., Cost Accountants, as cost auditors for conducting the audit of the cost accounts of the Company for the financial year ending 31st March, 2016 for a fee of Rs. 1,10,000/- plus service tax and other levies as may be applicable and reimbursement of out of pocket expenses.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the shareholders of the Company are required to confirm and ratify the remuneration to be paid by the Company to the Cost Auditors for conducting audit of the cost accounts of the Company for the financial year ending 31st March, 2016.

The scope and other terms of appointment of the cost auditors are to be decided mutually between the Company and the Cost Auditors.

None of the Directors, Key Managerial Personnel or their respective relatives is/are concerned or interested in this item of business.

The resolution at Item No. 8 is recommended by the Board to be passed as an Ordinary Resolution.

**By Order of the Board of Directors of
Mahindra Steel Service Centre Limited**

Bakul Sheth
Company Secretary

Registered Office:
Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai – 400018, India.
CIN: U27100MH1993PLC070416
Email: sheth.bakul@mahindra.com
Website: www.mahindraintertrade.com
24th April, 2015.

DIRECTORS' REPORT

Directors' Report to the Shareholders

Your directors present their Twenty Second Report, together with the audited financial statements of your Company, for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

	Rs. in lakhs Year ended 31 st March	
	2015	2014
Income.....	15,106.43	12,237.74
Profit before depreciation, interest and taxation.....	2,670.98	1,929.88
Less: Depreciation.....	972.72	770.55
Profit before interest and taxation.....	1,698.26	1,159.33
Less: Interest.....	348.05	440.83
Profit before tax.....	1,350.21	718.50
Less: Provision for taxation:		
- Current tax.....	453.00	122.74
- Deferred tax.....	143.45	52.62
Profit for the year after tax.....	753.76	543.14
Add: Balance of profit of earlier years.....	2,957.76	2,521.05
Profit available for appropriation.....	3,711.52	3,064.19
Depreciation on transition to Schedule II of the Companies Act, 2013.....	28.70	-
Less: Transfer to General Reserve.....	-	-
Proposed dividend.....	165.40	90.97
Income-tax on proposed dividend.....	33.67	15.46
Balance carried forward.....	3,483.75	2,957.76
Net Worth	9,313.32	8,787.32

Your Company's income for the year was Rs 15,106.43 lakhs against Rs 12,237.74 lakhs in the previous year. Profit after tax for the year was significantly higher at Rs 753.76 lakhs against Rs 543.14 lakhs in the previous year.

No material changes and commitments have occurred after the close of the year till the date of this Report which affect the financial position of your Company.

OPERATIONS

Domestic auto industry remained sluggish during the year resulting in subdued demand for processed steel from the Company's auto vertical.

Demand from the transformer industry recovered during the year resulting in better capacity utilization and margins for the Company's power vertical.

DIVIDEND

Your directors recommend a dividend of Re 1 per equity share on 1,65,39,759 equity shares of Rs 10 each for the year ended March 31, 2015 payable to those shareholders whose names appear on the Register of Members of the Company as on July 30, 2015, being the record date fixed for the purpose. The dividend, including tax thereon, will absorb a sum of Rs 199.07 lakhs as against Rs 106.43 lakhs for the previous year.

CURRENT YEAR

Your Company expects to sustain its performance in both its verticals, automotive and electrical, and improve its performance in home appliance vertical during the current year.

HUMAN RESOURCES

Happy and enthused employees is one of the strategic goals of your Company as reflected in its employee engagement interventions. Your Company's MCARES and Employee as Promoter Score (EPS) – metrics used by the group to assess employee satisfaction – were a robust 4.39 / 5.00 and 61%, respectively, in the top league in the Mahindra group.

Your Company invests in premier learning opportunities to create a future-ready talent pool.

RISK MANAGEMENT POLICY

Your Company is exposed to a variety of risks which may impact its operations. These risks are mitigated by using an integrated risk management approach which covers the full range of risks across verticals.

Your Company has formulated a risk management policy which addresses risks which, in the opinion of the Board, may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Board has approved a Corporate Social Responsibility policy in accordance with the relevant provisions of the Companies Act, 2013. The same may be accessed on the Company's website: <http://www.mahindraintertrade.com>.

An Annual Report on Corporate Social Responsibility activities is attached as Annexure I and forms part of this Report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has put in place a policy for prevention of sexual harassment. Your Company has also constituted an "Internal Complaints Committee" to which employees can address their complaints. During the year under review, no complaints were received by the said Committee.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Your Board has, on the recommendation of the Nomination and Remuneration Committee, approved policies for the appointment/removal of directors and senior management personnel together with the criteria for determining qualifications, positive attributes and independence of directors, and policy for remuneration of directors, key managerial personnel and other employees.

These policies are provided as Annexure II and form part of this Report.

AWARDS

Your Company has been the recipient of the following awards during the year:-

- a. First Place: Kaizen Cost Competitiveness at the CII 7th National Cluster Summit.
- b. First Place: Alternative Thinking at the Mahindra Rise Awards for Front-end Transformers.
- c. Mahindra Game Changer Award - 2014 for 'Greening the Bluing process'.
- d. Second Place: Energy Efficiency at the CII 7th National Cluster Summit.
- e. Best Change Management in the private sector at the Asian HR Leadership Awards - 2014, Dubai.
- f. Late B. G. Deshmukh Certificate of Appreciation for CSR initiatives at the MCCIA Innovation and Entrepreneurship Awards - 2014.

SHARE CAPITAL

As at March 31, 2015, the authorised equity share capital of your Company was Rs 17,00,00,000 divided into 1,70,00,000 equity shares of Rs 10 each and the paid up equity share capital was Rs 16,53,97,590, divided into 1,65,39,759 equity shares of Rs 10 each, fully paid up. There was no change in the share capital of your Company during the year.

CORPORATE GOVERNANCE

Constitution of the Board

The Board of your Company presently has seven directors. Two of the directors, Mr. Daisuke Kadono and Mr. Yuta Furuhashi, have their alternate directors to represent them on the Board. The directors have wide experience in business related to steel, finance and general corporate management.

Board Meetings

Five Board meetings were held during the year, i.e., on April 23, 2014, July 31, 2014, November 13, 2014, February 2, 2015 and March 31, 2015 for reviewing the operations and financial results of the Company. Senior executives of your Company attended Board meetings as invitees.

Shareholding

Mahindra Intertrade Limited (MIL), a subsidiary of Mahindra & Mahindra Limited (M&M), holds 61% of the paid up equity share capital of your Company. The balance 39% is held by Metal One Corporation, Japan. Your Company is a direct subsidiary of MIL and an indirect subsidiary of M&M.

DIRECTORS

Mr. Satoru Oki (DIN: 05233060) resigned as director with effect from July 31, 2014 and consequently Mr. Nobuaki Takashi (DIN: 06625157) ceased to be his alternate director with effect from the said date.

Mr. Yoshihisa Miyamoto (DIN: 02631904) resigned as director with effect from November 13, 2014 and consequently Mr. Toyokazu Makino (DIN: 06626817) ceased to be his alternate director with effect from the said date.

Mr. Zhooben Bhiwandiwalla (DIN: 00110373) resigned as Chairman and director of your Company with effect from March 31, 2015. Mr. Rajeev Dubey (DIN: 00104817) was appointed as Chairman of your Company with effect from March 31, 2015.

Mr. Daisuke Kadono (DIN: 06861397), Mr. Yuta Furuhashi (DIN: 06941121) and Mr. Sumit Issar (DIN: 06951249) were appointed as additional directors with effect from July 31, 2014, November 13, 2014 and March 31, 2015, respectively. They hold office as directors up to the date of the forthcoming Annual General Meeting. Your Company has received a notice from Mahindra Intertrade Limited, a member of the Company, signifying their intention to propose the candidatures of Mr. Kadono, Mr. Furuhashi and Mr. Issar for appointment as directors at the forthcoming Annual General Meeting.

Mr. Nobuaki Takashi and Mr. Toyokazu Makino were appointed as alternate directors to Mr. Daisuke Kadono and Mr. Yuta Furuhashi, respectively, with effect from November 13, 2014.

Mr. P. R. Barpande (DIN: 00016214) and Mr. Ajay Mehta (DIN: 07102804) who, in the opinion of the Board, are persons with integrity and possess relevant expertise and experience, and who have given declarations to the effect that they meet the criteria of independence as laid down under section 149 of the Companies Act, 2013, were appointed as independent directors with effect from March 31, 2015 pursuant to section 149 the Companies Act, 2013 for a period of three consecutive years and they would not be liable to retire by rotation.

Mr. Harsh Kumar's tenure as Managing Director ended on March 31, 2015. The same was extended during the year for a period of six months, i.e., up to September 30, 2015.

Mr. Rajeev Dubey will retire by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment.

Your Board places on record its appreciation of the services rendered by Mr. Zhooben Bhiwandiwalla, Mr. Satoru Oki and Mr. Yoshihisa Miyamoto during their tenure as directors of your Company.

EVALUATION OF PERFORMANCE OF DIRECTORS

The Nomination and Remuneration Committee carried out an evaluation of the performance of individual directors through a structured questionnaire process covering various aspects such as performance, attendance, et al.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013, your directors, based on a representation received from operating management, and after due enquiry, confirm that:

- (a) In the preparation of annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared annual accounts on a going concern basis; and,
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

CODES OF CONDUCT

Your Company has adopted Codes of Conduct for Corporate Governance ('the Codes') for its directors, and senior management and employees of your Company. These Codes enunciate the underlying principles governing the

Mahindra Steel Service Centre Limited

conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company's ethos.

Your Company has, for the year under review, received declarations from its Board members, and from senior management and employees, affirming their compliance with the respective Codes.

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee was re-constituted during the year to comply with the provisions of section 177 of the Companies Act, 2013.

The Audit Committee of the Board comprises of the following directors:

Mr. Rajeev Dubey – Chairman,
Mr. P. R. Barpande, and,
Mr. Ajay Mehta.

Four meetings of the Committee were held during the year, i.e., on April 23, 2014, July 31, 2014, November 13, 2014 and February 2, 2015.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted during the year to comply with the provisions of section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Board presently comprises of the following directors:

Mr. Rajeev Dubey,
Mr. P. R. Barpande, and,
Mr. Ajay Mehta.

Four meetings of the Committee were held during the year, i.e., on April 16, 2014, July 31, 2014, February 2, 2015 and March 31, 2015.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee ('CSR Committee') was constituted during the year to comply with the provisions of section 135 of the Companies Act, 2013.

The CSR Committee of the Board presently comprises of the following directors:

Mr. Rajeev Dubey – Chairman,
Mr. Harsh Kumar, and,
Mr. P. R. Barpande.

Three meetings of the Committee were held during the year i.e. on April 23, 2014, July 31, 2014 and March 31, 2015.

KEY MANAGERIAL PERSONNEL

Mr. Harsh Kumar, Managing Director and Mr. Bakul Sheth, Company Secretary, are the Key Managerial Personnel with effect from April 1, 2014. Mr. Jitendra Rahate was appointed as Chief Financial Officer of your Company, a Key Managerial Person, with effect from April 23, 2014.

STATUTORY AUDITORS

Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Registration No.117365W), retire as statutory auditors of the Company at the conclusion of the forthcoming Annual General Meeting and have given their consent for re-appointment.

Members of the Company will be required to re-appoint statutory auditors to hold office from the conclusion of the forthcoming Annual General Meeting until the conclusion of the Annual General Meeting thereafter, and to fix their remuneration.

As required under the provisions of sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written certificate from the statutory auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in section 139 and that they satisfy the criteria mentioned in section 141 of the Companies Act, 2013.

The Auditors' Report for the year ended March 31, 2015 does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Messrs. Shilpa & Co., Cost Accountants, Nashik (Firm Registration No. 100558), were appointed as Cost Auditors on April 23, 2014 to audit the cost accounts of the Company for the financial year ending March 31, 2015. Their appointment was approved by the Central Government on June 14, 2014. Remuneration of Cost Auditors was ratified by the shareholders at their Twenty First Annual General Meeting held on July 31, 2014. The due date for filing the report of the Cost Auditors for the year ended March 31, 2015 is September 27, 2015.

For the year ended March 31, 2014, the due date for filing the report of the Cost Auditors was September, 27, 2014. The same was filed on September 24, 2014.

The Board has, on recommendation of the Audit Committee, re-appointed on April 24, 2015 M/s. Shilpa & Co. as Cost Auditors, at a remuneration of Rs 1,10,000 (excluding service tax, other levies and out of pocket expenses), to audit the cost accounts of the Company for the financial year ending March 31, 2016. The shareholders of the Company are required to ratify the said remuneration payable to the Cost Auditors.

As required under the provisions of sections 139, 141 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company has obtained written confirmations from M/s. Shilpa & Co. to the effect that they are eligible for appointment as Cost Auditors and that they are an independent firm of Cost Accountants and have an arm's length relationship with your Company.

STOCK APPRECIATION RIGHTS (SARs)

Your Company has formulated a Stock Appreciation Rights Scheme to reward its employees and to provide an opportunity to them to participate in the growth of the Company. Accordingly, 50,067 SARs were granted during the year to eligible employees by the Nomination and Remuneration Committee at its meeting held on February 2, 2015.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted deposits from the public or its employees during the year under review.

Particulars of loans given, investments made, and guarantees and securities provided pursuant to section 186 of the Companies Act, 2013 are given under the notes to the financial statements and the same form part of this Report.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement between the ultimate parent company, Mahindra and Mahindra Limited and the stock exchanges.

PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

All transactions entered into by your Company with related parties during the year under review were in the ordinary course of business and at arm's length.

Particulars of material contracts or arrangements or transactions with related parties, referred to under section 188(1) of the Companies Act, 2013, are furnished in Form No. AOC-2 as Annexure III and forms part of this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2015 is attached as Annexure IV and forms part of this Report.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company subscribes to guidelines on safety, health and environment, and encourages involvement of all its employees in activities related to safety standards. Employees across facilities were trained in behavioural safety at work. Statutory requirements relating to environmental legislations, and environment protection, have been duly complied with by your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company believes in sustaining a green planet, and strives towards energy conservation. Your Company bagged the second place for Energy Efficiency at the CII 7th National Cluster Summit.

The particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given as Annexure V to this Report.

Mahindra Steel Service Centre Limited

GENERAL DISCLOSURE

Your directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year:

- (a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (b) Issue of shares (including sweat equity shares) to employees of the Company under any ESOP scheme, etc.
- (c) Particulars of employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in future.

**For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited**

Rajeev Dubey
Chairman

Mumbai, April 24, 2015.

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

ANNUAL REPORT ON CSR ACTIVITIES

- (1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

Web-link: <http://www.mahindraintertrade.com>

The objective of the Company's CSR policy is to–

- Promote a unified and strategic approach to CSR by incorporating under the 'Rise for Good' umbrella the diverse range of its philanthropic initiatives, and causes to work for, thereby ensuring high social impact.
- Encourage employees to participate actively in the Company's CSR activities and give back to society in an organized manner through the employee volunteering programme called ESOPs (Employee Social Options).

The Company has pledged to contribute 2% of its average net profits earned during the three immediately preceding financial years towards CSR initiatives to meet the needs of the local communities where it operates.

Our commitment to CSR will be manifested by investing resources in the following thrust areas:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation, and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, paraolympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects;
- (xi) Slum area development.

The Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for monitoring implementation of the CSR Policy. CSR Committee shall approve and recommend to the Board projects or programmes to be undertaken, the modalities of execution, and implementation schedule thereof.

- (2) The Composition of the CSR Committee is: Mr. Rajeev Dubey – Chairman, Mr. Harsh Kumar, and Mr. P. R. Barpande.
- (3) Average net profit of the Company for last three financial years is Rs 586.44 lakhs.
- (4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is Rs 11.73 lakhs.

Mahindra Steel Service Centre Limited

(5) Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs 11.73 lakhs.

(b) Amount unspent, if any: Nil.

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Particulars	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	Total
(1)	CSR project or activity identified	Tree plantation at Kanhe	Distribution of bags at primary school, Kanhe	Bicycles for girl children at Andar Maval ZP School	Distribution of UPS to primary school, Kanhe	Paver blocks at Khanapur Govt. School, Bhopal	Eye camp + distribution of spectacles at Nayapura School, Bhopal	Tree plantation at Mandideep, Bhopal	Contribution to KCMET for education of the under-privileged girl child under the Nanhi Kali project	
(2)	Sector in which the project is covered	Environment	Education	Education	Education	Education	Health	Environment	Education	
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Pune district, Maharashtra	(1) Local (2) Raisen district, Bhopal	(1) Local (2) Raisen district, Bhopal	(1) Local (2) Raisen district, Bhopal	(1) Others (2) Maharashtra and contiguous states	
(4)	Amount outlay (budget project or programme wise) (Rs)	1,00,000	1,30,000	2,00,000	-	3,00,000	1,50,000	35,000	5,87,500	15,02,500
(5)	Amount spent on the project or programme Sub Heads : (1) Direct expenditure on projects or programmes (2) Overheads	(1) 53,520 (2) 0	(1) 46,350 (2) 0	(1) 1,36,575 (2) 0	(1) 20,429 (2) 0	(1) 2,08,607 (2) 0	(1) 93,960 (2) 0	(1) 33,250 (2) 0	(1) 5,87,500 (2) 0	(1) 11,80,191 (2) 0
(6)	Cumulative expenditure up to the reporting period (Rs)	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above	Same as above	
(7)	Amount spent direct or through implementing agency	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Implementing agency – KCMET*	

* Details of implementing agency: KCMET - The K. C. Mahindra Education Trust - founded by Late K. C. Mahindra in 1953 promotes literacy and higher learning in the country. Since its inception, the Trust has promoted education by way of scholarships and grants to deserving and needy students. The Trust has facilitated social and economic development through creating a literate, enlightened and empowered population. The Trust is registered as a Public Charitable Trust under the Bombay Public Trusts Act, 1950 and has its office at Cecil Court, Mahakavi Bhushan Marg, Mumbai - 400001.

(6) The Company has duly spent two per cent of the average net profit of the last three financial years or any part thereof.

(7) Members of the CSR Committee confirm that the implementation and monitoring of CSR Policy of the Company is in compliance with the relevant provisions of the Companies Act, 2013.

**For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited**

Harsh Kumar
Managing Director

Rajeev Dubey
Chairman of CSR Committee

Mumbai, April 24, 2015.

ANNEXURE II TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Steel Service Centre Limited (MSSCL).

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole time Director (WTD),
- (ii) Chief Financial Officer (CFO), and
- (iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including functional heads.

I. APPOINTMENT OF DIRECTORS

- NRC reviews and assesses Board composition and recommends the appointment of new directors. In evaluating the suitability of an individual Board member, NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of a director as applicable:
 1. All Board appointments will be based on merit, in the context of skills, experience, independence and knowledge required for the Board as a whole to be effective.
 2. Ability of the candidate to devote sufficient time and attention to professional obligations as an Independent Director for balanced decision making.
 3. Adherence to the Code of Conduct and ensuring the highest level of corporate governance, in letter and in spirit, by Directors.
- Based on NRC's recommendation, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board, through the Managing Director, will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a director is disqualified as per any applicable Act, or rules and regulations thereunder, or due to non-adherence to the applicable policies of the Company, NRC may recommend to the Board, with reasons recorded in writing, removal of a director subject to compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

NRC shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down above.

For administrative convenience, senior management personnel will be appointed or promoted and removed/relieved with the authority of the Managing Director based on business needs and suitability of the candidate. Managing Director shall report details of such appointments to NRC at least twice in a year.

II. SUCCESSION PLANNING:

Purpose:

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure implementation of the strategic business plans of the Company.

Board:

Successors for Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor(s) will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

Successors for Executive Director(s) shall be identified by the NRC from Senior Management or through external sources as the Board may deem fit.

The Board may also decide at its discretion not to fill a vacancy on the Board.

Senior Management Personnel:

The Company's succession planning program aims to identify high growth individuals, and groom them in order to maintain a robust talent pipeline.

The Company has a process of identifying individuals with high potential and having ability to hold critical positions. Successors are mapped for such positions in order to ensure talent readiness.

The Company participates in the Mahindra Group's Talent Management process which is driven by a collaborative network of Talent Councils across the Group's various Sectors.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Steel Service Centre Limited (MSSCL).

Policy Statement

Our compensation philosophy strives to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in business.

In order to effectively implement this, our compensation structure is developed through external benchmarking as appropriate, with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to Non Executive Directors, including Independent Directors, whether as commission or otherwise. NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and such other factors as the NRC may deem fit for determining compensation.

The Board shall determine compensation to Non-Executive Directors within the overall limits specified in the Shareholders' resolution.

Executive Directors

The remuneration to Managing Director and Executive Director(s) shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

Key Managerial Personnel (KMPs)

The terms of remuneration of the Chief Financial Officer (CFO) shall be determined by the Audit Committee.

The terms of remuneration of the Company Secretary shall be determined either by any Director or such other person as may be authorised by the Board.

The above remuneration shall be competitively benchmarked for similar positions in the industry and aligned with their qualifications, experience, and responsibilities. Pursuant to the provisions of section 203 of the Companies Act, 2013, the Board shall approve remuneration of the above KMPs at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Employees

We follow a position and level based approach for compensation benchmarking with companies in the steel/ steel service centre and related engineering industries.

We have a CTC (Cost to Company) concept which includes a fixed component (guaranteed pay) and a variable component (performance pay). The percentage of the variable component increases with increasing hierarchy levels as employees at higher positions have a greater impact and influence on the Company's overall business result. CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality

Remuneration for new employees other than KMPs and senior management will be decided by HR, and approved by the Managing Director, based on factors such as relevant job experience, last compensation drawn, skill-set of the selected candidate, internal equity and related parameters.

The Company may also grant Stock Appreciation Rights to Employees and Directors (other than Independent Directors) in accordance with the Stock Appreciation Rights Scheme of the Company and subject to compliance of the applicable statutes and regulations.

**For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited**

Rajeev Dubey
Chairman

Mumbai: April 24, 2015.

ANNEXURE III TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

Form No. AOC-2

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

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

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

Sr. No.	Name(s) of the related parties and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mahindra Intertrade Limited (MIL) (Holding Company)	Availing or rendering of any services	Annual / Recurring	1) Processing of CR/HR/CRGO steel on job work basis and material handling 2) Payment term: 25 days 3) Total value of transaction Rs 1,772.81 lakhs	Not applicable (Refer Note)	Nil
2	Mahindra Intertrade Limited (MIL) (Holding Company)	Purchase of goods or materials	Recurring	1) Purchase of CRNO / CRGO steel at cost plus margin 2) Payment term: (i) CRGO: 120 days (ii) CRNO: 90 days 3) Total value of transaction Rs 3,859.87 lakhs	Not applicable (Refer Note)	Nil

Mahindra Steel Service Centre Limited

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
3	Metal One Corporation (shareholder having 39% shareholding)	Purchase of goods or materials	Recurring	1) Purchase of CRGO at market price 2) Payment term: 180 days Letter of Credit 3) Total value of transaction Rs 6,557.68 lakhs	Not applicable (Refer Note)	Nil

* Note: All these transactions are at arm's length and are in the ordinary course of business. Accordingly, Board approval is not required as per proviso to sub section (1) of section 188 of the Companies Act, 2013. Approval of Audit Committee is taken in the meeting held on July 31, 2014.

**For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited**

Rajeev Dubey
Chairman

Mumbai: April 24, 2015.

ANNEXURE IV TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U27100MH1993PLC070416
ii	Registration Date	15th January, 1993
iii	Name of the Company	MAHINDRA STEEL SERVICE CENTRE LIMITED
iv	Category/Sub-Category of the Company	Indian Non-Government Company Limited by shares
v	Address of the Registered office and contact details:	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018. Tel. No.: +91-22-24935185/86 Fax: +91-22-24951236 Email: sheth.bakul@mahindra.com
vi	Whether listed Company (Yes/No)	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. Tel. No.: 91-22-67920300 Email: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
1	Processing of hot-rolled and cold-rolled products of steel	24105	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra Intertrade Limited, Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018.	U51900MH1978PLC020222	Holding Company	61	2(87)(ii)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-

Mahindra Steel Service Centre Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	1,00,89,250	7	1,00,89,257	61	1,00,89,250	7	1,00,89,257	61	Nil
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	1,00,89,250	7	1,00,89,257	61	1,00,89,250	7	1,00,89,257	61	Nil
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other-Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate.	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,00,89,250	7	1,00,89,257	61	1,00,89,250	7	1,00,89,257	61	Nil
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a. Bodies Corp.	-	-	-	-	-	-	-	-	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	0	64,50,502	64,50,502	39	0	64,50,502	64,50,502	39	Nil
b. Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	0	64,50,502	64,50,502	39	0	64,50,502	64,50,502	39	Nil

Mahindra Steel Service Centre Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	64,50,502	64,50,502	39	0	64,50,502	64,50,502	39	Nil
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,00,89,250	64,50,509	1,65,39,759	100	1,00,89,250	64,50,509	1,65,39,759	100	Nil

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Intertrade Limited	1,00,89,257	61	0	1,00,89,257	61	0	0
	Total	1,00,89,257	61	0	1,00,89,257	61	0	0

iii. **Change in Promoters' Shareholding:** There is no change in the shareholding of the Promoter.

iv. Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	64,50,502	39	64,50,502	39
1	Metal One Corporation	64,50,502	39	64,50,502	39
	At the end of the year	64,50,502	39	64,50,502	39

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3	0.00	3	0.00
1	Mr. Rajeev Dubey (holding jointly with first holder Mahindra Intertrade Limited)	1	0.00	1	0.00
2	Mr. Harsh Kumar (holding jointly with first holder Mahindra Intertrade Limited)	1	0.00	1	0.00
3	Mr. Bakul Sheth (holding jointly with first holder Mahindra Intertrade Limited)	1	0.00	1	0.00
	At the end of the year	3	0.00	3	0.00

Mahindra Steel Service Centre Limited

V. INDEBTEDNESS

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

(Rs in lakhs)

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year on 1st April, 2014				
i. Principal Amount	4,144.25	517.72	–	4,661.97
ii. Interest due but not paid	–	–	–	–
iii. Interest accrued but not due	35.23	–	–	35.23
Total of (i+ii+iii)	4,179.48	517.72	–	4,697.20
Change in Indebtedness during the financial year				
+Addition	704.37	–	–	704.37
- Reduction	(2,592.42)	(7.21)	–	(2,599.63)
Net change	(1,888.05)	(7.21)	–	(1,895.26)
Indebtedness at the end of the financial year on 31st March, 2015				
i. Principal Amount	2,259.07	510.51	–	2,769.58
ii. Interest due but not paid	–	–	–	–
iii. Interest accrued but not due	32.36	–	–	32.36
Total of (i+ii+iii)	2,291.43	510.51	–	2,801.94

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Harsh Kumar Managing Director	
1	Gross Salary	–	–
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission - as % of profit - others	–	–
5	Others	–	–
	Total (A)	–	–
	Ceiling as per the Act	5% of the net profit of the company	

Mahindra Steel Service Centre Limited

B. Remuneration of other directors:

I. Independent Directors:

(Rs in Lakhs)

Particulars of Remuneration	Names of Directors		Total Amount
	Mr. P. R. Barpande	Mr. Ajay Mehta	
Fee for attending board/committee meetings	–	–	–
Commission	–	–	–
Others	–	–	–
Total (1)	–	–	–

II. Other Non-Executive Directors:

(Rs in Lakhs)

Particulars of Remuneration	Names of Directors						Total Amount
	Mr. Rajeev Dubey Chairman	Mr. Sumit Issar Director	Mr. Daisuke Kadono Director	Mr. Yuta Furuhashi Director	Mr. Toyokazu Makino Alternate Director	Mr. Nobuaki Takashi Alternate Director	
Fee for attending Board/committee meetings	–	–	–	–	–	–	–
Commission	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–
Total (2)	–	–	–	–	–	–	–
Total B = (1+2)	–	–	–	–	–	–	–
Total Managerial Remuneration	–	–	–	–	–	–	–
Ceiling as per the Act	1% of the Net profits of the Company						

C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole-time Director:

(Rs in Lakhs)

Sr. No.	Particulars of Remuneration	Names of the KMP		Total Amount
		Mr. Jitendra Rahate CFO	Mr. Bakul Sheth Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.64	–	20.64
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others	–	–	–
5	Others – allocation of expenses by Mahindra & Mahindra Limited excluding service tax	–	1.00	1.00
	Total (C)	20.64	1.00	21.64

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Under the Companies Act):

Type	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

**For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited**

Rajeev Dubey
Chairman

Mumbai: April 24, 2015.

ANNEXURE V TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014

(A) CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy: Nil.
- (ii) the steps taken by the company for utilising alternate sources of energy: Nil.
- (iii) the capital investment on energy conservation equipments: Nil.

(B) TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption: Nil.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - (a) the details of technology imported: Nil.
 - (b) the year of import: Nil.
 - (c) whether the technology has been fully absorbed: Not applicable.
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable.
- (iv) the expenditure incurred on Research and Development: Nil.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on foreign exchange earnings and outgo is furnished below:

Rs in lakhs

Particulars	Year ended March 31,	
	2015	2014
Foreign exchange earned	2.58	3.99
Foreign exchange outgo	6,530.08	5,326.16

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited

Rajeev Dubey
Chairman

Mumbai: April 24, 2015.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA STEEL SERVICE CENTRE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order:
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

U. M. Neogi
Partner
(Membership No. 30235)

Place of Signature: Mumbai
Date: 24 April, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the members of Mahindra Steel Service Centre Limited on the financial statements for the year ended 31st March, 2015)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (v) and (viii) of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanation that the items of raw materials are of special nature for which alternative quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sales of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
- (b) No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) As at 31st March, 2015 the following are the particulars of dues on account of Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess that have not been deposited on account of any dispute:
- | Name of Statute | Nature of dues | Forum where the dispute is pending | Period to which the amount relates | Amount involved |
|-----------------|----------------|--|------------------------------------|-----------------|
| Income-tax Laws | Income tax | Appellate Authority – Commissioner (Appeals) | A.Y. 2011 - 2012 | Rs. 503,910 |
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (ix) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (x) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

U. M. Neogi
Partner
(Membership No. 30235)

Place of Signature: Mumbai
Date: 24 April, 2015

Mahindra Steel Service Centre Limited

Balance Sheet as at 31 March, 2015

Particulars	Notes	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	1,653.98	1,653.98
(b) Reserves and surplus	4	7,679.34	7,153.35
		<u>9,333.32</u>	<u>8,807.33</u>
2. Non-current liabilities			
(a) Long-term borrowings	5	1,291.17	2,411.51
(b) Deferred tax liabilities (Net)	36	1,062.17	933.49
(c) Long-term provisions	6	72.36	61.77
		<u>2,425.70</u>	<u>3,406.77</u>
3. Current liabilities			
(a) Short-term borrowings	7	356.32	–
(b) Trade payables	8	7,166.11	4,121.34
(c) Other current liabilities	9	1,369.61	2,411.65
(d) Short-term provisions	10	219.74	129.62
		<u>9,111.78</u>	<u>6,662.61</u>
		<u>20,870.80</u>	<u>18,876.71</u>
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	9,335.37	9,792.19
(b) Long-term loans and advances	12A	156.85	142.14
(c) Other non-current assets	12B	601.73	–
		<u>10,093.95</u>	<u>9,934.33</u>
2. Current assets			
(a) Inventories	13	4,991.01	2,780.62
(b) Trade receivables	14	3,520.46	2,949.42
(c) Cash and cash equivalents	15	71.81	769.27
(d) Short-term loans and advances	16A	2,073.66	2,442.65
(e) Other Current Assets	16B	119.91	0.42
		<u>10,776.85</u>	<u>8,942.38</u>
		<u>20,870.80</u>	<u>18,876.71</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Bakul Sheth
Company Secretary

Rajeev Dubey
Harsh Kumar

Chairman
Managing Director

U. M. Neogi
Partner

Jitendra T. Rahate
Chief Financial Officer

Sumit Issar
P. R. Barpande

Directors

Place of Signature: Mumbai
Date: 24 April, 2015

Place of Signature: Mumbai
Date: 24 April, 2015

Mahindra Steel Service Centre Limited

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

Particulars	Notes	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
Income			
1 Revenue from operations (gross)	17	16,387.13	13,327.58
Less: Excise duty		(1,317.75)	(1,134.21)
Revenue from operations (net)		<u>15,069.38</u>	<u>12,193.37</u>
2 Other Income	18	37.05	44.37
3 Total Revenue (1+2)		<u>15,106.43</u>	<u>12,237.74</u>
4 Expenses			
(a) Cost of materials consumed	19 (a)	10,635.78	8,366.13
(b) Changes in Inventories of finished goods and work-in-progress	19 (b)	(257.73)	169.33
(c) Employee benefits expense	20	744.51	630.21
(d) Finance cost.....	21	348.05	465.02
(e) Depreciation and amortisation expense	11	972.72	770.55
(f) Other expenses	22	1,312.89	1,118.00
Total expenses		<u>13,756.22</u>	<u>11,519.24</u>
5 Profit before tax (3-4)		1,350.21	718.50
6 Tax expense			
- Current tax: [2014: Minimum Alternate Tax (MAT)]		453.00	154.54
- Less MAT credit entitlement		-	(31.80)
- Deferred tax	36	143.45	52.62
7 Profit for the year (5-6)		<u>753.76</u>	<u>543.14</u>
8 Earnings per equity share (of Rs. 10 each):	35		
(a) Basic/Diluted		4.56	3.87
See accompanying notes forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Bakul Sheth
Company Secretary

Rajeev Dubey
Harsh Kumar

Chairman
Managing Director

U. M. Neogi
Partner

Jitendra T. Rahate
Chief Financial Officer

Sumit Issar
P. R. Barpande }

Directors

Place of Signature: Mumbai
Date: 24 April, 2015

Place of Signature: Mumbai
Date: 24 April, 2015

Mahindra Steel Service Centre Limited

Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the year ended 31 March, 2015 Rs in Lakhs	For the year ended 31 March, 2014 Rs in Lakhs
A. Cash flow from operating activities		
Net Profit before tax.....	1,350.21	718.50
<i>Adjustments for:</i>		
Depreciation and amortisation expense	972.72	770.55
Sundry advances written off	–	24.57
Interest expense	348.05	440.83
Interest income	(11.12)	(21.36)
Dividend income	(24.96)	(0.10)
Bad debts and Advances written off	1.77	0.69
Liabilities no longer required written back	–	(22.76)
Profit on fixed assets sold.....	(0.97)	(0.15)
	<u>1,285.49</u>	<u>1,192.27</u>
Operating profit before working capital changes	2,635.70	1,910.77
<i>Changes in working capital:</i>		
<i>Adjustments for (increase)/decrease in operating assets/liabilities:</i>		
Inventories	(2,210.39)	430.80
Trade and other receivables	(1,024.71)	228.15
Trade payables and other liabilities	3,103.56	(868.71)
	<u>(131.54)</u>	<u>(209.76)</u>
Cash generated from operations.....	2,504.16	1,701.01
Net income tax paid	(301.96)	(147.70)
Net cash flow from operating activities (A)	2,202.20	1,553.31
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances....	(597.14)	(246.92)
Proceeds from sale of fixed assets	9.84	3.64
Current investments not considered as Cash and cash equivalents		
- Purchase of investment	(22,121.00)	(290.00)
- Sale of investment.....	22,121.00	290.00
Interest received.....	11.54	30.79
Dividend received	24.96	0.10
Bank balance not considered as Cash and cash equivalents...	–	239.37
Net cash flow from/(used in) investing activities (B)	(550.80)	26.98
C. Cash flow from financing activities		
Proceeds from issue of equity shares	–	1,500.00
Proceeds from long-term borrowings	–	1,855.00
Repayment of long-term borrowings	(2,248.71)	(2,467.52)
Proceeds from other short-term borrowings.....	357.20	–
Repayment of other short-term borrowings	–	(1,526.15)
Interest Paid	(350.92)	(477.42)
Dividend paid.....	(90.97)	–
Tax on Dividend	(15.46)	–
Net cash flow used in financing activities (C).....	(2,348.86)	(1,116.09)
Net increase in Cash and cash equivalents (A+B+C)	(697.46)	464.20

Mahindra Steel Service Centre Limited

Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the year ended 31 March, 2015 Rs in Lakhs	For the year ended 31 March, 2014 Rs in Lakhs
Cash and cash equivalents at the beginning of the year	769.27	305.07
Cash and cash equivalents at the end of the year	71.81	769.27
Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer Note 15)	<u>71.81</u>	<u>769.27</u>

Note: The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'.

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Bakul Sheth
Company Secretary

Rajeev Dubey
Harsh Kumar

Chairman
Managing Director

U. M. Neogi
Partner

Jitendra T. Rahate
Chief Financial Officer

Sumit Issar
P. R. Barpande }

Directors

Place of Signature: Mumbai
Date: 24 April, 2015

Place of Signature: Mumbai
Date: 24 April, 2015

Notes forming part of the financial statements

1. Corporate information:

Mahindra Steel Service Centre Limited is a public limited company incorporated on 15 January, 1993 under the Companies Act, 1956. The Company's main activity is steel processing from the plants located at Kanhe and Bhopal. The Company processes automotive and electrical steel.

2. Significant Accounting Policies followed by the Company:

2.1 Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (The Act). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

2.2 Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates, are recognized in the periods in which the results are known/materialize.

2.3 Inventories:

Inventories are stated at cost and net realizable value, whichever is lower. Cost is arrived at on a weighted average method and includes, where appropriate, manufacturing overheads and excise duty.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

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

2.6 Fixed Assets:

- (a) Fixed Assets are stated at cost less accumulated depreciation/amortization. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are included in the cost of asset upto the date the asset is ready for its intended use.
- (b)
 - (i) Leasehold land is amortized over the period of the lease.
 - (ii) Depreciation on other fixed assets is calculated on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect

Notes forming part of the financial statements

of vehicles where the life has been assessed as five years taking into account the estimated usage of such vehicles. (Refer note 25)

2.7 Revenue Recognition:

Sales of products are recognized, when the significant risks and rewards of ownership are transferred to the Buyer. Sales include excise duty, but excludes sales tax and value added tax.

Sales of services are recognised when services are rendered.

2.8 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. All foreign currency monetary items outstanding at the year end (excluding long term liability) are translated at the relevant rates of exchange prevailing at the year end and the resulting exchange differences are recognised in the Statement of Profit and Loss. In respect of forward exchange contracts, the premium or discount arising at the inception of such a contract is amortised as expenses or income over the life of the contract.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing and acquisition of fixed assets are added to or subtracted from the cost of depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

2.10 Investments:

Long term Investments are valued at cost less provision, if any, for decline other than temporary, in value of such investments. Current investments are valued at the lower of cost and fair value determined by category of investment.

2.11 Employee Benefits:

i) Defined Contribution Plan:

Company's contributions paid/payable during the year to the provident fund, superannuation fund, Employee State Insurance Scheme and labour welfare fund are recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

ii) Defined Benefit Plan/Long Term Compensated Absences:

Company's liability towards gratuity, compensated absence and post retirement medical benefit schemes are determined by an independent actuary using the projected unit credit method at each balance sheet date. Past service cost are recognized on a straight-line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation, as reduced by the fair value of scheme assets.

2.12 Borrowing Costs:

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Notes forming part of the financial statements

2.13 Taxes on Income:

Tax expense comprises current and deferred tax. Current Tax is determined as either (i) the amount of tax payable in respect of taxable income after considering usual allowances and disallowances under the Income-tax Act, 1961 or (ii) Minimum Alternate Tax for the year. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of the earlier years.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.14 Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.15 Stock Appreciation Rights (SARs):

The compensation cost of SARs granted to employees is accounted by the Company using the intrinsic value method. The fair value of the equity shares is based on valuation obtained from an independent valuer. Difference between market value and face value of the equity shares, being the intrinsic value, is recognised as compensation cost over the vesting period.

Note 3 Share Capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
(a) Authorised				
Equity shares of Rs. 10 each	17,000,000	1,700.00	17,000,000	1,700.00
	17,000,000	1,700.00	17,000,000	1,700.00
(b) Issued, Subscribed and fully paid up				
Equity shares of Rs. 10 each	16,539,759	1,653.98	16,539,759	1,653.98
	16,539,759	1,653.98	16,539,759	1,653.98

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
Year ended 31 March, 2015				
Number of shares.....	16,539,759	–	–	16,539,759
Amount (in Lakhs).....	1,653.98	–	–	1,653.98
Year ended 31 March, 2014				
Number of shares.....	13,953,567	2,586,192	–	16,539,759
Amount (in Lakhs).....	1,395.36	258.62	–	1,653.98

Notes forming part of the financial statements

- (ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

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 shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: one vote for each equity share registered in the name of the member. 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. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of shares held by the holding company

Particulars	As at 31 March, 2015	As at 31 March, 2014
Mahindra Intertrade Limited, the holding Company (including 7 equity shares held jointly with its nominees).....	10,089,257	10,089,257

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra Intertrade Limited (including 7 equity shares held jointly with its nominees).....	10,089,257	61%	10,089,257	61%
Metal One Corporation.....	6,450,502	39%	6,450,502	39%

Note 4 Reserves and Surplus

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Capital Reserve	20.00	20.00
(b) Securities Premium Account		
Opening balance.....	4,011.15	2,769.77
Add: Premium on shares issued during the year.....	—	1,241.38
Closing Balance	4,011.15	4,011.15
(c) General Reserve.....	164.44	164.44
(d) Surplus in the statement of profit and loss		
Opening balance.....	2,957.76	2,521.05
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of Rs. 14.77 Lakhs) (Refer Note 25)	28.70	—
Add: Profit for the year	753.76	543.14
Less: Transferred to:		
Proposed dividend	165.40	90.97
Tax on dividend	33.67	15.46
Closing balance	3,483.75	2,957.76
	7,679.34	7,153.35

Notes forming part of the financial statements

Note 5 Long-term borrowings

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Term loan from Banks [Refer note (i)] Secured	1,902.75	2,975.60
Less: Current maturities of long term debt (refer note 9).....	<u>(1,073.00)</u>	<u>(1,074.60)</u>
	829.75	1,901.00
(b) Deferred payment liabilities [Refer note (ii)]		
Unsecured.....	150.56	156.97
Less: Current maturities of long term debt (refer note 9).....	<u>(25.34)</u>	<u>(6.41)</u>
	125.22	150.56
(c) Other loans and advances [Refer note (iii)]		
(i) Foreign currency loans from Bank]		
Secured	-	1,168.65
Less: Current maturities of long term debt (refer note 9).....	<u>-</u>	<u>(1,168.65)</u>
	-	-
(ii) Interest free sales tax loan from SICOM [Refer note (iv)]		
Unsecured	359.95	360.75
Less: Current maturities of long term debt (refer note 9).....	<u>(23.75)</u>	<u>(0.80)</u>
	336.20	359.95
	1,291.17	2,411.51

- (i) (a) The Company has a term loan of Rs. 811 Lakhs (2014: Rs. 678 Lakhs) under sanction extended by Axis Bank [interest payable at the rate of 10.90% p.a. (FY 2014: 11.00% p.a.) [payable monthly] linked to the base rate] which is secured by first pari passu charge on the movable fixed assets of the Company situated at Kanhe plant, Maharashtra and second charge over the present and future current assets of the Company. The repayment details are as follows:

Repayment Details	Amount to be repaid Rs. in Lakhs	Repayment Year
4 quarterly installments of Rs. 150.00 Lakhs each from 30 June 2015	600.00	FY 2015-16
One installment of Rs. 125.00 Lakhs on 30 June 2016	125.00	FY 2016-17
One installment of Rs. 86.00 Lakhs on 30 September 2016	86.00	FY 2016-17

- (b) The Company has a term loan of Rs. 198 Lakhs (2014: Rs. 1,197.60 Lakhs) under sanction extended by YES Bank [interest payable at the rate of 12.00% p.a. (payable monthly) (FY 2014: 11.75% p.a.) linked to the base rate], secured by first pari passu charge on movable fixed assets situated at Bhopal and Kanhe plant with a minimum cover of 1.25x and negative lien on the immovable fixed assets of Bhopal plant. The repayment details are as follows:

Repayment Details	Amount to be repaid Rs. in Lakhs	Repayment Year
One installment of Rs. 99.80 Lakhs on 9 April 2015.....	99.80	FY 2015-16
One installment of Rs. 98.20 Lakhs on 9 July 2015	98.20	FY 2015-16

Notes forming part of the financial statements

- (c) The Company has a term loan of Rs. 893.75 Lakhs (2014: Rs. 1,100 Lakhs) under sanction extended by HDFC Bank [interest payable at the rate of 10.80% p.a. (payable monthly) (FY 2014: 11.50% p.a.) linked to the base rate], secured by first pari passu charge on movable fixed assets situated at Kanhe plant. The repayment details are as follows:

Repayment Details	Amount to be repaid Rs. in Lakhs	Repayment Year
4 quarterly installments of Rs. 68.75 Lakhs each from 12 May 2015	275.00	FY 2015-16
4 quarterly installments of Rs. 68.75 Lakhs each.....	275.00	FY 2016-17
4 quarterly installments of Rs. 68.75 Lakhs each.....	275.00	FY 2017-18
One installment of Rs. 68.75 Lakhs.....	68.75	FY 2018-19

- (ii) The Company has received a Certificate of Entitlement from the Deputy Commissioner of Sales Tax, Maharashtra State, in terms of the Package Scheme of Incentives, 1993 of the Government of Maharashtra, consequent to which the Company has deferred the sales tax liability with effect from 1 May, 2002. The Sales Tax liability so deferred is Rs. 150.56 Lakhs as at 31 March, 2015 which will be payable with effect from 30 April, 2015.

Repayment Details of Sales Tax VAT liability	Amount to be repaid Rs. in Lakhs	Repayment Year
VAT liability of FY 2002-2003 to FY 2004-2005	25.34	30 April, 2015
VAT liability of FY 2002-2003 to FY 2005-2006	31.87	30 April, 2016
VAT liability of FY 2002-2003 to FY 2005-2006	31.87	30 April, 2017
VAT liability of FY 2003-2004 to FY 2005-2006	29.47	30 April, 2018
VAT liability of FY 2004-2005 to FY 2005-2006	25.46	30 April, 2019
VAT liability of FY 2005-2006	6.55	30 April, 2020

- (iii) The Company had taken buyer's credit of Rs. Nil (2014: Rs. 1,168.65 Lakhs) under sanction of LUT extended by AXIS Bank (Interest payable on buyer's credit is linked to USD LIBOR), secured by first pari passu charge on the movable fixed assets of the Company situated at Kanhe plant, Maharashtra and second charge over present and future current assets of the Company.

- (iv) Interest Free SICOM Loan of Rs. 359.95 Lakhs is repayable with effect from 25 September, 2015. The repayment details as at 31 March, 2015:

Loan taken on	Amount Rs. in Lakhs	Loan taken on	Amount Rs. in Lakhs	Loan taken on	Amount Rs. in Lakhs
25-Feb-05	3.20	8-Sep-05	114.75	24-July-06	242.00
Repayment Details		Repayment Details		Repayment Details	
25-Feb-16	0.80	25-Sep-15	22.95	25-July-16	48.40
25-Feb-17	0.80	25-Sep-16	22.95	25-July-17	48.40
25-Feb-18	0.80	25-Sep-17	22.95	25-July-18	48.40
25-Feb-19	0.80	25-Sep-18	22.95	25-July-19	48.40
-	-	25-Sep-19	22.95	25-July-20	48.40

Notes forming part of the financial statements

Note 6 Long-term provisions

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Provision for employee benefits		
(i) Provision for compensated absences.....	67.94	52.32
(ii) Provision for post retirement medical benefit (Refer note 31)	1.31	0.75
(iii) Provision for Stock Appreciation Rights	3.11	8.70
	<u>72.36</u>	<u>61.77</u>

Note 7 Short-term borrowings

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Other loans and advances [refer note (i)].		
Secured	356.32	—
	<u>356.32</u>	<u>—</u>
(i) The Company has taken buyer's credit for purchase of machinery of Rs. 356.32 Lakhs (2014: Rs. Nil) under sanction extended by HDFC Bank (secured by first pari passu charge on the stock and book debts of the Company).		
Interest payable on buyer's credit is linked to USD LIBOR.		

Note 8 Trade Payables

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Trade Payables		
Acceptances.....	4,894.58	1,128.95
Other than Acceptance – Micro and small enterprises (refer note 24)	—	—
Other than Acceptance – Other than micro and small enterprises.....	2,271.53	2,992.39
	<u>7,166.11</u>	<u>4,121.34</u>

Note 9 Other current liabilities

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Current maturities of long-term debt [Refer note 5].....	1,122.09	2,250.46
(b) Interest accrued but not due on borrowings	32.36	35.23
(c) Other payables		
(i) Statutory remittances (contribution to Provident Fund and Employee State Insurance Scheme, withholding taxes, excise duty, service tax, etc.)	23.90	25.48
(ii) Value Added Tax payable.....	99.73	26.49
(iii) Payables on purchase of fixed assets	51.72	7.10
(iv) Advance from customers.....	21.20	47.74
(v) Dealer deposit.....	9.92	8.77
(vi) Other current liabilities.....	8.69	10.38
	<u>1,369.61</u>	<u>2,411.65</u>

Notes forming part of the financial statements

Note 10 Short-term provisions

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Employee benefits		
(i) Provision for compensated absences.....	11.08	10.63
(b) Provision - Others		
– Provision for income tax (net of payments).....	–	5.46
– Provision for proposed equity dividend.....	165.40	90.97
– Provision for tax on proposed dividend.....	33.67	15.46
– Provision for Stock Appreciation Rights.....	9.59	7.10
	219.74	129.62

Note 11 Fixed Assets

Tangible Assets	Gross Block				Depreciation and amortisation expense				Net Block	
	Balance as at 1 April, 2014	Additions	Disposals/ Adjustments	Balance as at 31 March, 2015	Balance as at 1 April, 2014	For the year	Disposals / Adjustments	Transition adjustment recorded against surplus balance in statement of profit and loss account	Balance as at 31 March, 2015	Balance as at 31 March, 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Land – Leasehold...	69.46	–	–	69.46	14.43	2.09	–	–	16.52	52.94
	(69.46)	–	–	(69.46)	(12.23)	(2.20)	–	–	(14.43)	(55.03)
Buildings.....	2,915.49	1.03	–	2,916.52	568.64	89.18	–	–	657.82	2,258.70
	(2,915.49)	–	–	(2,915.49)	(472.28)	(96.36)	–	–	(568.64)	(2,346.85)
Plant and Equipment **.....	10,899.42	621.82	81.25	11,439.99	3,846.74	816.93	0.45	25.09	4,688.31	6,751.68
	(10,674.60)	(224.82)	–	(10,899.42)	(3,215.57)	(631.17)	–	–	(3,846.74)	(7,052.68)
Electric Installation...	344.83	–	–	344.83	130.41	27.39	–	3.25	161.05	183.78
	(344.83)	–	–	(344.83)	(113.99)	(16.42)	–	–	(130.41)	(214.42)
Furniture and Fixtures.....	59.16	5.74	–	64.90	20.31	5.34	–	1.58	27.23	37.67
	(56.11)	(3.05)	–	(59.16)	(17.08)	(3.23)	–	–	(20.31)	(38.85)
Vehicles.....	41.27	–	12.14	29.13	32.69	4.34	12.13	–	24.90	4.23
	(49.18)	–	(7.91)	(41.27)	(28.44)	(8.67)	(4.42)	–	(32.69)	(8.58)
Office Equipment...	56.36	1.54	–	57.90	8.53	15.95	–	11.74	36.22	21.68
	(49.61)	(6.75)	–	(56.36)	(6.54)	(1.99)	–	–	(8.53)	(47.83)
Computers.....	68.44	10.07	1.47	77.04	40.49	11.50	1.45	1.81	52.35	24.69
	(68.01)	(3.02)	(2.59)	(68.44)	(32.57)	(10.51)	(2.59)	–	(40.49)	(27.95)
Total	14,454.43	640.20	94.86	14,999.77	4,662.24	972.72	14.03	43.47	5,664.40	9,335.37
<i>Previous year</i>	<i>(14,227.29)</i>	<i>(237.64)</i>	<i>(10.50)</i>	<i>(14,454.43)</i>	<i>(3,898.70)</i>	<i>(770.55)</i>	<i>(7.01)</i>	<i>–</i>	<i>(4,662.24)</i>	<i>(9,792.19)</i>

** Additions during the year include foreign exchange loss of Rs. 21.69 lakhs (net) [for the year 2014: Rs. 135.16 lakhs (net)].

Note: Figures in bracket are in respect of the previous year.

Notes forming part of the financial statements

Note 12A Long-term loans and advances

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
Unsecured, Considered Good		
(a) Security deposits	23.38	23.10
(b) Other loans and advances		
Advance income tax (Net of provisions)	130.63	113.61
(c) Surplus of plan assets over obligation - gratuity (Refer note 31)	2.84	5.43
	<u>156.85</u>	<u>142.14</u>

Note 12B Other non-current assets

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
Unsecured, Considered Good		
Industrial Investment Promotion Assistance receivable (Refer note 40)	601.73	-
	<u>601.73</u>	<u>-</u>

Note 13 Inventories

(at lower of cost and net realisable value)

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Raw materials [refer note 19(a)]	2,902.59	1,827.29
Goods in transit	861.49	-
	<u>3,764.08</u>	<u>1,827.29</u>
(b) Work in progress.....	342.91	544.26
(c) Finished goods [refer note 19(b)]	806.65	347.57
(d) Stores and spares	77.37	61.50
	<u>4,991.01</u>	<u>2,780.62</u>

Note 14 Trade receivables

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3.60	13.88
(b) Other Trade receivables		
Unsecured, considered good	3,516.86	2,935.54
	<u>3,520.46</u>	<u>2,949.42</u>

Note 15 Cash and cash equivalents

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(a) Cash on hand.....	0.24	0.27
(b) Balances with banks		
(i) In current accounts	71.57	94.00
(ii) In Fixed Deposit Receipts.....	-	675.00
	<u>71.81</u>	<u>769.27</u>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is.....	<u>71.81</u>	<u>769.27</u>

Notes forming part of the financial statements

Note 16A Short-term loans and advances

Particulars	As at 31 March, 2015	<i>As at 31 March, 2014</i>
	Rs. in Lakhs	<i>Rs. in Lakhs</i>
Other loans and advances Unsecured, considered good		
(a) Advances to suppliers	75.07	23.05
(b) Custom deposits	32.23	42.01
(c) Advance/Loans to employees	7.94	10.30
(d) Prepaid expenses.....	2.49	14.21
(e) Minimum Alternate Tax (MAT) credit entitlement.....	147.14	320.66
(f) Balances with government authorities.....		
(i) CENVAT credit receivable	1,335.36	1,513.19
(ii) Value Added Tax credit receivable	191.66	185.85
(iii) Service Tax credit receivable	222.53	174.12
(iv) Entry Tax receivable	59.24	159.26
	<u>2,073.66</u>	<u>2,442.65</u>

Note 16B Other Current Assets

Particulars	As at 31 March, 2015	<i>As at 31 March, 2014</i>
	Rs. in Lakhs	<i>Rs. in Lakhs</i>
Unsecured, considered good		
Interest Receivable	-	0.42
Industrial Investment Promotion Assistance receivable (Refer note 40)	119.91	-
	<u>119.91</u>	<u>0.42</u>

Note 17 Revenue from Operations

Particulars	For the year ended	<i>For the year ended</i>
	31 March, 2015	<i>31 March, 2014</i>
	Rs. in Lakhs	<i>Rs. in Lakhs</i>
Revenue from -		
(a) Sale of products [Refer Note (i) below]	12,917.86	10,860.15
(b) Sale of services [Refer Note (ii) below]	2,007.27	1,919.41
(c) Other operating revenues [Refer Note (iii) below]	1,462.00	548.02
	<u>16,387.13</u>	<u>13,327.58</u>
Less:		
(d) Excise duty	1,317.75	1,134.21
	<u>15,069.38</u>	<u>12,193.37</u>

Notes:

(i) Sale of products comprises:		
Manufactured goods		
Steel products	12,917.86	10,860.15
(ii) Sale of services comprises:		
Steel processing.....	2,007.27	1,919.41
(iii) Other operating revenues comprise:		
Scrap sales	718.21	397.75
Insurance claim.....	15.46	53.04
Cash discount.....	5.79	1.42
Industrial Investment Promotion Assistance (Refer note 40)	721.64	87.83
Other operating income.....	0.90	7.98
	<u>1,462.00</u>	<u>548.02</u>

Notes forming part of the financial statements

Note 18 Other Income

Particulars	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
(a) Dividend income		
Dividend from current investments (other than trade)	24.96	0.10
(b) Interest income		
Interest from banks.....	1.09	18.49
Others	10.03	2.87
(c) Liabilities no longer required written back	-	22.76
(d) Profit on sale of fixed assets.....	0.97	0.15
	<u>37.05</u>	<u>44.37</u>

Note 19 (a) Cost of Material Consumed

Particulars	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
Opening Stock	1,827.29	2,093.86
Add: Purchases.....	12,572.57	8,099.56
	<u>14,399.86</u>	<u>10,193.42</u>
Less: Closing Stock.....	(3,764.08)	(1,827.29)
	<u>10,635.78</u>	<u>8,366.13</u>

Details of raw materials consumed

	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
Steel Products	<u>10,635.78</u>	<u>8,366.13</u>

Details of Closing Stock of raw materials

	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
Steel Products	<u>3,764.08</u>	<u>1,827.29</u>

Note 19 (b) Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
Inventories at the end of the year Finished goods.....	806.65	347.57
Work-in-progress.....	342.91	544.26
Total	<u>1,149.56</u>	<u>891.83</u>
Inventories at the beginning of the year Finished goods...	347.57	694.32
Work-in-progress.....	544.26	366.84
Total	<u>891.83</u>	<u>1,061.16</u>
Decrease/ (Increase) in Stock	<u>(257.73)</u>	<u>169.33</u>

Notes forming part of the financial statements

Details of inventory of finished goods at the end of the year	As at 31 March, 2015	As at 31 March, 2014
	Rs. in Lakhs	Rs. in Lakhs
Steel Products	<u>806.65</u>	<u>347.57</u>
Details of inventory of work-in-progress at the end of the year	As at 31 March, 2015	As at 31 March, 2014
	Rs. in Lakhs	Rs. in Lakhs
Steel Products	<u>342.91</u>	<u>544.26</u>

Note 20 Employee Benefit Expenses

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rs. in Lakhs	Rs. in Lakhs
(a) Salaries and wages.....	623.59	515.47
(b) Stock Appreciation Rights Scheme Expenses (Refer note 38)	15.15	34.01
(c) Contribution to provident and other funds.....	32.60	27.57
(d) Gratuity expense [Refer note 31(ii)(b)]	11.49	0.06
(e) Post retirement medical benefit expense [Refer note 31(ii)(a)]	0.61	(1.30)
(f) Staff welfare	<u>61.07</u>	<u>54.40</u>
	<u>744.51</u>	<u>630.21</u>

Note 21 Finance Cost

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rs. in Lakhs	Rs. in Lakhs
(a) Interest expense on		
(i) Borrowings	289.03	373.88
(ii) Other		
- Usance Interest	58.82	66.46
- delayed/deferred payment of income tax.....	0.20	-
- delayed payment of deferred payment liability	-	0.49
(b) Other Borrowing Cost	<u>-</u>	<u>24.19</u>
	<u>348.05</u>	<u>465.02</u>

Notes forming part of the financial statements

Note 22 Other Expenses

Particulars	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
(a) Stores consumed	49.78	32.27
(b) Power and fuel	239.11	207.06
(c) Rent including lease rentals	5.66	5.61
(d) Rates and taxes	14.95	16.82
(e) (Decrease)/Increase of excise duty on inventory (Refer note 37)	(61.93)	(21.39)
(f) Insurance.....	20.82	35.00
(g) Repairs and maintenance:		
Buildings	14.02	6.30
Machinery	37.64	19.24
Others	173.04	85.59
(h) Software charges	27.05	4.97
(i) Legal and professional charges	16.93	24.47
(j) Freight outward.....	128.83	155.15
(k) Subcontracting, hire and service charges	349.71	238.65
(l) Auditors' remuneration [Refer note (i) below]	10.01	10.18
(m) Loss on foreign exchange transactions and translations	136.80	157.42
(n) Bad debts and advances written off	1.77	0.69
(o) Sundry advances written off.....	-	24.57
(p) Expenditure on CSR activities	11.80	-
(q) Miscellaneous expenses	136.90	115.40
	<u>1,312.89</u>	<u>1,118.00</u>

Note

(i) Auditors' remuneration	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
Auditors' remuneration includes payment to auditors -		
(a) As statutory auditor	7.00	7.30
(b) For certification work	0.70	0.20
(c) For reimbursement of expenses.....	0.06	0.18
(d) For Taxation work.....	2.25	2.50
	<u>10.01</u>	<u>10.18</u>

Note 23 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(i) Claims against the Company not acknowledged as debts:		
(a) Income Tax demand for AY 2011-12.....	5.04	-
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets.....	6.67	-
(iii) Other money for which the Company is contingently liable		
(a) Corporate Guarantee given by the Company to M/s SHV Energy Private Limited	12.00	12.00
(b) Bill discounted under Letter of Credit by HDFC Bank.....	6.27	-

Notes forming part of the financial statements

Note 24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2015 Rs. in Lakhs	As at 31 March, 2014 Rs. in Lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.....	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day ...	-	-
(iv) The amount of interest due and payable for the year....	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.....	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the Management. This has been relied upon by the auditors.

Note 25 Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful life of its fixed assets, in accordance with the provisions of Schedule II to the Act. The carrying amount of the assets as on that date have been depreciated over the remaining useful life of the assets as per Schedule II of the Companies Act, 2013. Consequently, depreciation for the year is higher by Rs. 177.42 Lakhs. Further, an amount of Rs. 28.70 Lakhs (net of deferred tax of Rs. 14.77 Lakhs) has been recognized in the Surplus in the statement of profit and loss, where the remaining useful life of such assets is Nil as at 1st April, 2014 in line with the provisions of Schedule II to the Companies Act, 2013.

Note 26 Derivative Instruments

The Company has entered into Forward Exchange Contracts (being a derivative instrument), which are not intended for trading or speculative purposes, but for hedge purposes.

(i) The following are the outstanding Forward Exchange Contracts entered into by the Company:

Particulars	Currency	As at 31 March, 2015 (figures in Lakhs)		As at 31 March, 2014 (figures in Lakhs)		Buy/ Sell	Cross currency
		Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.		
Foreign currency loan (Import of Machinery)	USD	5.67	356.32	19.07	1,153.45	Buy	Rupees
Import of machinery	JPY	75.00	39.77	-	-	Buy	Rupees
Import of Raw Material	USD	49.84	3,142.60	40.84	2,470.00	Buy	Rupees

(ii) The year end foreign currency exposures that have not been hedged by a derivatives instrument or otherwise are given below.

Particulars	Currency	As at 31 March, 2015 (figures in Lakhs)		As at 31 March, 2014 (figures in Lakhs)	
Payable on account of		Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Import of Raw Material	USD	27.98	1,764.41	6.48	391.62

Notes forming part of the financial statements

Note 27 Value of imports calculated on CIF basis

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Rs. in Lakhs		Rs. in Lakhs	
Plant and Machinery	397.65		-	
Spares.....	27.90		97.28	
Raw materials.....	6,066.85		5,189.75	

Note 28 Details of consumption of imported and indigenous raw materials

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Import	7,727.96	73	5,595.13	67
Indigenous.....	2,907.82	27	2,771.00	33
	10,635.78	100	8,366.13	100

Note 29 Earning in foreign exchange

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Rs. in Lakhs		Rs. in Lakhs	
Sale of goods	2.58		2.75	
Reimbursements of expenses	-		1.24	

Note 30 Expenditure in foreign currency

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Rs. in Lakhs		Rs. in Lakhs	
Interest	37.62		39.13	
Service Charges.....	0.06		-	

Note 31 Employee Benefits:

Following are the relevant disclosures in pursuance of the Accounting Standard 15, "Employee Benefits".

- i) The Company has recognized, in the statement of profit and loss for the year, an amount of Rs. 32.60 Lakhs (2014: Rs.27.57 Lakhs) as expenses under defined contribution plans.

Benefit (Contribution to)	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	Rs. in Lakhs		Rs. in Lakhs	
Provident Fund.....	24.97		22.80	
Pension Fund.....	7.63		4.77	
Total	32.60		27.57	

- ii) The Company operates defined benefit plans as follows:
- Unfunded - Post Retirement Medical Benefits
 - Funded - Post Retirement Gratuity

Notes forming part of the financial statements

a. Details of unfunded defined benefit obligations in respect of Post Retirement Medical Benefits are as follows:

Particulars	For the year ended 31 March, 2015 Rs. in Lakhs	<i>For the year ended 31 March, 2014 Rs. in Lakhs</i>
1. Reconciliation of opening and closing balances of obligation		
a. Opening Obligation	0.75	2.05
b. Current Service Cost.....	0.11	0.26
c. Interest Cost	0.08	0.18
d. Actuarial (gain)/loss.....	0.42	(1.74)
e. Liabilities assumed on transfer of employees	(0.05)	-
f. Benefits paid	-	-
g. Closing Obligation	1.31	0.75
2. Expected employer's contribution next year.....	-	-
3. Expense recognised in the year		
a. Current Service Cost.....	0.11	0.26
b. Interest Cost	0.08	0.18
c. Actuarial (gain)/loss.....	0.42	(1.74)
d. Expenses recognized in the year.....	0.61	(1.30)
The expense is included in line item- Post retirement medical benefit expense in note 20.		
4. Assumptions		
a. Discount rate.....	8.05%	8.95%
b. Salary Growth Rate	10%	10%
c. Annual Increase in Healthcare cost	7%	7%
d. Normal retirement age	60 years	60 years
e. Attrition rate.....	9%	9%
f. Mortality.....	*Note	*Note

* Note: Indian Assured Lives Mortality (2006-08)

5. Effect of one percentage point change in the assumed medical inflation rate	One percentage point increase in medical inflation rates Rs. in Lakhs		One percentage point decrease in medical inflation rates Rs. in Lakhs	
	2015	<i>2014</i>	2015	<i>2014</i>
Effect on the aggregate service and interest cost of Post Employment Medical Benefits	0.07	0.04	(0.06)	(0.03)
Effect on the accumulated Post Employment Medical Benefit obligations	0.27	0.16	(0.22)	(0.13)

6. Experience adjustments

Particulars	Rs. in Lakhs				
	2015	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
Defined Benefit obligation	1.31	0.75	2.05	2.05	1.62
Deficit	(1.31)	0.75	2.05	2.05	1.62
Experience adjustments on plan liabilities	0.22	(1.58)	(0.59)	0.26	0.49

Notes forming part of the financial statements

b. Details of Gratuity Plan are as follows:

Particulars	For the year ended 31 March, 2015 Rs. in Lakhs	For the year ended 31 March, 2014 Rs. in Lakhs
1. Reconciliation of opening and closing balances of obligation:		
a. Opening Obligation	83.72	76.38
b. Current Service Cost.....	9.72	9.00
c. Interest Cost	7.92	6.53
d. Actuarial (gain)/loss.....	4.62	(8.19)
e. Liabilities assumed on transfer of employees	0.09	-
f. Benefits paid	(4.89)	-
g. Closing Obligation	101.18	83.72
The defined benefit obligation is wholly funded by the company		
2. Change in Plan Assets (Reconciliation of opening & closing balances):		
a. Opening fair value of plan assets.....	89.15	81.87
b. Expected return on plan assets.....	6.50	6.26
c. Actuarial gain/(loss).....	4.27	1.02
d. Contributions.....	6.80	-
e. Asset received on transfer of employees	2.19	-
f. Benefits paid	(4.89)	-
g. Closing fair value of plan assets.....	104.02	89.15
3. Expected employer's contribution next year:	5.00	5.00
4. Reconciliation of fair value of assets and obligations:		
a. Fair value of plan assets as at the year end.....	104.02	89.15
b. Present value of obligation as at the year end.....	101.18	83.72
c. Amount recognised in the balance sheet - (assets)/ liabilities.....	(2.84)	(5.43)
5. Expense recognised in the year:		
a. Current service cost.....	9.72	9.00
b. Interest cost.....	7.92	6.53
c. Expected return on plan assets.....	(6.50)	(6.26)
d. Actuarial (gain)/loss.....	0.35	(9.21)
e. Expenses recognized in the year	11.49	0.06
6. Investment Details:		
a. Insurer (LIC) Managed funds	100%	100%
7. Assumptions:		
a. Discount rate (per annum)	8.05%	8.95%
b. Estimated rate of return on plan assets (per annum)	7.50%	7.50%
c. Salary Growth Rate (per annum).....	10%	10%
d. Mortality Rate*	*Note	*Note

*Note: Indian Assured Lives Mortality (2006-08)

Notes forming part of the financial statements

8. Experience adjustments

	Rs. in Lakhs				
Particulars	2015	2014	2013	2012	2011
Defined Benefit obligation	101.18	83.72	76.38	63.55	33.17
Fair Value of Plan Assets	104.02	89.15	81.87	66.03	35.48
Surplus	2.84	(5.43)	(5.49)	(2.48)	(2.31)
Experience adjustments on plan assets.....	4.27	1.02	0.23	0.48	-
Experience adjustments on plan liabilities	(2.76)	(0.87)	0.25	13.81	0.06

* Due to absence of data provided by LIC, break-up of Plan assets (assets allocation) in insurer managed funds have not been furnished.

Basis used to determine the expected rate of return:

Based on expectation of the average long term rate of return expected on investment of the fund, during the estimated term of obligation.

The estimates of future salary increases take into account inflation, seniority, promotion and the other relevant factors.

Note 32 Borrowing cost:

Borrowing costs capitalised during the year as Fixed Assets Rs. Nil (FY 2014: Rs. Nil).

Note 33 Segment Reporting:

The company has a single segment namely steel processing for the purpose of Accounting Standard 17 on segment reporting.

Note 34 Related Party transactions:

Related party disclosures as required by AS-18 "Related Party Disclosures" are given below.

Ultimate Holding Company	Mahindra & Mahindra Ltd.
Holding Company	Mahindra Intertrade Limited
Key Management Personnel (KMP)	Mr. Harsh Kumar (Managing Director)

(Refer Note 39)

Other parties with whom transactions have taken place during the year.

(i) Fellow Subsidiaries

- Mahindra MiddleEast Electrical Steel Service Centre (FZC) (MME)
- Mahindra Auto Steel Private Limited (MASL)
- Mahindra Integrated Business Solutions Pvt. Ltd (MIBS)
- Mahindra Ugine Steel Company Limited (MUSCO) (Upto 10 December 2014)
- Mahindra Hinoday Industries Limited (MHIL)
- Mahindra Holidays & Resorts India Limited (MHRIL)

(ii) A Company having significant influence Metal One Corporation

Notes forming part of the financial statements

(a) Disclosure of transactions between the company and related parties during the year ended 31 March, 2015 :

	(Receipt/Income)/Expenditure/Payment										Rs. in Lakhs					
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	MME	Fellow Subsidiary	MIBS	Fellow Subsidiary	MASL	Fellow Subsidiary	MUSCO		Fellow Subsidiary	MHIL	Fellow Subsidiary	MHRIL	Fellow Subsidiary
	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015
Purchase of Fixed Assets	-	-	0.60	-	-	-	-	-	-	-	5.28	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-
Issue of share capital	-	-	915.00	-	-	-	-	-	-	-	-	-	-	-	-	585.00
Dividend paid	-	55.49	-	-	-	-	-	-	-	-	-	-	-	-	35.48	-
Processing Income	-	(1,772.81)	(1,601.08)	-	-	-	-	-	-	(0.11)	(4.38)	-	-	-	-	-
Sales	-	(0.02)	(66.39)	-	2.75	-	-	-	-	-	-	-	-	-	-	-
Purchases	-	3,859.87	2,681.14	-	173.76	-	-	-	-	-	-	-	-	-	-	6,557.68
Transport charges paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits received	-	-	(8,178.00)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits paid	-	-	8,398.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit for appointment of director received	-	3.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit for appointment of director paid	-	(1.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and support service charges	-	164.94	51.90	-	-	-	-	-	-	-	-	-	-	-	-	-
Sublease Expenses	-	5.66	5.61	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expenses	-	-	106.45	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Expenses	2.20	4.04	-	-	1.14	1.23	-	-	-	-	-	-	-	-	-	-
Travelling Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement received from Parties	-	-	(24.11)	(16.12)	(1.59)	-	-	-	-	-	-	-	-	0.84	-	-
Reimbursement made to Parties	1.08	(0.22)	21.15	10.44	0.11	-	-	-	-	-	0.46	-	-	-	-	-
Deputation of Personnel to related parties	-	(7.95)	(2.68)	-	-	-	-	-	-	-	-	-	-	-	-	-
Deputation of Personnel from related parties	-	-	41.04	35.49	-	-	-	-	-	-	-	-	-	-	-	-

(b) Outstanding receivable:

	31 st March, 2015	31 st March, 2014
	Rupees lakhs	Rupees lakhs
From Fellow Subsidiaries	0.02	1.48

(c) Outstanding payable:

	31 st March, 2015	31 st March, 2014
	Rupees lakhs	Rupees lakhs
To Ultimate Holding Company (excludes equity share capital)	1.53	0.26
To Holding Company (excludes equity share capital)	1,565.72	358.38
To Fellow Subsidiaries	7.01	7.02
To Company having significant influence	4,907.01	2,832.08

1. In respect of the outstanding balances recoverable, no provision for doubtful debts was made in respect of these parties.
2. During the year there were no amounts written off and written back from such parties.

Notes forming part of the financial statements

Note 35 Earnings per share

Particulars	As at 31 March, 2015	<i>As at 31 March, 2014</i>
Profit after tax (Rs. in Lakhs) (A)	753.76	543.14
Weighted average number of shares Basic (B)	16,539,759	14,045,679
Earnings per share Basic/Diluted (Rupees) (A/B)	4.56	3.87
Nominal value of equity share (Rupees)	10	10

Note 36 Deferred tax liabilities

Particulars	As at 31 March, 2015	<i>As at 31 March, 2014</i>
	Rs. in Lakhs	<i>Rs. in Lakhs</i>
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets.....	1,093.78	959.28
	1,093.78	959.28
Tax effect of items constituting deferred tax assets		
Provision for Employee Benefits	31.61	25.79
	31.61	25.79
Deferred Tax Liability (net).....	1,062.17	933.49

Note 37 Excise duty

Excise duty disclosed under "Other Expenses" Note No 22 represents difference between the excise duty on opening stock and closing stock of finished goods.

Note 38 Stock Appreciation Rights

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2013 (SARS-2013) during the years ended 31st March 2013, 31st March 2014 and 31st March 2015. Under the scheme, eligible employees are entitled to receive appreciation in value of equity shares over its face value on exercise of the SARs. The SARs may be exercised up to a period of three years from the date of vesting.

The related expenses for SARs amounting to Rs. 15.15 lakhs (2014: Rs. 34.01 lakhs) have been recognised as employee cost.

Summary of SARs:

SARs outstanding on 1 st April 2014	29,275
SARs granted during the year	50,067
SARs forfeited during the year	–
SARs exercised during the year	14,282
SARs outstanding on 31 st March 2015	65,060

Notes forming part of the financial statements

The fair value of SARs granted during the year is Rs. 83.83 per SAR.

Had the Company adopted fair value method as described in the Guidance note on Accounting for Employee Share - based Payments issued by the Institute of Chartered Accountants of India, the employee compensation cost would have been lower by Rs. 2.99 lakhs, profit after tax higher by Rs. 1.97 lakhs and the earnings per share would have been higher by Re 0.01.

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

	Grant dated 26 th February, 2015	Grant dated 27 th March, 2014
Risk free interest rate	Annualised continuously compounded rate on safe asset with same maturity	
Expected volatility	13.51%	17.36%
Expected dividend yield	6.68%	8.4%

Note 39 Managerial Remuneration

The Company is not required to pay any managerial remuneration in respect of the "Managing Director" appointed under Section 269 and other applicable provisions of the Companies Act, 1956, from time to time, as per the terms approved.

Note 40 Industrial Investment Promotion Assistance

In terms of Madhya Pradesh Industrial Investment Promotion Assistance Scheme, the Company in respect of Plant set up in an earlier year at Bhopal is entitled for Industrial Investment Promotion Assistance (IIPA) equivalent to 75% of amount deposited as VAT or CST during each of the 10 years ending March 2020. In the earlier years in view of uncertainty about the receipt of IIPA amount the Company had not recognised the amount receivable in the respective years beginning 2010-2011. Considering the sanction orders received for the year 2010-2011 during the previous year and for the year 2011-2012 during the year, the Company has accrued IIPA of Rs. 721.64 Lakhs relating to the years 2012-2015 (including Rs. 453.28 Lakhs upto the year ended 31 March 2014) during the year.

Note 41 Previous year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Bakul Sheth
Company Secretary

Rajeev Dubey
Harsh Kumar
Chairman
Managing Director

Jitendra T. Rahate
Chief Financial Officer

Sumit Issar
P. R. Barpande
Directors

Place: Mumbai
Date: 24 April, 2015

**Mahindra
Electrical
Steel
Private
Limited**

BOARD OF DIRECTORS

Zhooben Bhiwandiwal
(up to August 20, 2014)

Harsh Kumar

Rajeev Dubey

Sumit Issar
(w.e.f. August 19, 2014)

AUDITORS

Deloitte Haskins & Sells

Chartered Accountants

Tower 3, 27th - 32nd Floor, Indiabulls Finance Centre,
Elphinstone (West), Mumbai - 400013, India

BANKERS

HDFC Bank Limited

ICICI Bank Limited

REGISTERED OFFICE

Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai - 400018, India

CIN: U27100MH2009PTC193205

Tel. No.: +91 22 24935185/86

Fax: +91 22 24951236

DIRECTORS' REPORT TO THE SHAREHOLDER

Your directors present their Sixth Report, together with the audited financial statement of your Company for the year ended March 31, 2015

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Amount in Rupees)

	For the year ended 31st March, 2015	<i>For the year ended 31st March, 2014</i>
Income	66,764	–
Loss before taxation.....	25,99,491	69,00,387
Provision for taxation for the year	–	–
Loss for the year after tax	25,99,491	69,00,387
Balance brought forward from earlier years	2,10,04,953	1,41,04,566
Loss carried forward to Balance Sheet	2,46,04,444	2,10,04,953
Net Worth	(2,31,04,444)	<i>(2,05,04,953)</i>

No material changes and commitments have occurred after the close of the year till the date of this Report which affect the financial position of your Company.

OPERATIONS

Your Company is currently evaluating options for its project in Western India. The project in Central India has since been dropped.

DIVIDEND

In view of losses, your directors do not recommend any dividend on equity shares for the year.

SHARE CAPITAL

The authorised share capital of your Company as on March 31, 2015 stood at Rs. 15 cr divided into 1.5 cr equity shares of Rs. 10/- each and the paid-up share capital as on that date stood at Rs. 5 lakh divided into 0.5 lakh equity shares of Rs 10/- each. There was no change in the share capital of your Company during the year.

BOARD OF DIRECTORS

COMPOSITION:

Presently the Board comprises of the following directors:

Director (DIN)	Designation
Rajeev Dubey (00104817)	Director
Harsh Kumar (00082621)	Director
Sumit Issar (06951249)	Additional Director

Mr. Sumit Issar was appointed as an additional director of your Company with effect from August 19, 2014.

Consequent to resignation, Mr. Zhooben Bhiwandiwala (DIN: 00110373) ceased to be a director of your Company with effect from August 20, 2014. The Board places on record its sincere appreciation for the guidance provided by Mr. Bhiwandiwala during his tenure as director of your Company.

The directors have wide experience in business related to trading, finance and general corporate management.

Mr. Rajeev Dubey retires by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment.

The Company has also received a notice pursuant to Section 160 of the Companies Act, 2013, along with the necessary deposit, proposing the candidature of Mr. Sumit Issar as director at the ensuing Annual General Meeting.

Mahindra Electrical Steel Private Limited

MEETINGS:

The Board met four times during the year, i.e., on April 29, 2014, August 19, 2014, December 5, 2014 and January 24, 2015. The gap between two consecutive Board Meetings did not exceed 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your directors, based on representation from the operating management, and after due enquiry, confirm that:

- (a) in the preparation of the annual financial statement for the year ended March 31, 2015 the applicable accounting standards have been followed;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2015 and of the profit and loss of the Company for the financial year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared annual accounts on a going concern basis; and,
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

Your Company has adopted a Code of Conduct for its directors which enunciates the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has, for the year, received declarations from members of the Board, affirming compliance with the respective Codes.

STATUTORY AUDITORS

At the Fifth Annual General Meeting, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (ICAI registration Number 117365W) were appointed as the Statutory Auditors of your Company for a period of five years. They hold office from the conclusion of the Fifth Annual General Meeting till the conclusion of Tenth Annual General Meeting.

Pursuant to the first proviso of Section 139(1) of Companies Act, 2013, the members are requested to ratify their appointment at the ensuing Annual General Meeting and fix their remuneration.

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your Company has obtained a written consent and certificate from Statutory Auditors to the effect that their appointment, if ratified, would be in conformity with the conditions, limits and criteria specified therein.

Your directors confirm that the Auditors' Report does not contain any qualification, reservation or adverse remark.

INTERNAL CONTROLS

Your Company has implemented a system of internal controls and monitoring procedures as well as internal financial controls on financial statement and the same is in the opinion of the Board, commensurate with the Company's size and operations. Your Company conducts reviews to assess the adequacy of financial and operating controls for its business.

RISK MANAGEMENT POLICY

Your Company has formulated a risk management policy to address risks which, in the opinion of the Board, may threaten the existence of the Company. As your Company is yet to commence operations, there are no apparent risks which may threaten the existence of the Company.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits from the public, or its employees, during the year.

Your Company has not, whether directly or indirectly, given loans, made investments, and/or provided guarantees/securities which are required to be reported under Section 186 of the Companies Act, 2013.

Your Company has not made any loans/advances which are required to be disclosed in the accounts of the Company pursuant to Clause 32 of the Listing Agreement between the ultimate parent Company, Mahindra and Mahindra Limited and stock exchanges.

PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

There are no contracts or arrangements under Section 188(1) of the Companies Act, 2013 with related parties of the Company which require reporting. Details of transactions with related parties as required to be reported in line with the applicable accounting standards may be referred to under notes to the financial statement.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2015 is furnished as Annexure I and forms part of this Report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has put in place a policy for prevention of sexual harassment. Your Company has also constituted an "Internal Complaints Committee" to which complaints can be reported. During the year, no complaints were received by the said Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure II to this Report.

GENERAL DISCLOSURE

Your directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year:

- a) Provisions relating to CSR enumerated under Section 135 of the Companies Act, 2013.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any ESOP scheme, etc.
- d) Particulars of employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

No significant or material orders were passed by the regulators or courts or tribunals which impact the Company's going concern status and operations in future.

For and on behalf of the Board

Harsh Kumar
Director

Sumit Issar
Director

Mumbai, April 30, 2015

Mahindra Electrical Steel Private Limited

ANNEXURE I TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:

i.	Corporate Identification Number (CIN)	:	U27100MH2009PTC193205
ii.	Registration Date	:	June 10, 2009
iii.	Name of the Company	:	Mahindra Electrical Steel Private Limited
iv.	Category/Sub-Category of the Company	:	Indian Non-Government Company Limited by Shares
v.	Address of the Registered office and contact details	:	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018 Tel.: +91-22-24935185/86 Fax: +91-22-24951236 Contact: JUVEKAR.ABHISHEK@mahindra.com
vi.	Whether listed company Yes / No	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	–

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	–	–	–

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Mahindra Intertrade Limited Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018	U51900MH1978PLC020222	Holding Company	100	2 (46)
2	Mahindra and Mahindra Limited Gateway Building, Apollo Bunder, Colaba, Mumbai - 400001	L65990MH1945PLC004558	Ultimate Holding Company	–	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–

Mahindra Electrical Steel Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50,000	50,000	100	-	50,000	50,000	100	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	-	50,000	50,000	100	-	50,000	50,000	100	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	50,000	50,000	100	-	50,000	50,000	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100	-	50,000	50,000	100	-

Mahindra Electrical Steel Private Limited

(ii) Shareholding of Promoters (equity)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Intertrade Limited	49,994	100	–	49,994	100	–	–
2.	Mr. Zoooben Bhiwandiwala (Nominee of Mahindra Intertrade Limited)*	1	–	–	1	–	–	–
3.	Mr. Harsh Kumar (Nominee of Mahindra Intertrade Limited)*	1	–	–	1	–	–	–
4.	Mr. Narayan Shankar (Nominee of Mahindra Intertrade Limited)*	1	–	–	1	–	–	–
5.	Mr. S Venkatraman (Nominee of Mahindra Intertrade Limited)*	1	–	–	1	–	–	–
6.	Mr. K. Chandrasekar (Nominee of Mahindra Intertrade Limited)*	1	–	–	1	–	–	–
7.	Ms. Jyoti Walunj (Nominee of Mahindra Intertrade Limited)*	1	–	–	1	–	–	–
	Total	50,000	100	–	50,000	100	–	–

* Held for Mahindra Intertrade Limited by its nominees to comply with the statutory provisions in respect of minimum numbers of member.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1					
	At the beginning of the year	50,000	100	50,000	100
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity/etc.)	–	–	–	–
	At the end of the year	50,000	100	50,000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	For Each of the Top Ten Shareholders				
	At the beginning of the year	–	–	–	–
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity/etc.)	–	–	–	–
	At the end of the year	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Harsh Kumar (As Nominee of Mahindra Intertrade Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year	1	–	1	–

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	1,080.00	–	1,080.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	1.82	–	1.82
Total (i+ii+iii)	–	1,081.82	–	1,081.82
Change in indebtedness during the financial year				
• Addition	–	12.25	–	12.25
• Reduction	–	–	–	–
Net Change	–	12.25	–	12.25
Indebtedness at the end of the financial year				
i) Principal Amount	–	1,092.25	–	1,092.25
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	1.82	–	1.82
Total (i+ii+iii)	–	1,094.07	–	1,094.07

Mahindra Electrical Steel Private Limited

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–
2	Stock option	–	–
3	Sweat Equity	–	–
4	Commission		
	– as % of profit	–	–
	– others, specify	–	–
5	Others, please specify SAR's	–	–
	Total (A)	–	–
	Ceiling as per the Act	–	–

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	* Fees for attending board/committee meetings	–	–
	* Commission	–	–
	* Others, please specify	–	–
	Total (1)	–	–
2	Other Non-Executive Directors		
	* Fees for attending board/committee meetings	–	–
	* Commission	–	–
	* Others, please specify	–	–
	Total (2)	–	–
	Total (B) = (1+2)	–	–
	Total Managerial Remuneration	–	–
	Overall Ceiling as per the Act	–	–

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–	–	–
2	Stock option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission				
	– as % of profit	–	–	–	–
	– others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	–	–	–	–

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act.	Brief Description	Details of Penalty/Punishment/compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Harsh Kumar
Director

Sumit Issar
Director

Mumbai, April 30, 2015

ANNEXURE II TO THE DIRECTORS' REPORT

PARTICULARS AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

- (a) the steps taken or impact on conservation of energy: **Nil**
- (b) the steps taken by the company for utilizing alternate sources of energy: **Nil**
- (c) the capital investment on energy conservation equipments: **Nil**

B. TECHNOLOGY ABSORPTION

- i) the efforts made towards technology absorption: **Nil**
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **Nil**
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
 - (a) the details of technology imported: **Nil**
 - (b) the year of import: **Nil**
 - (c) whether the technology been fully absorbed: **Nil**
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **Nil**
- iv) the expenditure incurred on Research and Development : **Nil**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO
(in terms of actual inflow and outflow)**

Total Foreign Exchange Earned and Used:

(Amount in Rupees)

	For the Financial Year Ended March 31, 2015	<i>For the Financial Year Ended March 31, 2014</i>
Total Foreign Exchange Earned	Nil	<i>Nil</i>
Total Foreign Exchange Used	Nil	<i>Nil</i>

For and on behalf of the Board

Harsh Kumar
Director

Sumit Issar
Director

Mumbai, April 30, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA ELECTRICAL STEEL PRIVATE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 18 to the financial statements, as stated in the Note, although the accumulated losses as at the year end has wiped out the net worth of the Company, the financial statements have been prepared on a going concern basis for the reasons stated therein.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

U. M. Neogi
(Partner)
(Membership No. 30235)

Mumbai, 30 April, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Electrical Steel Private Limited on the financial statements for the year ended 31st March 2015)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (ii), (v), (vi) and (xi) of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Company has not commenced any operations and has only leasehold land as its fixed assets, which have been verified by the Management during the year.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any major weakness in such internal control system. Having regard to the nature of the Company's activities during the year, the provisions of clause (iv) of the Order, with regard to internal control system for purchase of inventory and sale of goods and services are not applicable.
- (v) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues of Income-tax and other material statutory dues which have not been deposited as on 31st March, 2015 on account of disputes.
 - (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (vi) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to debenture holders.
- (viii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

U. M. Neogi
(Partner)
(Membership No. 30235)

Mumbai, 30 April, 2015

Mahindra Electrical Steel Private Limited

Balance Sheet As At 31 March, 2015

Particulars	Note No.	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital.....	3	500,000	500,000
(b) Reserves and Surplus.....	4	(23,604,444)	(21,004,953)
		<u>(23,104,444)</u>	<u>(20,504,953)</u>
2. Non-Current liabilities			
(a) Long-term borrowings	5	108,525,000	107,500,000
3. Current liabilities			
(a) Short-term borrowings.....	6	700,000	500,000
(b) Trade payables.....	7	130,266	191,300
(c) Other current liabilities.....	8	3,166,791	196,721
		<u>3,997,057</u>	<u>888,021</u>
Total.....		<u>89,417,613</u>	<u>87,883,068</u>
B. ASSETS			
1. Non-current assets			
(a) Fixed Assets			
(i) Tangible assets.....	9	74,085,744	87,511,502
2. Current assets			
(a) Cash and cash equivalents.....	10	2,897,418	371,566
(b) Other current assets.....	11	12,434,451	-
		<u>15,331,869</u>	<u>371,566</u>
Total.....		<u>89,417,613</u>	<u>87,883,068</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

U. M. Neogi
Partner

Place : Mumbai
Date : 30 April, 2015

For and on behalf of the Board of Directors

Harsh Kumar }
Sumit Issar } Directors

Place : Mumbai
Date : 30 April, 2015

Mahindra Electrical Steel Private Limited

Statement of profit and loss for the year ended 31 March, 2015

Particulars	Note No.	For the Year ended 31 March, 2015 Rupees	For the Year ended 31 March, 2014 Rupees
1. Income			
Other Income	12	66,764	-
		<u>66,764</u>	<u>-</u>
2. Expenses			
(a) Finance cost	13	347,559	219,106
(b) Amortisation expense	9	991,307	2,250,810
(c) Other expenses.....	14	1,327,389	4,430,471
Total Expenses		<u>2,666,255</u>	<u>6,900,387</u>
3. Loss before tax		<u>(2,599,491)</u>	<u>(6,900,387)</u>
4. Tax expense		-	-
5. Loss for the year (3-4)		<u>(2,599,491)</u>	<u>(6,900,387)</u>
6. Earnings per share (of Rs. 10/- each):	17		
Basic/Diluted.....		(51.99)	(138.01)

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

U. M. Neogi
Partner

Place : Mumbai
Date : 30 April, 2015

For and on behalf of the Board of Directors

Harsh Kumar }
Sumit Issar } *Directors*

Place : Mumbai
Date : 30 April, 2015

Mahindra Electrical Steel Private Limited

Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the Year ended 31 March, 2015		For the Year ended 31 March, 2014	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities				
Loss before tax		(2,599,491)		(6,900,387)
<i>Adjustments for:</i>				
Amortisation expense	991,307		2,250,810	
Capital work-in-progress written off.....	–		2,737,015	
Finance costs.....	347,559		219,106	
		<u>1,338,866</u>		<u>5,206,931</u>
Operating loss before working capital changes ...		(1,260,625)		(1,693,456)
Changes in working capital:				
Adjustment for (decrease) in operating liabilities				
Trade payables.....	(61,034)		(320,874)	
Other current liabilities.....	1,609		(393,287)	
		<u>(59,425)</u>		<u>(714,161)</u>
Cash generated from operations.....		(1,320,050)		(2,407,617)
Net income tax paid		–		–
Net cash flow used in operating activities (A) ...		(1,320,050)		(2,407,617)
B. Cash flow from investing activities				
Advance received towards transfer of leasehold rights-Naini.....		2,969,032		–
Net cash flow from investing activities (B) ..		2,969,032		–
C. Cash flow from financing activities				
Share application money refunded	–		(105,000,000)	
Debentures issued	–		107,500,000	
Repayment of Inter Corporate Deposit.....	–		(750,000)	
Inter Corporate Deposits received.....	1,225,000		500,000	
Interest paid.....	(348,130)		(48,939)	
Net cash flow from financing activities (C)		876,870		2,201,061
Net increase/(decrease) in cash and cash equivalents (A+B+C)		2,525,852		(206,556)
Cash and cash equivalents at beginning of the year		371,566		578,122
Cash and cash equivalents at end of the year....		<u>2,897,418</u>		<u>371,566</u>
		<u>2,525,852</u>		<u>(206,556)</u>
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer note 10)		<u>2,897,418</u>		<u>371,566</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

U. M. Neogi

Partner

Harsh Kumar

Sumit Issar

Directors

Place : Mumbai

Date : 30 April, 2015

Place : Mumbai

Date : 30 April, 2015

Notes forming part of the financial statements

1 Corporate information:

Mahindra Electrical Steel Limited was incorporated in India on 10 June, 2009 as a Public Company with authorised share capital of Rs. 150,000,000. The Ministry of Corporate Affairs approved the change of name from Mahindra Electrical Steel Limited to Mahindra Electrical Steel Private Limited with effect from 13 January, 2012. The Company is a public Company by virtue of provision to Section 2(71) of the Companies Act, 2013 ("the 2013 Act") as it is a subsidiary of a public limited Company. The Company's main object is to trade in or process non-ferrous/ferrous materials including various grades of steel.

2 Significant Accounting Policies followed by the Company

2.1 Basis of accounting:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

2.2 Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates, are recognized in the periods in which the results are known/materialize.

2.3 Cash flow statement:

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

2.4 Fixed Assets:

(a) Fixed Assets are stated at cost less accumulated depreciation/amortization. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are included in the cost of asset upto the date the asset is ready for its intended use.

(b) Leasehold land is amortized over the balance period of the lease.

Note 3 Share Capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares	Rupees	Number of Shares	Rupees
(a) Authorised				
Equity Shares of Rs. 10 each.....	15,000,000	150,000,000	15,000,000	150,000,000
	15,000,000	150,000,000	15,000,000	150,000,000
(b) Issued, subscribed and fully paid up				
Equity Shares of Rs. 10 each.....	50,000	500,000	50,000	500,000
	50,000	500,000	50,000	500,000

Mahindra Electrical Steel Private Limited

(i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
For the year ended 31 March, 2015				
Number of shares	50,000	-	-	50,000
Amount (in Rupees)	500,000	-	-	500,000
For the year ended 31 March, 2014				
Number of shares	50,000	-	-	50,000
Amount (in Rupees)	500,000	-	-	500,000

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(iii) **Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. 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. In the event of winding up, if the assets available for distribution are less/more than sufficient to repay the whole of the paid up share capital, the losses/excess shall be borne/distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iv) **Details of shares held by the holding company**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Number of shares	Number of shares
Mahindra Intertrade Limited (Including 6 equity shares held jointly with its nominees).....	50,000	50,000

(v) **Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra Intertrade Limited (Including 6 equity shares held jointly with its nominees).....	50,000	100%	50,000	100%

Note 4 Reserves and Surplus

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rupees	Rupees
Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(21,004,953)	(14,104,566)
Add: Loss for the year.....	(2,599,491)	(6,900,387)
Closing balance	<u>(23,604,444)</u>	<u>(21,004,953)</u>

Mahindra Electrical Steel Private Limited

Note 5 Long-term borrowings

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(i) 0.25% Optionally Convertible Unsecured Debentures of Rs. 1,000 each [Refer Note (i)]	107,500,000	107,500,000
(ii) Unsecured Inter Corporate Deposits [Refer Note (ii)]	1,025,000	-
	<u>108,525,000</u>	<u>107,500,000</u>

Note:

- (i) The Company has issued 107,500 non transferable 0.25% Optionally Convertible Unsecured Debentures of Rs. 1,000 each to its Holding Company, Mahindra Intertrade Limited. The issuer/holder has agreed not to redeem the debentures at any time before 31 March, 2016 at face value plus interest for the completed year or convert debentures in full or part thereof into equity shares of the face value of Rs 10 each issued at par equivalent to the face value of debentures plus interest for the completed year.
- (ii) The Company has borrowed unsecured intercorporate deposits of Rs. 1,025,000, carrying interest @ 8.25% from its Holding Company, Mahindra Intertrade Limited, which is repayable on 30 June, 2016.

Note 6 Short-term borrowings

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Unsecured Inter Corporate Deposits	700,000	500,000
	<u>700,000</u>	<u>500,000</u>

Note 7 Trade Payables

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Trade payables:		
Micro and small enterprises (Refer Note 12).....	-	-
Other than micro and small enterprises.....	130,266	191,300
	<u>130,266</u>	<u>191,300</u>

Note 8 Other Current Liabilities

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Other payables:		
(i) Interest accrued but not due	181,571	182,142
(ii) Statutory remittances (Withholding Taxes).....	16,188	14,579
(iii) Advance received for sale of leasehold land-Naini (Refer note 19).....	2,969,032	-
	<u>3,166,791</u>	<u>196,721</u>

Mahindra Electrical Steel Private Limited

Note 9 Fixed Assets

Tangible assets	Gross Block			Amortization			Net Block		
	Balance as at 1 April, 2014 Rupees	Additions Rupees	Disposal/ adjustments Rupees	Balance as at 31 March, 2015 Rupees	Balance as at 1 April, 2014 Rupees	For the year Rupees	Disposal/ adjustments Rupees	Balance as at 31 March, 2015 Rupees	Balance as at 31 March, 2015 Rupees
Land - Leasehold- Naini	13,426,016	-	13,426,016	-	773,750	217,815	(991,565)	-	-
(Refer Note 19)	<i>(11,392,657)</i>	<i>(2,033,359)</i>	<i>(-)</i>	(13,426,016)	<i>(288,198)</i>	<i>(485,552)</i>	<i>(-)</i>	(773,750)	(12,652,266)
Land - Leasehold- Dahej	76,624,494	-	-	76,624,494	1,765,258	773,492	-	2,538,750	74,085,744
	<i>(-)</i>	<i>(76,624,494)</i>	<i>(-)</i>	(76,624,494)	<i>(-)</i>	<i>(1,765,258)</i>	<i>(-)</i>	(1,765,258)	(74,859,236)
Total	90,050,510	-	13,426,016	76,624,494	2,539,008	991,307	(991,565)	2,538,750	74,085,744
Previous year	<i>(11,392,657)</i>	<i>(78,657,853)</i>	<i>(-)</i>	(90,050,510)	<i>(288,198)</i>	<i>(2,250,810)</i>	<i>(-)</i>	(2,539,008)	(87,511,502)

Note: figures in brackets are in respect of the previous year.

Note 10 Cash and cash equivalents

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Balances with banks:		
In current accounts.....	2,897,418	371,566
	2,897,418	371,566

Note 11 Other current assets

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Leasehold Land held for sale (Refer note 19).....	12,434,451	-
	12,434,451	-

Note 12 Other income

Particulars	For the Year ended 31 March, 2015 Rupees	For the Year ended 31 March, 2014 Rupees
(a) Liabilities no longer required written back	66,764	-
	66,764	-

Note 13 Finance costs

Particulars	For the Year ended 31 March, 2015	<i>For the Year ended 31 March, 2014</i>
	Rupees	<i>Rupees</i>
Interest on Inter Corporate Deposits.....	78,811	<i>17,360</i>
Interest on Debentures.....	268,748	<i>201,746</i>
	347,559	<i>219,106</i>

Note 14 Other expenses

Particulars	For the Year ended 31 March, 2015	<i>For the Year ended 31 March, 2014</i>
	Rupees	<i>Rupees</i>
(a) Lease rent.....	8,129	<i>8,270</i>
(b) Rates and taxes.....	1,009,702	<i>1,439,832</i>
(c) Capital work-in-progress written off	–	<i>2,737,015</i>
(d) Travelling expenses.....	54,443	<i>5,816</i>
(e) Legal and professional	12,360	<i>19,243</i>
(f) Payment to auditors (Refer note below).....	112,922	<i>113,658</i>
(g) Security	129,300	<i>106,075</i>
(h) Bank charges.....	533	<i>562</i>
	1,327,389	<i>4,430,471</i>

Note:

Particulars	For the Year ended 31 March, 2015	<i>For the Year ended 31 March, 2014</i>
	Rupees	<i>Rupees</i>
<u>Payment to auditors:</u>		
To statutory auditors		
(i) For audit (including service tax).....	112,360	<i>113,658</i>
(ii) Reimbursement of expenses	562	<i>–</i>

Note 15 Micro small and medium enterprises

The identification of vendors as a “Supplier” under the Micro, Small and Medium Enterprises Development Act, 2006 has been done on the basis of the information to the extent provided by the vendors to the Company. This has been relied upon by the auditors.

Note 16 Related Party Disclosures

Related party disclosures as required by AS-18 “Related Party Disclosures” are given below.

(A) List of Related Parties:

Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Intertrade Limited

Mahindra Electrical Steel Private Limited

(B) (a) Disclosure of transactions between the Company and related parties during the year ended 31 March, 2015:

(i) Holding Company

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rupees	Rupees
Inter Corporate Deposits received.....	1,225,000	500,000
Inter Corporate Deposits repaid	-	750,000
Debentures issued	-	107,500,000
Interest on Inter Corporate Deposits.....	78,811	17,360
Interest on Debentures.....	268,748	201,746
Share application money refunded	-	105,000,000
Reimbursement of expenses	48,455	4,883

(b) Outstanding payable

	As at 31 March, 2015	As at 31 March, 2014
	Rupees	Rupees
Holding Company	109,406,571	108,187,025

During the year, there is no amount written off or written back in respect of such parties.

Note 17 Earnings per share

Particulars	As at 31 March, 2015	As at 31 March, 2014
Loss after tax (Rs.) (A).....	(2,599,491)	(6,900,387)
Weighted average number of shares (B)	50,000	50,000
Earnings per share [Basic/Diluted] (Rs.) (A/B)	(51.99)	(138.01)
Nominal value of equity share (Rs.)	10.00	10.00

Note 18

As at March 31, 2015 the accumulated losses aggregating Rs. 23,604,444 has wiped out the net worth of the Company. Leasehold land has been taken by the Company at Dahej (Gujarat). The Company is currently evaluating options for its project. In view of the foregoing and on account of the continuing support from the holding company, the financial statements have been prepared on a going concern basis.

Note 19 Leasehold land held for sale

The Company has entered into a Memorandum of Agreement, dated March 11, 2015, with a third party for surrendering leasehold rights in its plot of land at Naini in favour of the said party, subject to U.P. State Industrial Development Corporation Limited (UPSIDC) granting the required permission. As at the balance sheet date, the third party was in the process of obtaining the permission from UPSIDC to have the leasehold rights transferred from the Company in its favour. The Company has received an advance of Rs. 2,969,032 being part of the agreed consideration.

Note 20 Previous year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Harsh Kumar }
Sumit Issar } Directors

Place: Mumbai
Date: 30 April, 2015

**Mahindra
Auto Steel
Private Limited**

BOARD OF DIRECTORS

Rajeev Dubey
Zhooben Bhiwandiwala
Harsh Kumar
Wang Chia-Tang
Kuo Yi-Jen
(alternate director w.e.f. February 3, 2015)
Toshiaki Shinozaki
(up to July 2, 2014)
Hiroshi Tashiro
(w.e.f. July 2, 2014)
P. R. Barpande
(w.e.f. April 29, 2015)
Smita Mankad
(w.e.f. April 29, 2015)

COMPANY SECRETARY

Abhishek Juvekar

CHIEF FINANCIAL OFFICER

Jyoti Walunj

MANAGER

Iqbal Shaikh
(up to February 20, 2015)
Sanjay Somkumar
(w.e.f. April 29, 2015)

AUDIT COMMITTEE

Zhooben Bhiwandiwala
P. R. Barpande
Smita Mankad

NOMINATION AND REMUNERATION COMMITTEE

Rajeev Dubey
Wang Chia-Tang
P. R. Barpande
Smita Mankad

AUDITORS

Deloitte Haskins & Sells

Chartered Accountants

Tower 3, 27th – 32nd Floor, Indiabulls Finance Centre,
Elphinstone (West), Mumbai - 400013, India.

BANKERS

HDFC Bank Limited
Kotak Mahindra Bank Limited
State Bank of India

REGISTERED OFFICE

Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai – 400018, India.

CIN: U27100MH2013PTC250979

Tel. No.: +91 22 24935185/86

Fax: +91 22 24951236

DIRECTORS' REPORT

Your directors present their Second Report, together with the audited financial statement of your Company for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

	(Rs in lakh)	
	For the year ended March 31, 2015	For the period ended March 31, 2014
Income	124.92	–
Profit/(Loss) before depreciation, interest and taxation	114.14	(72.75)
Less: depreciation	–	–
Profit/(Loss) before interest and taxation	114.14	(72.75)
Less: interest	1.26	–
Profit/(Loss) before tax	112.88	(72.75)
Less: Provision for taxation:		
Current tax	20.00	–
Deferred tax	–	–
Profit/(Loss) for the year after tax	92.88	(72.75)
Balance of profit of earlier years	(72.75)	–
Balance carried to Balance Sheet	20.13	(72.75)
Net Worth	6,870.13	(71.75)

No material changes and commitments have occurred after the close of the year till the date of this report which affect the financial position of your Company.

OPERATIONS

Your Company was incorporated on December 12, 2013 and is now a joint venture between Mahindra Intertrade Limited, China Steel Global Trading Corporation, CSGT International Corporation and Mitsui & Co. (Asia-Pacific) Pte Ltd. Your Company is expected to commence commercial production at its steel service centre at Chakan, near Pune, during the current financial year.

DIVIDEND

Your directors do not recommend any dividend for the year.

HUMAN RESOURCES

Happy and enthused employees is one of the strategic goals of your Company as reflected in its employee engagement interventions.

As part of our thrust on Diversity & Inclusion (D&I), your Company has constituted a Women's Council and a Young Intertrade Council to focus on gender and generational diversity.

RISK MANAGEMENT POLICY

Your Company is yet to commence commercial operations. In the opinion of the Board, there are no apparent risks which may threaten the existence of the Company.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has put in place a policy for prevention of sexual harassment. Your Company has also constituted an "Internal Complaints Committee" to which employees can address their complaints. During the year, no complaints were received by the said Committee.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Your Board has, on the recommendation of the Nomination and Remuneration Committee, approved policies for the appointment/removal of directors and senior management personnel together with the criteria for determining qualifications, positive attributes and independence of directors, and remuneration of directors, key managerial personnel and other employees.

Mahindra Auto Steel Private Limited

These policies are provided as Annexure I and form part of this report.

INTERNAL CONTROLS

Your Company has implemented a system of internal controls and monitoring procedures as well as internal financial controls on financial statements and the same is, in the opinion of the Board, commensurate with the Company's size and operations. Your Company regularly conducts reviews to assess the adequacy of these controls. Significant issues, if any, are brought to the attention of the Audit Committee. Statutory Auditors are invited to attend Audit Committee meetings.

SHARE CAPITAL

The authorised share capital of your Company as on March 31, 2015 stood at Rs. 76 cr divided into 7.60 cr equity shares of Rs. 10/- each.

During the year under review, your Company allotted 6.849 cr equity shares, at par, in two separate issue of equity shares as under:

Shareholder	Equity shares as on April 01, 2014	Equity shares allotted on April 28, 2014	Equity shares allotted on November 10, 2014	Equity shares as on March 31, 2015	% to capital
Mahindra Intertrade Limited	10,000	17,840,000	17,085,000	34,935,000	51.00
CSGT International Corporation	–	8,575,000	8,207,500	16,782,500	24.50
Mitsui & Co. (Asia-Pacific) Pte. Ltd.	–	8,575,000	8,207,500	16,782,500	24.50
Total	10,000	34,990,000	33,500,000	68,500,000	100.00

The paid-up share capital of your Company as on March 31, 2015 stood at Rs. 68.50 cr divided into 6.85 cr equity shares of Rs. 10/- each.

BOARD OF DIRECTORS

Composition:

Presently the Board comprises of the following directors:

Director (DIN)	Designation	Executive/Non-Executive Director	Independent/Non-Independent Director
Rajeev Dubey (00104817)	Director	Non-Executive Director	Non-Independent Director
Zhooben Bhiwandiwala (00110373)	Director	Non-Executive Director	Non-Independent Director
Harsh Kumar (00082621)	Director	Non-Executive Director	Non-Independent Director
Hiroshi Tashiro (06868673)	Additional Director	Non-Executive Director	Non-Independent Director
Wang Chia-Tang (06849205)	Director	Non-Executive Director	Non-Independent Director
Kuo Yi-Jen (06848718)	Alternate Director	Non-Executive Director	Non-Independent Director
P. R. Barpande (00016214)	Additional Director	Non-Executive Director	Independent Director
Smita Mankad (02009838)	Additional Director	Non-Executive Director	Independent Director

Consequent to change in nomination by Mitsui & Co. (Asia-Pacific) Pte. Ltd., Mr. Toshiaki Shinozaki (DIN: 06365102) ceased to be a director with effect from July 2, 2014 and Mr. Hiroshi Tashiro was appointed as an additional director with effect from the said date. The Board places on record its sincere appreciation for the guidance provided by Mr. Shinozaki during his tenure as director. Mr. Kuo Yi-Jen was appointed as an alternate director to Mr. Wang Chia-Tang with effect from February 3, 2015.

Mr. P. R. Barpande and Ms. Smita Mankad who, in the opinion of the Board, are persons with integrity and possess relevant expertise and experience, and who have given declarations to the effect that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013, have been appointed as independent directors with effect from April 29, 2015 pursuant to Section 149 the Companies Act, 2013, for a period of three consecutive years and they would not be liable to retire by rotation.

Mr. Harsh Kumar and Mr. Rajeev Dubey retire by rotation at the forthcoming Annual General Meeting, and being eligible, have offered themselves for re-appointment.

The Company has received notices pursuant to Section 160 of the Companies Act, 2013, along with the necessary deposit, proposing the candidature of Mr. Hiroshi Tashiro, Mr. P. R. Barpande and Ms. Smita Mankad as directors at the ensuing Annual General Meeting.

Your directors have wide experience in business related to trading, finance and general corporate management.

Meetings:

The Board met four times during the year under review, i.e., on April 28, 2014, July 8, 2014, October 27, 2014 and February 6, 2015. The gap between two consecutive Board Meetings did not exceed 120 days.

Evaluation of performance:

The Board has carried out an annual evaluation of its performance, as well as the performance of directors individually and committees of the Board, viz., Audit Committee and Nomination and Remuneration Committee, through a structured questionnaire process covering various aspects such as performance, attendance, et al. The Nomination and Remuneration Committee has also carried out an evaluation of the performance of directors on individual basis.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your directors, based on representation from operating management, and after due enquiry, confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2015 the applicable accounting standards have been followed;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2015 and of the profit of the Company for the financial year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared annual accounts on a going concern basis; and,
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

Your Company has adopted Codes of Conduct for its directors, and senior management and employees ("the Codes"). These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has, for the year under review, received declarations from directors, and senior management and employees, affirming compliance with the respective Codes.

COMMITTEES OF THE BOARD

Audit Committee

The composition of the Audit Committee is as follows:

Director	Designation
Zhooben Bhiwandiwal	Member
P. R. Barpande	Member
Smita Mankad	Member

Pursuant to Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee was re-constituted with the induction of Mr. P. R. Barpande and Ms. Smita Mankad as its members and withdrawal of nominations of Mr. Harsh Kumar and Mr. Wang Chia-Tang with effect from April 29, 2015.

Mahindra Auto Steel Private Limited

Audit Committee met twice during year, i.e., on April 28, 2014 and February 6, 2015.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is as follows:

Director	Designation
Rajeev Dubey	Member
Wang Chia-Tang	Member
P. R. Barpande	Member
Smita Mankad	Member

Pursuant to Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Nomination and Remuneration Committee was re-constituted with the induction of Mr. P. R. Barpande and Ms. Smita Mankad as its members, and withdrawal of nomination of Mr. Harsh Kumar with effect from April 29, 2015.

Nomination and Remuneration Committee met twice during year, i.e., on April 28, 2014 and February 6, 2015.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of your Company are as below:

1. Sanjay Somkumar as Manager (with effect from April 29, 2015)
2. Jyoti Walunj as Chief Financial Officer (with effect from April 28, 2014), and
3. Abhishek Juvekar as Company Secretary (with effect from April 28, 2014)

Iqbal Shaikh, Manager of your Company with effect from April 28, 2014, passed away on February 20, 2015. Consequently, the Board appointed Mr. Sanjay Somkumar as Manager of the Company with effect from April 29, 2015.

STATUTORY AUDITORS

At the First Annual General Meeting, M/s. Deloitte Haskins & Sells, Chartered Accountants, (ICAI registration number 117365W) were appointed as Statutory Auditors of your Company for a period of five years. They hold office up to the conclusion of Sixth Annual General Meeting.

Pursuant to the first proviso of Section 139(1) of Companies Act, 2013, members are requested to ratify the appointment of Statutory Auditors at the ensuing Annual General Meeting and fix their remuneration.

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your Company has obtained a written consent and certificate from Statutory Auditors to the effect that their appointment, if ratified, would be in conformity with the conditions, limits and criteria specified therein.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Mehta & Mehta, a firm of Company Secretaries in practice, was appointed as the Secretarial Auditor of your Company for the financial year ended March 31, 2015.

A Secretarial Audit Report for the financial year ended March 31, 2015 issued by the Secretarial Auditor pursuant to the aforesaid provisions is provided as Annexure II and forms part of this report.

Your directors confirm that the aforesaid Report of Secretarial Auditor does not contain any qualification, reservation or adverse remark.

STOCK APPRECIATION RIGHTS (SARS)

Your Company has formulated a Stock Appreciation Rights Scheme to reward its employees and to provide an opportunity to them to participate in the growth of the Company. Accordingly, 17,531 SARs were granted by the Nomination and Remuneration Committee to eligible employees at its meeting held on February 6, 2015.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public, or its employees, during the year.

ANNEXURE I TO THE DIRECTORS' REPORT

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Auto Steel Private Limited (MASL).

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole time Director (WTD).
- (ii) Chief Financial Officer (CFO), and
- (iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including functional heads.

I. APPOINTMENT OF DIRECTORS

- NRC reviews and assesses Board composition and recommends the appointment of new directors. In evaluating the suitability of an individual Board member, NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of a director as applicable:
 - 1) All Board appointments will be based on merit, in the context of skills, experience, independence and knowledge required for the Board as a whole to be effective.
 - 2) Ability of the candidate to devote sufficient time and attention to professional obligations as an Independent Director for balanced decision making.
 - 3) Adherence to the Code of Conduct and ensuring the highest level of corporate governance, in letter and in spirit, by Directors.
- Based on NRC's recommendation, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board, through any member of the Board, will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a director is disqualified as per any applicable Act, or rules and regulations thereunder, or due to non-adherence to the applicable policies of the company, NRC may recommend to the Board, with reasons recorded in writing, removal of a director subject to compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

NRC shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down above.

For administrative convenience, senior management personnel will be appointed or promoted and removed/relieved with the authority of the Managing Director based on business needs and suitability of the candidate.

Managing Director shall report details of such appointments to NRC at least twice in a year.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure implementation of the strategic business plans of the Company.

Board:

Successors for Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor(s) will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

Successors for Executive Director(s) shall be identified by the NRC from Senior Management or through external sources as the Board may deem fit.

The Board may also decide at its discretion not to fill a vacancy on the Board.

Senior Management Personnel:

The Company's succession planning program aims to identify high growth potential individuals, and groom them in order to maintain a robust talent pipeline.

The Company has a process of identifying individuals with high potential and having abilities to hold critical positions. Successors are mapped for such positions in order to ensure talent readiness.

The Company participates in the Mahindra Group's Talent Management process which is driven by a collaborative network of Talent Councils across the Group's various Sectors.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Auto Steel Private Limited (MASL).

Policy Statement

Our compensation philosophy strives to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in business.

In order to effectively implement this, our compensation structure is developed through external benchmarking as appropriate, with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to Non-Executive Directors, including Independent Directors, whether as commission or otherwise. NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may deem fit for determining compensation.

The Board shall determine compensation to Non-Executive Directors within the overall limits specified in the Shareholders' resolution.

Executive Directors/Managing Director/Manager:

The remuneration to Managing Director/ Manager and Executive Director(s) shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

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Key Managerial Personnel (KMPs)

The terms of remuneration of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary (CS) shall be determined either by any Director or such other person as may be authorised by the Board.

The above remuneration shall be competitively benchmarked for similar positions in the industry and aligned with their qualifications, experience, and responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013, the Board shall approve remuneration of the above KMPs at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Employees

We follow a position and level based approach for compensation benchmarking with companies in the steel/steel service centre and related engineering industries.

We have a CTC (Cost to Company) concept which includes a fixed component (guaranteed pay) and a variable component (performance pay). The percentage of the variable component increases with increasing hierarchy levels as employees at higher positions have a greater impact and influence on the company's overall business result. CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality

Remuneration for new employees other than KMPs and senior management will be decided by HR, and approved by the Managing Director, based on factors such as relevant job experience, last compensation drawn, skill-set of the selected candidate, internal equity and related parameters.

The Company may also grant Stock Appreciation Rights to Employees and Directors (other than Independent Directors) in accordance with the Stock Appreciation Rights Scheme of the Company and subject to compliance of the applicable statutes and regulations.

For and on behalf of the Board

Harsh Kumar
Director

Zhooben Bhiwandiwala
Director

Mumbai, April 29, 2015

ANNEXURE II TO THE DIRECTORS' REPORT

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015**

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

To,

**The Members,
Mahindra Auto Steel Private Limited
Mahindra Towers,
P.K. Kurne Chowk, Worli,
Mumbai – 400 018.**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the Rules made under that Act;

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the Directors or members dissented on any resolution passed at the meeting.

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

Mahindra Auto Steel Private Limited

We further report that during the audit period, as per the information and explanation provided to us, the Company is yet to commence its business operation, since the plant is still under installation at Chakan - Talegaon Belt.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No: 3667
CP No.:3202

Place : Mumbai
Date : 27th April, 2015

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Mahindra Auto Steel Private Limited
Mahindra Towers,
P.K. Kurne Chowk, Worli,
Mumbai – 400 018.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No: 3667
CP No.:3202

Place : Mumbai
Date : 27th April, 2015

ANNEXURE III TO THE DIRECTORS' REPORT

FORM NO. AOC.2

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
-	-	-	-	-	-	-	-	-

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mahindra Intertrade Limited (Holding Company)	Purchase of Leasehold Land	Non-recurring	1) Fair market value determined by independent valuers 2) Total transaction value: Rs. 223,231,902	Not applicable (Refer Note)	Nil
2	Mahindra Intertrade Limited (Holding Company)	Project management fees	Non-recurring	1) As per industry norms 2) Total transaction value: Rs. 25,000,000	Not applicable (Refer Note)	Nil
3	Mahindra Logistics Limited	Advance paid on account of port charges for import of machinery	Non-recurring	1) As per Industry norms 2) Total transaction value: Rs. 1,794,210	Not applicable (Refer Note)	Rs. 1,794,210

ANNEXURE IV TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:

i.	Corporate Identification Number (CIN)	:	U27100MH2013PTC250979
ii.	Registration Date	:	December 12, 2013
iii.	Name of the Company	:	Mahindra Auto Steel Private Limited
iv.	Category/Sub-Category of the Company	:	Indian Non-Government Company Limited by shares
v.	Address of the Registered office and contact details	:	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018 Tel.: +91-22-24935185/86 Fax: +91-22-24951236 Contact: JUVEKAR.ABHISHEK@mahindra.com
vi.	Whether listed company Yes/No	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	–

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	–	–	–

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra Intertrade Limited Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018	U51900MH1978PLC020222	Holding Company	51.00	2 (46)
2	Mahindra and Mahindra Limited Gateway Building, Apollo Bunder, Colaba, Mumbai - 400001	L65990MH1945PLC004558	Ultimate Holding Company	–	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–

Mahindra Auto Steel Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	10,000	10,000	100	-	34,935,000	34,935,000	51	49
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	-	10,000	10,000	100	-	34,935,000	34,935,000	51	49
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Body Corp.	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	10,000	10,000	100	-	34,935,000	34,935,000	51	49
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Cent. Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Body Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	33,565,000	33,565,000	49	49

Mahindra Auto Steel Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-Total (B)(2):	-	-	-	-	-	33,565,000	33,565,000	49	49
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	33,565,000	33,565,000	49	49
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,000	10,000	100	-	685,000,000	685,000,000	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Intertrade Limited	9,998	100	-	34,934,998	51	-	49
	Mr. Harsh Kumar (As Nominee of Mahindra Intertrade Limited)*	1	-	-	1	-	-	-
	Mr. Zhooben Bhiwandiwalla (As Nominee of Mahindra Intertrade Limited)*	1	-	-	1	-	-	-
	Total	10,000	100	-	34,935,000	51	-	49

* Held for Mahindra Intertrade Limited by its nominees to comply with the statutory provisions in respect of minimum numbers of member.

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mahindra Intertrade Limited (including 2 equity shares held through its nominees)				
	At the beginning of the year	10,000	100	10,000	100
	Allotment on 28 th April, 2014 to Mahindra Intertrade Limited under Fresh Issue not on Rights basis	17,840,000		17,850,000	
	Allotment on 10 th November, 2014 to Mahindra Intertrade Limited under Rights Issue	17,085,000		34,935,000	
	At the End of the year	34,935,000	51	34,935,000	51

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	CSGT International Corporation				
	At the beginning of the year	–	–	–	–
	Allotment on 28 th April, 2014 to CSGT International Corporation under Fresh Issue not on Rights basis	8,575,000		8,575,000	
	Allotment on 10 th November, 2014 to CSGT International Corporation under Rights basis	8,207,500		16,782,500	
	At the End of the year	16,782,500	24.5	16,782,500	24.5
2	Mitsui & Co. (Asia-Pacific) Pte. Ltd.				
	At the beginning of the year	–	–	–	–
	Allotment on 28 th April, 2014 to Mitsui & Co. (Asia-Pacific) Pte. Ltd. under Fresh Issue not on Rights basis	8,575,000		8,575,000	
	Allotment on 10 th November, 2014 to Mitsui & Co. (Asia-Pacific) Pte. Ltd. under Rights basis	8,207,500		16,782,500	
	At the End of the year	16,782,500	24.5	16,782,500	24.5

Mahindra Auto Steel Private Limited

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Harsh Kumar (As Nominee of Mahindra Intertrade Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the End of the year	1	–	1	–
2	Mr. Zhooben Bhiwandiwala (As Nominee of Mahindra Intertrade Limited)				
	At the beginning of the year	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the End of the year	1	–	1	–

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Rs in cr) Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–
Change in Indebtedness during the financial year				
• Addition	–	22.04	–	22.04
• Reduction	–	–	–	–
Net change	–	22.04	–	22.04
Indebtedness at the end of the financial year				
i) Principal Amount	–	22.04	–	22.04
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	0.09	–	0.09
Total (i+ii+iii)	–	22.13	–	22.13

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

		(Rs in cr)	
Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	
		Iqbal Shaikh (Manager)	Total Amount
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.26	0.26
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	0.01
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of Profit	-	-
	- others, specify - SARs	-	-
5.	Others, please specify (SARs - exercisable after F2015)	0.03	0.03
	Total (A)	0.30	0.30
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013	

B. Remuneration of other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board/committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (1)	-	-
2.	Other Non-Executive Directors		
	• Fee for attending board/committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	0.30	0.30
	Overall Ceiling as per the Act	As per schedule V of the Companies Act, 2013	

Mahindra Auto Steel Private Limited

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

					(Rs in cr)
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Abhishek Juvekar	Jyoti Walunj	
		-			
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of Profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify - Fees	-	0.02	As part of project management fee	0.02
	Total	-	0.02	-	0.02

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Harsh Kumar
Director

Zhooben Bhiwandiwala
Director

Mumbai, April 29, 2015

ANNEXURE V TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

- (a) the steps taken or impact on conservation of energy: **Nil**
- (b) the steps taken by the company for utilizing alternate sources of energy: **Nil**
- (c) the capital investment on energy conservation equipments: **Nil**

B. TECHNOLOGY ABSORPTION

- i) the efforts made towards technology absorption: **Nil**
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **Nil**
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
 - (a) the details of technology imported: **Nil**
 - (b) the year of import: **Nil**
 - (c) whether the technology been fully absorbed: **Nil**
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **Nil**
- iv) the expenditure incurred on Research and Development: **Nil**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(in terms of actual inflow and outflow)

Total Foreign Exchange Earned and Used

(Rupees in Lakhs)

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Total Foreign Exchange Earned	NIL	NIL
Total Foreign Exchange Used	NIL	NIL

For and on behalf of the Board

Harsh Kumar
Director

Zhooben Bhiwandiwala
Director

Mumbai, April 29, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA AUTO STEEL PRIVATE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

U. M. Neogi
(Partner)
(Membership No. 30235)

Mumbai, 29th April, 2015

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Auto Steel Private Limited on the financial statements for the year ended 31st March 2015)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (ii), (v), (vi), (viii) and (xi) of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Company has a program of verification of fixed assets once in every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, the fixed assets were physically verified during the year by the Management and no material discrepancies were noticed on physical verification.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any major weakness in such internal control system. Having regard to the nature of the Company's activities during the year, the provisions of clause (iv) of the Order, with regard to internal control system for purchase of inventory and sale of goods and services are not applicable.
- (v) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Duty of Customs, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Duty of Customs, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues of Income-tax, Service Tax, Duty of Customs, Cess and other material statutory dues which have not been deposited as on 31st March, 2015 on account of disputes.
 - (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
- (vii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

U. M. Neogi
(Partner)
(Membership No. 30235)

Mumbai, 29th April, 2015

Balance Sheet as at 31 March, 2015

Particulars	Note No.	As at 31 March, 2015 <u>Amount (Rs.)</u>	As at 31 March, 2014 <u>Amount (Rs.)</u>
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	4	685,000,000	100,000
(b) Reserves and surplus	5	<u>2,012,664</u>	<u>(7,275,256)</u>
		687,012,664	(7,175,256)
2 Non-current liabilities			
(a) Long-term borrowings	6	220,391,989	–
(b) Long-term provisions	7	<u>1,393,962</u>	–
		221,785,951	–
3 Current liabilities			
(a) Trade payables	8	271,529	437,012
(b) Other current liabilities	9	82,771,494	8,064,141
(c) Short-term provisions	10	<u>247,961</u>	–
		83,290,984	8,501,153
TOTAL		<u>992,089,599</u>	<u>1,325,897</u>
B ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	11	228,800,096	–
(ii) Capital work-in-progress		<u>557,451,578</u>	<u>1,266,459</u>
		786,251,674	1,266,459
(b) Long-term loans and advances	12	<u>8,983,296</u>	–
		795,234,970	1,266,459
2 Current assets			
(a) Current investment	13	80,000,000	–
(b) Cash and cash equivalents	14	51,338,491	59,438
(c) Short term loans and advances	15	62,797,988	–
(d) Other current assets	16	<u>2,718,150</u>	–
		196,854,629	59,438
TOTAL		<u>992,089,599</u>	<u>1,325,897</u>

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jyoti Walunj
Chief Financial Officer

For and on behalf of the Board of Directors

Zhooben Bhiwandiwala
Harsh Kumar

} *Directors*

U. M. Neogi
Partner

Abhishek Juvekar
Company Secretary

Place: Mumbai
Date: 29 April, 2015

Place: Mumbai
Date: 29 April, 2015

Mahindra Auto Steel Private Limited

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

Particulars	Note No.	For the	For the
		year ended 31 March, 2015	period ended 31 March, 2014
		Amount (Rs.)	Amount (Rs.)
1 Other Income.....	17	12,491,587	–
		<u>12,491,587</u>	<u>–</u>
2 Expenses			
(a) Employee benefits expense	18	–	–
(b) Finance costs.....	19	125,831	–
(c) Depreciation and amortisation expense.....	11	2,453,600	–
Less: transfer to capital work- in-progress.....		(2,453,600)	–
(d) Other expenses	20	<u>1,077,836</u>	<u>7,275,256</u>
Total Expenses.....		<u>1,203,667</u>	<u>7,275,256</u>
3 Profit/(Loss) before tax (1-2)		<u>11,287,920</u>	<u>(7,275,256)</u>
4 Less: Tax expense.....		<u>2,000,000</u>	<u>–</u>
5 Profit/(Loss) for the year (3-4).....		<u>9,287,920</u>	<u>(7,275,256)</u>
6 Earnings per equity share (of Rs. 10/- each)	27		
Basic/Diluted.....		0.22	(727.53)

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jyoti Walunj
Chief Financial Officer

For and on behalf of the Board of Directors

Zhooben Bhiwandiwal
Harsh Kumar

} Directors

U. M. Neogi
Partner

Abhishek Juvekar
Company Secretary

Place: Mumbai
Date: 29 April, 2015

Place: Mumbai
Date: 29 April, 2015

Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
A. Cash flow from operating activities		
Profit/(Loss) before tax.....	11,287,920	(7,275,256)
<i>Adjustments for:</i>		
Share issue expenses.....	684,900	-
Finance costs.....	125,831	-
Interest income.....	(6,257,758)	-
Dividend income.....	(6,233,829)	-
Operating loss before working capital changes.....	(392,936)	(7,275,256)
<i>Changes in working capital:</i>		
Increase in loans and advances and other current assets.....	(65,885,208)	-
(Decrease)/Increase in trade payables and other current liabilities.....	(1,166,519)	7,234,694
Cash generated from operations.....	(67,444,663)	(40,562)
Income tax paid.....	(1,940,776)	-
Net cash flow used in operating activities (A)	(69,385,439)	(40,562)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances.....	(715,981,024)	-
Current investments not considered as Cash and cash equivalents:		
- Purchased.....	(3,800,100,000)	-
- Proceeds from sale.....	3,720,100,000	-
Interest received.....	5,930,429	-
Dividend received.....	6,233,829	-
Net cash flow used in investing activities (B)	(783,816,766)	-
C. Cash flow from financing activities		
Proceeds from issue of equity shares.....	684,900,000	100,000
Proceeds from long term borrowings.....	220,391,989	-
Inter corporate deposits taken.....	15,749,315	-
Inter corporate deposits repaid.....	(15,749,315)	-
Share issue expenses.....	(684,900)	-
Finance costs.....	(125,831)	-
Net cash flow from financing activities (C).....	904,481,258	100,000
Net increase in cash and cash equivalents (A + B +C)	51,279,053	59,438
Cash and cash equivalents at beginning of the year.....	59,438	-
Cash and cash equivalents at end of the year.....	51,338,491	59,438
	51,279,053	59,438
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 14)	51,338,491	59,438

Note: The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'.

See accompanying notes forming part of the financial statements

<p>In terms of our report attached For Deloitte Haskins & Sells Chartered Accountants</p>	<p style="text-align: center;">Jyoti Walunj Chief Financial Officer</p>	<p style="text-align: center;">Zhooben Bhiwandiwala Harsh Kumar</p>
<p>U. M. Neogi Partner</p> <p>Place: Mumbai Date: 29 April, 2015</p>	<p style="text-align: center;">Abhishek Juvekar Company Secretary</p>	<p style="text-align: right;">} <i>Directors</i></p> <p>Place: Mumbai Date: 29 April, 2015</p>

Notes forming part of the financial statements

1. Corporate information:

Mahindra Auto Steel Private Limited is incorporated in India on 12th December, 2013 with authorised share capital of Rs. 760,000,000. The Company is a public company by virtue of proviso to Section 2(71) of the Companies Act, 2013 ('the 2013 Act') as it is a subsidiary of a public limited company. The Company's main object is to trade in or process non-ferrous/ferrous material including various grades of steel and it is in the process of setting up its operations.

2. Significant Accounting Policies followed by the Company

2.1 Basis of accounting:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

2.2 Use of estimates:

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates, are recognized in the periods in which the results are known/materialize.

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement:

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

2.5 Fixed Assets:

- (a) Fixed Assets are stated at cost less accumulated depreciation/amortization. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are included in the cost of asset upto the date the asset is ready for its intended use.
- (b)
 - (i) Leasehold land is amortized over the period of the lease.
 - (ii) Depreciation on other fixed assets is calculated on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of vehicles where the life has been assessed as three years taking into account the estimated usage of such vehicles.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.6 Other Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.7 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. All foreign currency monetary items outstanding at the year end (excluding long term liability) are translated at the relevant rates of exchange prevailing at the year end and the resulting exchange differences have been recognized in the Statement of Profit and Loss. In respect of forward exchange contracts, the premium or discount arising at the inception of such a contract is amortized as expense or income over the life of the contract.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing and acquisition of fixed assets are added to or subtracted from the cost of depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

2.8 Investments:

Current investments are valued at the lower of cost and fair value determined by category of investment.

2.9 Employee Benefits:

(i) Defined Contribution Plan:

Company's contributions paid/payable during the year to the provident fund, superannuation fund, Employee State Insurance Scheme and labour welfare fund are recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Defined Benefit Plan/Long Term Compensated Absences:

Company's liability towards gratuity, compensated absence and post retirement medical benefit schemes are determined by independent actuary using the projected unit credit method at each balance sheet date. Past service cost are recognized on a straight-line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

2.10 Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.11 Taxes on income:

Tax expense consists of current tax. Current tax is determined as either (i) the amount of tax payable in respect of taxable income after considering usual allowances and disallowances under the Income-tax, 1961 or (ii) Minimum Alternate Tax for the year. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets

Mahindra Auto Steel Private Limited

are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.12 Stock Appreciation Rights (SARs):

The compensation cost of SARs granted to employees is accounted by the Company using the intrinsic value method. The fair value of the equity shares is based on valuation obtained from an independent valuer. Difference between fair value and face value of the equity shares, being the intrinsic value, is recognised as compensation cost over the vesting period.

3. The Company has not commenced operations. Disclosure of other significant accounting policies would be made in the year when operations commence or otherwise considered appropriate.

Note 4 Share Capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
(a) Authorised				
Equity Shares of Rs.10 each	76,000,000	760,000,000	76,000,000	760,000,000
	76,000,000	760,000,000	76,000,000	760,000,000
(b) Issued, subscribed and fully paid up				
Equity Shares of Rs.10 each	68,500,000	685,000,000	10,000	100,000
	68,500,000	685,000,000	10,000	100,000
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs.10 each				
Year ended 31 March, 2015				
Number of shares	10,000	68,490,000	–	68,500,000
Amount (Rs.).....	100,000	684,900,000	–	685,000,000
Year ended 31 March, 2014				
Number of shares	–	10,000	–	10,000
Amount (Rs.).....	–	100,000	–	100,000

- (ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back since its incorporation (i.e. 12 December, 2013).

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. 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. In the event of winding up, if the assets available for distribution are less/more than sufficient to repay the whole of the paid up share capital, the losses/excess shall be borne/distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iii) Details of shares held by the holding company:

Particulars	As at 31 March, 2015 Number of Shares	As at 31 March, 2014 Number of Shares
Mahindra Intertrade Limited (Including 2 equity shares held jointly with its nominees).....	34,935,000	10,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares	% of holding	Number of Shares	% of holding
Mahindra Intertrade Limited (Including 2 equity shares held jointly with its nominees).....	34,935,000	51.00%	10,000	100%
CSGT International Corporation	16,782,500	24.50%	-	-
Mitsui & Co.(Asia Pacific) Pte Ltd.....	16,782,500	24.50%	-	-

Note 5 Reserves and Surplus

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(7,275,256)	-
Add: Profit/(Loss) for the year.....	9,287,920	(7,275,256)
Closing balance	2,012,664	(7,275,256)

Note 6 Long-term borrowings

Particulars	As at 31 March, 2014 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Other loans and advances (Refer note i) Unsecured.....	220,391,989	-
	220,391,989	-

Note i : The Company has taken buyer's credit for import of machinery of Rs. 220,391,989 (2014: Rs. Nil) under sanction of LUT extended by HDFC Bank. To be secured by first pari passu charge on the moveable fixed assets of the Company, present and future. Further, the Company has agreed to negative lien on other fixed assets in favour of HDFC Bank. Interest payable on buyer's credit is 8.10%.

The buyers credit may be refinanced by Rupee Term Loan after 3 years, which will be repaid as follows:

	FY 2020	FY 2021	FY 2022	FY 2023
Q1	7,500,000	15,000,000	22,500,000	30,000,000
Q2	7,500,000	15,000,000	22,500,000	10,391,989
Q3	7,500,000	15,000,000	22,500,000	-
Q4	7,500,000	15,000,000	22,500,000	-
	30,000,000	60,000,000	90,000,000	40,391,989

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Note 7 Long-term provisions

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
(a) Provision for employee benefits:		
(i) Provision for compensated absences.....	741,206	–
(ii) Provision for gratuity (net)	590,649	–
(iii) Provision for post retirement medical benefits.....	8,087	–
(iv) Provision for stock appreciation rights.....	54,020	–
	<u>1,393,962</u>	<u>–</u>

Note 8 Trade Payables

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Trade Payables:		
Micro and small enterprises	–	–
Other than micro and small enterprises	271,529	437,012
	<u>271,529</u>	<u>437,012</u>

Note 9 Other Current Liabilities

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
(a) Interest accrued but not due on borrowings.....	921,754	–
(b) Other payables-		
(i) Statutory remittances (Withholding taxes,WCT, etc.)	4,213,947	14,826
(ii) Payables on purchase of fixed assets	52,354,793	–
(iii) Payable to the Holding Company:		
Project management fees/expenses incurred on behalf of the Company.....	25,281,000	8,049,315
	<u>82,771,494</u>	<u>8,064,141</u>

Note 10 Short-term provisions

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
(a) Provision for employee benefits:		
(i) Provision for compensated absences.....	105,116	–
(ii) Provision for gratuity (net)	33,606	–
(iii) Provision for stock appreciation rights.....	50,015	–
(b) Provision - Others:		
– Provision for tax (net of advance tax Rs. 1,940,776 (2014 : Rs. Nil))	59,224	–
	<u>247,961</u>	<u>–</u>

Note 11 Fixed Assets

Tangible Assets	Gross Block			Accumulated depreciation and amortisation				Net Block	
	Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation/ amortisation expense for the year (Refer note 1)	Disposals/ Adjustments	Balance as at 31 March, 2015	Balance as at 31 March, 2015
Land – Leasehold	– (–)	230,908,302 (–)	– (–)	230,908,302 (–)	– (–)	2,427,155 (–)	– (–)	2,427,155 (–)	228,481,147 (–)
Vehicles	– (–)	325,000 (–)	– (–)	325,000 (–)	– (–)	25,659 (–)	– (–)	25,659 (–)	299,341 (–)
Computers	– (–)	20,394 (–)	– (–)	20,394 (–)	– (–)	786 (–)	– (–)	786 (–)	19,608 (–)
Total	–	231,253,696	–	231,253,696	–	2,453,600	–	2,453,600	228,800,096
Previous year	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)

Note 1: Depreciation/amortisation expense for the year is debited to capital work-in-progress.

Note 2: figures in brackets are in respect of the previous year.

Note 12 Long-term loans and advances

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Unsecured, considered good		
(a) Capital advances - related parties	2,457,851	–
- others.....	4,865,259	–
	<u>7,323,110</u>	–
(b) Security deposits.....	1,023,030	–
(c) Prepaid expenses.....	637,156	–
	<u>8,983,296</u>	–

Note 13 Current investments

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
At lower of cost and fair value		
Investment in mutual fund (Unquoted)		
52,915.407 (2014: Nil) units of Rs. 1,000 each in Taurus Liquid Fund-Existing Plan-Super Institutional-Growth.....	80,000,000	–
	<u>80,000,000</u>	–

Note 14 Cash and cash equivalents

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Balances with banks:		
(i) In current accounts.....	1,338,491	59,438
(ii) In term deposit accounts.....	50,000,000	–
	<u>51,338,491</u>	59,438
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is.....	<u>51,338,491</u>	59,438

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Note 15 Short-term loans and advances

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Unsecured, considered good		
(a) Prepaid expenses.....	630,425	-
(b) Balances with government authorities:		
(i) CENVAT credit receivable.....	57,499,794	-
(ii) VAT credit receivable.....	2,656,895	-
(iii) Service Tax credit receivable.....	1,672,555	-
(c) Other loans and advances:		
- Advances to employee.....	10,000	-
- Recoverable from related parties.....	328,319	-
	62,797,988	-

Note 16 Other current assets

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Interest accrued but not due on term deposits.....	327,329	-
Defined contribution plan assets receivable in respect of employee transferred to the company.....	608,393	-
Exchange difference recoverable under currency swap.....	1,782,428	-
	2,718,150	-

Note 17 Other income

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
Interest income on term deposits.....	6,257,758	-
Dividend income from current investments (other than trade).....	6,233,829	-
	12,491,587	-

Note 18 Employee Benefits Expense

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
(a) Salaries and wages.....	5,744,644	-
(b) Stock appreciation rights scheme expenses (Refer note 28).....	104,035	-
(c) Contribution to provident and other funds.....	105,232	-
(d) Gratuity expense [Refer note 25(ii)(b)].....	22,859	-
(e) Post retirement medical benefit expense [Refer note 25(ii)(a)].....	1,090	-
	5,977,860	-
Less-debited to capital work- in- progress.....	(5,977,860)	-
	-	-

Note 19 Finance costs

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
(a) Interest on inter-corporate deposits	125,831	-
	<u>125,831</u>	<u>-</u>

Note 20 Other expenses

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
(a) Rates & taxes	4,398,472	-
(b) Printing and stationery	15,124	-
(c) Insurance	22,504	-
(d) Legal and professional	477,977	-
(e) Travelling expenses	1,218,597	-
(f) Payment to auditors [Refer note (i) below]	112,360	112,360
(g) Loss on foreign exchange transactions and translations	29,528,002	-
(h) Ground breaking ceremony expenses	-	1,715,096
(i) Preliminary expenses	-	5,447,800
(j) Share issue expenses	684,900	-
(k) Bank charges	30,008	-
(l) Miscellaneous expenses	103,266	-
	<u>36,591,210</u>	<u>7,275,256</u>
Less-debited to capital work- in- progress	35,513,374	-
	<u>1,077,836</u>	<u>7,275,256</u>

Note (i)

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
Payment to auditors (including service tax)		
To statutory auditors for audit	112,360	112,360

Note 21 Commitments (to the extent not provided for)

Particulars	As at 31 March, 2015 Amount (Rs.)	As at 31 March, 2014 Amount (Rs.)
Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	85,555,549	-

Note 22 Micro small and medium enterprises

The identification of vendors as a "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006 has been done on the basis of the information to the extent provided by the vendors to the Company. This has been relied upon by the auditors.

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Note 23 Derivative Instruments

The Company has entered into Foreign Exchange Contracts (being a derivative instrument), which are not intended for trading or speculative purposes, but for hedge purposes.

(i) The following are the outstanding Foreign Exchange Contracts entered into by the Company:

Particulars	Currency	As at 31 March, 2015		As at 31 March, 2014		Buy/Sell	Cross currency
		Amount in Foreign Currency	Amount (Rs)	Amount in Foreign Currency	Amount (Rs)		
Forward contract (payable on purchase of fixed assets)	EURO	411,365	28,145,593	-	-	Buy	Rupees
Currency exchange/ interest rate swap (import of machinery)	USD	3,494,957	220,391,991	-	-	Buy	Rupees

(ii) The year end foreign currency exposures that have not been hedged by a derivatives instrument or otherwise are given below:

Particulars	Currency	As at 31 March, 2015		As at 31 March, 2014	
		Amount in Foreign Currency	Amount (Rs)	Amount in Foreign Currency	Amount (Rs)
Payable on account of Plant and Machinery	USD	14,600	920,676	-	-

Note 24 Value of imports calculated on CIF basis

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
Machinery	311,353,002	-

Note 25 Employee Benefits:

Following are the relevant disclosures in pursuance of the Accounting Standard 15, "Employee Benefits".

i) The Company has recognized, as Capital work- in- progress, an amount of Rs. 105,232 (2014 : Nil) pertaining to defined contribution plans.

Benefit (Contribution to)	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
Provident Fund	59,955	-
Pension Fund	45,277	-
Total	105,232	-

ii) The Company operates defined benefit plans as follows:

- a. Unfunded - Post Retirement Medical Benefits
- b. Unfunded - Post Retirement Gratuity

a. Details of unfunded defined benefit obligations in respect of Post Retirement Medical Benefits are as follows:

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
1. Reconciliation of opening and closing balances of obligation		
a. Opening obligation.....	-	-
b. Current service cost	550	-
c. Interest cost	203	-
d. Actuarial loss	337	-
e. Benefits paid.....	-	-
f. Liabilities assumed on acquisition.....	6,997	-
g. Closing obligation.....	8,087	-
2. Expected employer's contribution next year.....	-	-
3. Expense recognised in the year		
a. Current service cost	550	-
b. Interest cost	203	-
c. Actuarial loss	337	-
d. Expenses recognized in the year	1,090	-
4. Assumptions		
a. Discount rate	8.05%	-
b. Annual increase in healthcare cost	7%	-
c. Normal retirement age.....	60	-
d. Attrition rate.....	8%	-
e. Mortality.....	*Note	-

* Note: Indian Assured Lives Mortality (2006-08)

5. Effect of one percentage point change in the assumed medical inflation rate	One percentage point increase in medical inflation rates		One percentage point decrease in medical inflation rates	
	2015	2014	2015	2014
Effect on the aggregate service and interest cost of post employment medical benefits	665	-	(516)	-
Effect on the accumulated post employment medical benefit obligations.....	2,151	-	(1,655)	-

6. Experience adjustments

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
Defined benefit obligation	8,087	-
Deficit	(8,087)	-
Experience adjustments on plan liabilities	337	-

b. Details of Gratuity Plan are as follows:

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
1. Reconciliation of opening and closing balances of obligation:		
a. Opening obligation.....	-	-
b. Current service cost	38,788	-
c. Interest cost	17,178	-
d. Actuarial (gain)	(33,107)	-
e. Benefits paid.....	-	-
f. Liabilities assumed on acquisition.....	601,396	-
g. Closing obligation.....	624,255	-
2. Expected employer's contribution next year:.....	33,606	-
3. Reconciliation of fair value of assets and obligations:		
a. Present value of unfunded obligation as at the year end..	624,255	-
b. Amount recognised in the balance sheet - (assets)/ liabilities	624,255	-
4. Expense recognised in the year:		
a. Current service cost	38,788	-
b. Interest cost	17,178	-
c. Actuarial (gain)/loss	(33,107)	-
d. Expenses recognized in the year	22,859	-
5. Assumptions:		
a. Discount rate (per annum)	8.05%	-
b. Estimated rate of return on plan assets (per annum).....	7.50%	-
c. Salary Growth Rate (per annum)	10%	-
d. Normal retirement age.....	60	-
e. Attrition rate.....	8%	-
f. Mortality Rate*	*Note	-

*Note: Indian Assured Lives Mortality (2006-08)

6. Experience adjustments

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the period ended 31 March, 2014 Amount (Rs.)
Defined benefit obligation	624,255	-
Deficit	624,255	-
Experience adjustments on plan liabilities	33,107	-

Basis used to determine the expected rate of return:

Based on expectation of the average long term rate of return expected on investment of the fund, during the estimated term of obligation.

The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factors.

Note 26 Related Party Disclosures

Related party disclosures as required by AS-18 "Related Party Disclosures" are given below.

(A) List of Related Parties:

Ultimate Holding Company Mahindra & Mahindra Limited
 Holding Company Mahindra Intertrade Limited

Other parties with whom transactions have taken place during the year

(i) Fellow Subsidiaries

Mahindra Logistics Limited (MLL)
 Mahindra Integrated Business Solutions Private Limited (MIBS)
 Mahindra Holidays & Resorts India Limited (MHRIL)
 Mahindra Steel Service Centre Limited (MSSCL)

(ii) Companies having significant influence

CSGT International Corporation(CSGT)
 Mitsui & Co.(Asia Pacific) Pte Ltd(Mitsui)

(B) Disclosure of transactions between the Company and related parties during the year ended 31 March, 2015:

	Ultimate Holding Company		Holding Company		A Company having Significant influence CSGT		A Company having Significant influence Mitsui	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	Purchase of fixed assets	-	-	223,522,452	-	-	-	-
Advance paid for purchase of fixed assets	663,641	-	-	-	-	-	-	-
Issue of share capital	-	-	349,250,000	100,000	167,825,000	-	167,825,000	-
Project management fees	-	-	25,000,000	-	-	-	-	-
Inter corporate deposits received	-	-	15,749,315	-	-	-	-	-
Inter corporate deposits paid	-	-	(15,749,315)	-	-	-	-	-
Finance costs	-	-	125,831	-	-	-	-	-
Payments made on behalf of the Company	-	-	998,359	-	-	-	-	-
Reimbursement of expenses by the Company	-	-	142,655	8,049,315	-	-	-	-
Legal and professional	166,476	-	-	-	-	-	-	-
Reimbursement of expenses by related party	-	-	23,872	-	-	-	-	-

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	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MHRIL		MIBS		MLL	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Purchase of fixed assets	1,781	-	-	-	-	-	-	-
Advance paid on account of port charges for import of machinery	-	-	-	-	-	-	1,794,210	-
Travelling expenses	-	-	307,921	-	-	-	-	-
Legal and professional	-	-	-	-	36,100	-	-	-
Reimbursement of expenses by related party	304,447	-	-	-	-	-	-	-
Outstanding receivable:					31 March, 2015		31 March, 2014	
From Ultimate Holding Company.....					663,641		-	
From Holding Company.....					23,872		-	
From Fellow Subsidiaries.....					2,098,657		-	
Outstanding payable:					31 March, 2015		31 March, 2014	
To Ultimate Holding Company (excludes equity share capital)					170,405		-	
To Holding Company (excludes equity share capital).....					25,281,000		8,049,315	
To Fellow Subsidiaries					11,195		-	

Note 27. Earnings per share

Particulars	For the year ended 31 March, 2015 Amount (Rs.)	For the year ended 31 March, 2014 Amount (Rs.)
Profit after tax (Rs.) (A)	9,287,920	(7,275,256)
Weighted average number of shares (B)	42,317,835	10,000
Earnings per share [Basic/Diluted] (Rs.) (A/B)	0.22	(727.53)
Nominal value of equity share (Rs.)	10.00	10.00

Note 28 Stock Appreciation Rights

The Company has granted 17,531 Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2015 (SARS-2015) during the year ended 31st March, 2015 which are outstanding as on that date. Under the scheme, eligible employees are entitled to receive appreciation in value of equity shares over its face value on exercise of the SARs. The SARs may be exercised up to a period of three years from the date of vesting.

The related expenses for SARs amounting to Rs 104,035 (2014: Rs Nil) have been recognised as employee cost in the Statement of Profit and Loss.

Had the Company adopted fair value method as described in the Guidance note on Accounting for Employee Share - based Payments issued by the Institute of Chartered Accountants of India, the employee compensation cost would have been lower by Rs 33,834.

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The fair value has been calculated using the Black Scholes Option Pricing Model and the significant assumptions made in this regard are as follows:

	Grant dated
	18 th February, 2015
Risk free interest rate	Zero coupon yield
Expected volatility	13.51%
Expected dividend yield	<u>6.68%</u>

Note 29 Previous year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Jyoti Walunj
Chief Financial Officer

Abhishek Juvekar
Company Secretary

Zhooben Bhiwandiwala
Harsh Kumar

} *Directors*

Place: Mumbai
Date: 29 April, 2015

