

McNally Bharat Engineering Company Limited

CIN : L45202WB1961PLC025181
 Ecospace Campus 2B 11F/12 (Old Plot No. AA II/Blk 3)
 New Town Rajarhat North 24 Parganas Kolkata 700156
 T +91 33 66281111 30141111 F +91 33 66282277 30142277
 E mbe.corp@mbecl.co.in W www.mcnallybharat.com

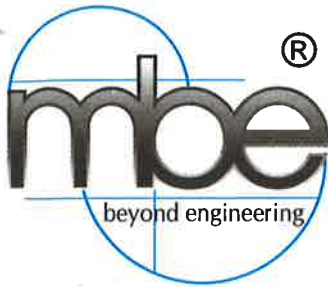
FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

For Audit Report on Consolidated Financial Statements of the Company

1.	Name of the Company:	McNally Bharat Engineering Company Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit qualification	Qualified Opinion
4.	Frequency of qualification	Appeared for the first time as a qualified opinion
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>The Statutory Auditors of the Company have given a Qualified Opinion in Point No. 9 of their audit report on the Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2015, the basis of which have been provided in Point Nos. 7 & 8 of their audit report.</p> <p>The basis of the opinion explains the following:</p> <ol style="list-style-type: none"> 1. The remuneration paid/payable to its two whole time directors & erstwhile executive chairman, aggregating to Rs. 560 Lakhs, is in excess of the limits prescribed under Sec. 197 of the Companies, Act, 2013, read with Schedule V, for which the requisite approvals from the Members of the Company and the Central Government, in case of the erstwhile executive chairman, is pending. 2. Qualification in the audit report of MBE Mineral Technologies Pte Ltd, a subsidiary of the Company incorporated outside India, issued by its independent auditors, vide its report dated May 28, 2015: "The Company on 24th March 2015 disposed 70% of investments in one of the subsidiaries for Euro 14,000,000 As per the terms of agreement with the buyer, sales consideration is to be received on or before 30th September 2015. As this is after the date of our audit report, we are not in a position to determine whether any provision is required for doubtful debts, if at all." <p>The Statutory Auditors have further stated that the consequential impact of this matter on the financial</p>





McNally Bharat Engineering Company Limited

CIN : L45202WB1961PLC025181
 Ecospace Campus 2B 11F/12 (Old Plot No. AA II/Blk 3)
 New Town Rajarhat North 24 Parganas Kolkata 700156
 T +91 33 66281111 30141111 F +91 33 66282277 30142277
 E mbe.corp@mbec.co.in W www.mcnallybharat.com

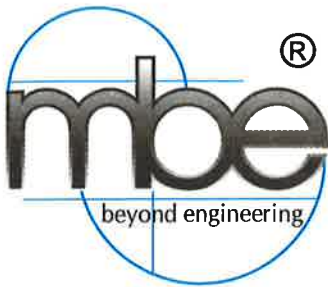
		<p>statements is presently not ascertainable.</p> <p>Management Response:</p> <ol style="list-style-type: none"> 1. The Company has taken necessary approval from its shareholder through a special resolution at the Extra Ordinary General Meeting held on July 30, 2015 and has applied to the Central Government/National Company Law Tribunal for waiver of such excess payment of remuneration to its managerial personnel. 2. The Company on 24th March 2015 disposed 70% of its investment in one of its step-down subsidiaries in Germany for EURO 14 mio. As per the amended agreement with the buyer, the sales consideration is to be received on or before 30th September 2015 or any other extended date as may be agreed by both the parties. Management feels the sales consideration will be received within the due date in relation to which the Auditor has expressed qualified opinion/ reservation in his Report
6.	Additional comments from the board/audit committee chair:	As provided above, the Company has taken the necessary approval from the Members and applied to the Central Government.

V K Verma
 Mr. V K Verma
 Chairman – Audit Committee

Prabir Ghosh
 Mr. Prabir Ghosh
 Whole Time Director & Group CFO

Prasanta Kumar Chandra
 Mr. Prasanta Kumar Chandra
 Whole Time Director & COO

Prabal Kr. Sarkar
 Mr. Prabal Kr. Sarkar
 Membership No. 52340
 Lovelock & Lewes, Chartered Accountants
 Firm Registration No. 301056E



McNally Bharat Engineering Company Limited

CIN : L45202WB1961PLC025181
 Ecospace Campus 2B 11F/12 (Old Plot No. AA II/Blk 3)
 New Town Rajarhat North 24 Parganas Kolkata 700156
 T +91 33 66281111 30141111 F +91 33 66282277 30142277
 E mbe.corp@mbecl.co.in W www.mcnallybharat.com

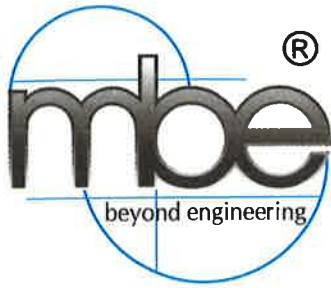
FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

For Audit Report on Standalone Financial Statements of the Company

1.	Name of the Company:	McNally Bharat Engineering Company Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit qualification	Qualified Opinion
4.	Frequency of qualification	Appeared for the first time as a qualified opinion
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>The Statutory Auditors of the Company have given a Qualified Opinion in Point No. 9 of their audit report on the Standalone Financial Statements of the Company for the Financial Year ended March 31, 2015, the basis of which have been provided in Point No. 8 of their audit report.</p> <p>The basis of the opinion explains that the remuneration paid/payable to its two whole time directors & erstwhile executive chairman, aggregating to Rs. 560 Lakhs, is in excess of the limits prescribed under Sec. 197 of the Companies, Act, 2013, read with Schedule V, for which the requisite approvals from the Members of the Company and the Central Government, in case of the erstwhile executive chairman, is pending. The Statutory Auditors have further stated that the consequential impact of this matter on the financial statements is presently not ascertainable.</p> <p>Management Response: The Company has taken necessary approval from its shareholder through a special resolution at the Extra Ordinary General Meeting held on July 30, 2015 and has applied</p>





McNally Bharat Engineering Company Limited

CIN : L45202WB1961PLC025181
Ecospace Campus 2B 11F/12 (Old Plot No. AA II/Blk 3)
New Town Rajarhat North 24 Parganas Kolkata 700156
T +91 33 66281111 30141111 F +91 33 66282277 30142277
E mbe.corp@mbecl.co.in W www.mcnallybharat.com

		to the Central Government/National Company Law Tribunal for waiver of such excess payment of remuneration to its managerial personnel.
6.	Additional comments from the board/audit committee chair:	As provided above, the Company has taken the necessary approval from the Members and applied to the Central Government.



Mr. V K Verma

Chairman – Audit Committee


Mr. Prabir Ghosh

Whole Time Director & Group CFO


Mr. Prasanta Kumar Chandra

Whole Time Director & COO


Mr. Prabal Kr. Sarkar

Membership No. 52340

Lovelock & Lewes, Chartered Accountants

Firm Registration No. 301056E

Annual Report 2014-15



McNally Bharat Engineering Company Limited



Remembering Mr. Deepak Khaitan

We are extremely sad to inform the members that our beloved Executive Chairman Mr. Deepak Khaitan, passed away on March 9, 2015. We, members of MBE Family deeply mourn his untimely demise.

Mr. Khaitan transformed the Company from one focussed on the material handling to a diverse conglomerate serving many verticals like steel and mines, non ferrous and metals, petrochemicals and cement, ports, power and infrastructure, environment and water resources. Under his leadership, MBE grew into a major EPC company in India. Following his strong vision and leadership, MBE successfully established footprints in Europe, Africa, UK, USA, Russia and South East Asia.

Mr. Khaitan was a natural leader and a great visionary. He had strong acumen in business, always dreamt big and was ahead of time. Despite being an astute businessman, he always remained deeply entrenched in the daily workings of the Company, caring for his team members, extending a helping hand when needed.

We at MBE shall always miss him but he will continue to be with us in our heart, in our memories and shall always inspire our senses.

May his soul rest in peace.



From The Chairman's Desk

It gives me a mixed feeling to write my first address to you all as the Chairman of this esteemed company. I am deeply pained to take this sit which belonged to Late Deepak Khaitan. I join you all in mourning his sad and untimely demise. I am also feeling extremely proud and privileged to act as the Chairman of a company of great repute like MBE. I am sure I shall get the same support, guidance and co-operation which all of you have extended to late Deepak Khaitan.

The year 2014-15 happened to be one of most challenging year for the infrastructure sector and your company was no exception. Global slowdown resulting in lower demand in mining products, low demand in China and shrinking of economies in BRIC group other than India resulted stalling of capacity built up and sluggishness in entire EPC and Engineering sector across the world. This coupled with policy paralysis at the Govt level in India resulting in deferment and delay on new projects in the infra space affected all players in India. This affected order booking of all the companies and during this financial year the order booking of your company was only Rs. 1226 cr as compared to Rs. 3980 cr in 2013-14. In spite of all these adversaries, your company could maintain its top line with a marginal growth over 2013-14.

The year 2015-16 definitely shows signs of revival of infrastructure sector in India. Oil price being at the lowest, Government will have surplus funds to build up and doing pump priming in infrastructure sector. The investment outlook for the current year will depend mostly on public investments in infrastructure build up. Your company has strong opening order book of over Rs. 5000 cr to work with and accordingly shall be extremely selective in fresh order booking during the current financial year.

I am pleased to inform the association of EMC group as joint promoter in your company after completion of necessary formalities under SEBI Takeover code which is currently under process. EMC group brings their strong knowledge in EPC business in Power sector and has strong presence in Power transmission in India and abroad. I am sure with them coming on board, your company can move ahead to consolidate its position in the infrastructure space.

I must record my appreciation to the employees of your company, who at this difficult juncture provided their strong support and professional acumen to handle a difficult year that passed by.

Finally, I must thank all the stake holders of the company for their patience, support, guidance and confidence in the management of the company.

Aditya Khaitan
Chairman

Corporate Information

Mr. Aditya Khaitan

Chairman

Directors

Mr. Virendra Kumar Verma

Mr. Utsav Parekh

Mr. Amritanshu Khaitan

Mr. Subir Ranjan Dasgupta

Mr. Asim Kumar Barman

Mr. Puranam Hayagreeva Ravikumar

Miss Nandini Khaitan

Mr. Prasanta Kumar Chandra

Whole Time Director & COO

Mr. Prabir Ghosh

Whole Time Director & Group CFO

Corporate Identification Number

L45202WB1961PLC025181

Registered Office

4 Mangoe Lane

Kolkata – 700001

West Bengal, India

T: +91 33 2213 8901-05

F: +91 33 2230 3519

Corporate Office

Ecospace Business Park, Campus 2B

11F/12 (Old Plot No. AA II/Blk 3)

New Town, Rajarhat, North 24 Parganas

Kolkata – 700156

West Bengal, India

T: +91 33 3014 1111 / 6628 1111

F: +91 33 3014 2277 / 6628 2277

Bankers

Bank of India

Allahabad Bank

Axis Bank Limited

Bank of Baroda

Canara Bank

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Kotak Mahindra Bank

Oriental Bank of Commerce

Punjab National Bank

State Bank of India

The Karur Vysya Bank Limited

UCO Bank

Union Bank of India

United Bank of India

Yes Bank Limited

Standard Chartered Bank

DCB Bank Limited

The Lakshmi Vilas Bank Limited

Auditors

Lovelock & Lewes, Chartered Accountants

Solicitors

Khaitan & Co.

Mr. Atanu Raychaudhuri, Advocate

Registrars & Share Transfer Agents

Maheshwari Datamatics Private Limited

6 Mangoe Lane, 2nd Floor, Kolkata – 700001

West Bengal, India

T: +91 33 2243 5029 / 5809

Website & E-mail

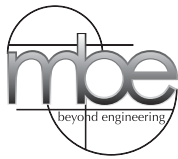
<http://www.mcnallybharat.com>

mbe.corp@mbecl.co.in

mbecal@mbecl.co.in

Contents

Directors' Report	2	Independent Auditors' Report on Consolidated Financial Statements	88
Annexures to the Directors' Report	9	Consolidated Financial Statements	96
Independent Auditors' Report	53	Notes to the Consolidated Financial Statements	98
Standalone Financial Statements	58	Consolidated Cash Flow Statement	125
Notes to the Financial Statements	60	Form AOC-1	127
Standalone Cash Flow Statement	86		



Directors' Report

Your Directors have pleasure in presenting the Fifty Second Annual Report together with audited statement of accounts for the year ended March 31, 2015.

Highlights

The key highlights of the operations for the financial year 2014-15 over the previous year are (based on standalone only in all cases):

Total Income increased by Rs. 2683.48 lacs and earnings before Finance Cost, Depreciation & Amortization and Tax increased by Rs. 4,224.24 lacs.

Financial Results

The Financial performance of the Company for the year ended March 31, 2015 is summarized below:

Particulars	<i>Rs. in Lacs</i>	
	Standalone year ending March 31, 2015	Standalone year ending March 31, 2014
Sales (net of excise) and other income	218,200	215,551
Profit before Finance Cost, Depreciation & Amortisation and Tax	7,909	17,797
Less: Finance cost	22,519	15,124
Earnings before Depreciation & Amortisation and Tax	-14,610	2,673
Less: Depreciation & Amortisation	2,912	1,910
Profit before Tax and before provision for onerous contract	(17,522)	763
Provision for onerous contracts	(6,100)	7,500
Profit before Tax but after provision for onerous contract	(11,422)	(6,737)
Less: Provision for Taxation (including Deferred Tax)	0	512
Profit after tax and after provision for onerous contract	(11,422)	(7,249)
Profit after Tax	(11,422)	(7,249)
Amount brought forward from previous year	15,712	23,088
Profit available for Appropriations	4,290	15,839
Proposed for Dividend on equity shares for the year	0	0
Dividend Distribution Tax on Proposed Dividend on Equity shares	0	0
Transfer to General Reserve	0	0
Proposed for Dividend on preference shares for the year	112	109
Dividend Distribution Tax on Proposed Dividend on preference shares	19	18
Balance at the end of the year	4,159	15,712

Business Performance/ Review of Operations

The financial year 2014-15 have been the most challenging year in the recent past for the entire infrastructure Sector. Complete policy paralysis at the Government level and resulting deferment and delay on all new projects in the infra sector reduced the overall opportunities for all the players. This has resulted in significant fall in order booking during the financial year by all the players. MBE is no exception and during the year the fresh order inflow was substantially lower at Rs. 1226 Cr. The Company during the year faced severe working capital crunch due to

nonpayment of dues by certain Private and Public sector customers and delayed execution on part of some customers. This has affected the execution and the billing in spite of high opening order book at the beginning of the financial year. The borrowing level during the year increased substantially which also created pressure on cash flow and profitability due to high interest burden. Though the top line during the year was maintained at the same level of previous year, the pressure on high interest payout and higher provision of depreciation due to change in accounting policy resulted in loss of Rs. 114.22 Cr during the financial year.

Some of the significant orders bagged during the year are mentioned below, which are currently under execution:

- Substation Order from PGCIL for Rs 118 crores
- GIS Substation Order from WBSETCL for Rs.21.10 crores.
- Land Mark work for Nabinagar CW and make up water package for Rs. 350 crores
- Petcoke handling plant for Chennai Petroleum Corporation Ltd for Rs. 228.46 Crores
- Construction of Residential Accommodation at BD Bari, Jammu, Janglot, Ratnachuk for DGMAP at a contract value of Rs. 144.19cr
- Construction of Muttom Depot for Kochi Metro of DMRC at a contract value of Rs. 69.91cr
- Design, Engg, Manufacture, Supply of 1 set of Rotary WT & Beetle charger of Paradeep Port Trust at a contract value of 12.0 Crores
- Design, Engg, Manufacture, Supply of 1No. 80 Ton Electric Level Luffing Crane of DGNP, Vizag at a contract value of 24.0 Crores

Project Completed

- Construction of Civil Foundation & Structural Steel Work for 6X150MW Captive Power Plant at Mahan Aluminium Project of Hindalco

PROJECT EXECUTION

During the year a number of projects were at various stages of execution. Some of the major projects which were completed during the year:

- 9,000 TPD Cement Plant project at Jamul for ACC
- BOP Package for 2 x 600 MW STPP of M/S SCCL
- 400 KV Substation Extension Package (Package S1) of M/S PGCIL
- 132 KV GIS Substation at Domkol & Nazirpur of M/S WBSETCL
- Coal Handling Plant for 1x500 MW TPS at Vindychal of NTPC
- Coal Handling Plant for 3x250 MW TPS at Bongaigaon of NTPC
- Coal Handling Plant for 2x500 MW at Sagardighi of WBPDC
- Ash Handling Plant for 2x660 MW at Mouda (Stage II) of NTPC
- Ash Handling Plant for 3x800 MW at Kudgi of NTPC
- Ash Handling Plant for 3x250 MW TPS at Bongaigaon of NTPC
- Ash Handling Plant for 2x250 MW at Bhavnagar of M/S BECL
- Limestone Milling and Conveying System for 2x250 MW at Bhavnagar of M/S BECL
- CW & Make up Water Package for 2x600 MW at Nabinagar of NPGC
- PT Plant for 2x600 MW at Nabinagar of NPGC

- PT Plant including Intake for 1x500 MW at Bokaro of DVC
- PT Plant for 2x660 MW at Mouda (Stage II) of NTPC
- Booster Pumping Station at Entally in Kolkata of KMC
- Sinter Plant at Vizag for RINL
- Blast Furnace (BF-5) Stock House for TPL, RSP
- 35 TPH GAP for Mahan Aluminium Project, Hindalco
- 52 TPH GAP for Aditya Aluminium Project, Hindalco
- HDPS GAP for Mahan Aluminium Project, Hindalco
- HDPS for Aditya Aluminium Project, Hindalco
- Clubbed Water System Package, CAPP: OTPC

ACTIVITY HIGHLIGHTS

During the year, a number of significant, complex and large value projects were commissioned including Bellary CHP, HCSD Disposal System of Crescent Power, NLC BWE, Paste Fill Plant of HZL etc.

In spite of the tough economic scenario your Company has been able to book fresh orders of Rs. 1,226 Cr. (approx) in various sectors this year.

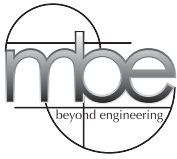
Your Company has been consistently putting efforts towards improvement in Quality and Occupational Health and Safety Standards. MBECL already has ISO 9001-2008 and ISO 14001-2004 Certifications. Our Laboratory is certified by NABL for non-destructive testing. We are also pleased to inform that our OH&S Management System (OHSMS) has been certified this year by BS OHSAS 18001:2007. Our quality and safety standards maintained by us during execution of under HOLCIM Standard and BPCL Refinery at Mahul have been highly appreciated.

SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS

- McNally Sayaji Engineering Ltd. (MSEL)

Major Orders received

- JINDAL SAW - Ball Mill & Rod Mill Rs. 890 lacs
- BGR, Chennai – Ring Granulator for 1500 TPH – Rs. 255 lacs
- BGR, Chennai, Pulley for OPGCL - Rs. 105 lacs
- TRF, Rod Mill for NMDC - Rs. 753 lacs
- UCIL, Grinding system - Rs. 648 lacs
- Navadaya, Rotary scrubber for export to S.A. – Rs. 107 lacs
- Scorpio Engineering, Ring Granulator & Screening feeder for IPCL – Rs. 218 lacs
- L & T , Double Roll Crusher for Aditya & Mahan Project - Rs. 94 lacs
- L & T , Pulley for NCL - Rs.238 lacs
- L & T , Screening Feeder for Chhabra CHP - Rs.165 lacs
- JSPL, Double Roll Crusher - Rs. 107 lacs
- Maihar Cement, Ring Granulator & Apron feeder – Rs. 50 lacs
- HZL, Vibrating Screen - Rs. 30 lacs
- JSW for Rs. 527 lacs



- Danieli for Rs. 352 lacs
- Kilburn for Rs. 284 lacs
- Druk for Gypsum crushing plant for Rs. 89 lacs

Major Billing in 2014-15 – Kumardhubi

- Shree Mahavir Ferro Alloys, Ball Mill for Rs. 250 lacs
- Super Smelter, Ball mill and scrubber for Rs. 490 lacs
- HZL, Screen for Rs. 30 lacs
- JSPL, Double roll crusher for Rs. 107 lacs
- HDO, Ball mill for Rs. 93 lacs
- JINDAL SAW - Ball Mill & Rod Mill for Rs. 890 lacs
- TRF, Rod mill for NMDC, Rs. 550 lacs
- Maihar Cement, Ring granulator & Apron feeder – Rs. 50 lacs
- Dalmia Cement, Rotor assembly – Rs. 92 lacs
- Humboldt Wedag, Slide shoe and other items for Rotary Kiln – Rs. 135 lacs
- HZL for Screen & Reciprocating feeder – Rs. 50 lacs
- BGR, Chennai for Pulley of OPGCL - Rs. 105 lacs
- ACC, Jamul for Roller Screen, Pulley & Stacker - Rs. 460 lacs
- SECL, Ring Granulator, Screen & Stacker – Rs. 360 lacs
- NMDC for Idler Assembly - Rs. 56 lacs
- NTPC, Mouda for Silo – Rs 325 lacs

MBE Coal & Mineral Technology India Ltd.

Major orders received :

- Renovation of existing Coarse Coal BATAAC® Jig from CCL Sawang washery at Jharkhand.
- Renovation of Coarse Coal and Fine Coal BATAAC® Jigs from CCL Kedla Washery at Jharkhand.
- Supply of two(2) nos. 400 tph Dewatering BATAAC® Jig and fixed & dewatering screens for coal washery from Monnet Ispat
- Supply of 150 tph Batac Jig, Screens and Hydrocyclone from Mahavir Coal Resources at Katni.
- Supply of equipment Centrifuges, De-Grit Cyclones & dense Media Cyclones, Screens & Sieve Bends to ACB India for 1.6 mtpa Coking Coal washery.
- Several orders of dewatering screens from clients, BCCL, CCL Kathara and Utkal Energy.
- Supply of dewatering screens to end user at Bosnia.
- Design engineering, supply and erection & commissioning for dry gravity separation pilot equipment, AKAFLOW, along with M/s. AKW of Germany from National Metallurgical Laboratory, Ranchi.
- Design Engineering, Supply and Erection Commissioning for 250 tph throughput capacity Silica Removal Plant from bauxite ore from Sesa Sterlite Ltd. at Lanjigrah.
- Supply of 90 nos. of Solid Bowl Centrifuge for different environmental projects.

Some of the major projects / orders completed during the year 2014-15 :

- Commissioning, PG test & handover of 2.5 MTPA non coking coal washery for S. V. Power Limited at Korba.
- Completed renovation work of existing Coarse Coal BATAAC® Jig from CCL Sawang washery at Jharkhand.
- Completed renovation of Coarse Coal and Fine Coal BATAAC® Jigs from CCL Kedla washery at Jharkhand.
- Completed supply of several Screen equipments to various clients like CCL, BCCL & Mahavir Coal Washery.
- Completed supply of Screen equipments to end user at Bosnia.
- Commissioning, Performance Guarantee Tests & handover for 0.6 MTPA Iron ore Beneficiation Plant for MSPL, Hospet, Karnataka.
- Supplied 66 nos. Decanter Centrifuges for different Environmental Projects.

MBE Mineral Technologies, Singapore:

During the year, the Company sold 70% and 90% of its investment in Coal and Mineral Technology GmbH and Cologne Engineering GmbH respectively, both of which were held through its wholly owned subsidiary in Singapore.

While the disinvestment in Coal and Mineral Technology GmbH resulted in substantial profits for the Company reported in its consolidated financials, the decision to dispose of holding in Cologne Engineering GmbH was prompted by lack of visibility in its turnaround from the present financial position.

In terms of the agreement with the buyer of Coal and Mineral Technology GmbH, the proceeds are due within end September 2015 or any other extended date as may be agreed by both the parties.

In accordance with general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. A Statement containing brief financial details of the subsidiary companies is included in the Annual Report in the Chapter containing Consolidated Financial Statements.

Dividend

In absence of profit for the current Financial year (2014-15), the Board of Directors of your Company considered it prudent not to recommend any dividend on Equity Shares for the year under review as a measure of conservation.

The Non Convertible Redeemable Preference Shares of Rs.100/- each issued by the Company is entitled to a fixed Dividend of 11.5% per annum as per the terms of issuance

of such Non Convertible Redeemable Preference Shares. Accordingly, the Board of Directors of your Company has recommended a dividend of Rs.11.50 (11.5%) per share on 975,000 Non Convertible Redeemable Preference Shares of Rs.100/- each. In absence of profit for the current year, the same will be adjusted out of the previous year's profit.

The dividend will be tax free in the hands of the shareholders. The register of members and share transfer books will remain closed from September 21, 2015 to September 27, 2015 (both days inclusive).

Share Capital

During the Year ended 31st March, 2015, the Equity Share Capital of the Company has increased to 40593818 shares having a face value of Rs. 10/- each. The 11.5% Non Convertible Redeemable Preference Capital of the Company remains unchanged at 9,75,000 having face value of Rs. 100/- each.

The proceeds of issue of the fresh equity capital of 95,00,000 has been utilised for the purpose it was issued for i.e to enhance the Company's net worth, improve its debt equity ratio and to meet its working capital and other requirements.

Strategic Investment

Your Company has entered into an agreement with EMC Limited ("EMC") and Williamson Magor Group ("Existing Promoters") to enable an additional equity investment of upto Rs. 100 Crores as primary equity capital infusion into your Company. Established in 1953, EMC Limited is a leading service provider in the Indian Power Transmission and Distribution sector. Earlier, MKN Investments, a group company of EMC, had made an equity investment of Rs. 50 crore in March 2015 in the Company and it holds 12.5% stake in the Company.

This above mentioned capital raising of Rs 100 crore by your Company would be done through a preferential allotment of 10 million equity shares to EMC at a price of Rs. 100 per share. After this preferential issue, EMC group (along with MKN Investments) will hold 29.64% of your Company's expanded equity share capital. In addition, as per SEBI guidelines, there will also be an open offer by EMC and Williamson Magor Group for up to 26% of equity share capital of your Company.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The information required pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014, is given as Annexure A to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirements of Clause 49 of the Listing Agreement(s) with the Stock Exchange(s), a Management Discussion and Analysis Report is attached as Annexure B forming part of this Report.

Report on Corporate Governance

The Company has adopted the best corporate governance norms and it has been our endeavour to comply and upgrade to the changing norms.

In terms of requirements of Clause 49 of the Listing Agreement(s) with the Stock Exchange(s), a Report on Corporate Governance together with the Auditors' Certificate regarding compliances of conditions of Corporate Governance are attached as Annexure C forming part of this Report.

Corporate Social Responsibility:

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has established a Corporate Social Responsibility (CSR) Committee.

A CSR Policy has been formulated and is available on the website of the Company at <http://www.mcnallybharat.com/investors/pdf/corporate-social-responsibility-policy.pdf>. The policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

The Annual Report on CSR activities containing inter alia, the brief outline of the CSR policy, the CSR initiatives taken, the expenditure on CSR activities, as well as the composition of the CSR Committee forms a part of this Report as Annexure D.

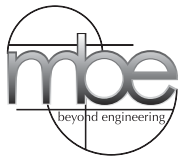
Directors' Responsibility Statement

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and Clause 49(III)(D)(4)(a) of the Listing Agreement with the Stock Exchanges for the year ended 31st March, 2015 and state that:

- 1) in the preparation of annual accounts, the applicable accounting standards have been followed. There are no material departures from prescribed accounting standards;
- 2) the Directors 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 2014-15 and of profit/Loss of the Company for that period;
- 3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- 6) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Directors and Key Managerial Personnel:

The Board with profound grief regret to inform you of the sad and premature demise of Late Mr. Deepak Khaitan, who passed away for his heavenly abode on 9th March 2015.



Late Mr. Deepak Khaitan served the Company as its Executive Chairman since 2011. The Board acknowledges the significant contributions made by Mr. Khaitan for the growth of the Company during his long association with the Company.

Mr. Sudipto Sarkar, who was an Independent Director, submitted his resignation on 6th April, 2015 due to his personal and professional commitments. The Board noted his resignation with regret and recorded its appreciation for the contributions made by Mr. Sarkar during his association with the Company.

During the year, Miss. Nandini Khaitan was appointed as an Additional Director and also as an Independent Woman Director. The Company has received requisite Notice from a Member of the Company along with the deposits in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Miss. Nandini Khaitan for appointment as Director at the forthcoming Annual General Meeting of the Company.

Mr. Aditya Khaitan has been re-designated by the Board as the Chairman of the Company.

The Company being a listed Company is required to have at least one third of the total number of Directors as Independent Directors according to Section 149(4) of the Companies Act, 2013. In the opinion of the Board Mr. A. K. Barman, Mr. V.K. Verma, Mr. S.R Dasgupta, Mr. P.H. Ravikumar are Independent directors in terms of the Listing Agreements and meet the criteria of independence in terms of Section 149 (6) of the Act, should be considered for appointment as Independent Directors of the Company under Section 149, 150 and 152 read with Schedule IV of the Act. Accordingly resolutions will be placed at the ensuing Annual General Meeting (AGM) for their appointment as Independent Directors from the date of the ensuing AGM upto the expiry of five consecutive years or date of the 57th AGM whichever is earlier. After such appointment the said Directors will no longer be liable to retire by rotation during their tenure as Independent Directors.

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Act, Mr. Aditya Khaitan and Mr. Amritanshu Khaitan will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re appointment.

During the year, the Company had four Key Managerial Personnel, being Late Mr. Deepak Khaitan (Mr. Khaitan passed away on 9th March, 2015 and had acted as the Executive Chairman till such date), Mr. Prabir Ghosh, Whole Time Director & Group CFO, Mr. P. K. Chandra, Whole Time Director & COO and Mr. Sukanta Chattopadhyay, Sr. V.P. Commercial & Company Secretary.

Mr. Sukanta Chattopadhyay, Sr. V.P. Commercial & Company Secretary submitted his resignation on 15h June, 2015 due to his personal commitments. The Board noted his resignation with regret and recorded its appreciation for the contributions made by Mr. Chattopadhyay during his association with the Company.

The Independent Directors have submitted their disclosures to the Board that they meet the criteria as stipulated in Section 149(6) of the Companies Act, 2013.

The Board met six times during the year on May 30, 2014, August 14, 2014, November 14, 2014, February 02, 2015, February 14, 2015 and March 30, 2015. The intervening gap between any two Board Meetings was within the period prescribed by the Companies Act, 2013.

During the year under review the Company has formulated a Familiarisation Programme for Independent Directors and the same is disclosed on the website of the Company and can be accessed at <http://www.mcnallybharat.com/investors/pdf/familiarisation-programme-for-IDs.pdf>.

Board Evaluation

During the year, the Board formulated and adopted a Board Evaluation Framework for evaluating the performance of the Board as a whole, Committees of the Board and the Individual Directors on the Board.

Pursuant to the said Evaluation Framework, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2014-15.

The Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro growth activity and facing challenging operational and economic adversities during the year. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the Listing Agreement and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the listing agreement and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

Audit Committee

The Audit Committee of the Board as on 31st March 2015 consisted of Mr. V.K. Verma, Mr. A.K. Barman, Mr. U. Parekh and Mr. S.R Dasgupta. Mr. V.K Verma, a Non-Executive Independent Director, is the Chairman of the Audit Committee.

The Company has established a vigil mechanism / whistle blower policy and oversees through the Audit Committee, the genuine concerns expressed by the employees and other Directors. The Company has also made provisions for adequate safeguards against victimisation of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The vigil mechanism / whistle blower policy of the Company has been uploaded on the website of the Company and can be accessed at <http://www.mcnallybharat.com/investors/pdf/vigil-policy.pdf>.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board as on 31st March 2015 is comprised of Mr. Asim. Kr. Barman, a Non Executive Independent Director as its Chairman and Mr. V.K. Verma , Mr. S.R Dasgupta and Mr. Utsav Parekh, Non Executive Independent Directors as its Members.

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and clause 49 of the Listing Agreement is attached to this report as Annexure E.

Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

The particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Notes to the Financial Statements for the year ended March 31, 2015.

Particulars of contracts or arrangements made with related parties and related party policy

The particulars of contracts or arrangements made with related parties pursuant to Section 188(1) of the Companies Act, 2013, furnished in Form AOC -2, is attached to this report as Annexure F.

During the year under review the Company has formulated a Related Party Transaction Policy and the same is disclosed on the website of the Company and can be accessed at <http://www.mcnallybharat.com/investors/pdf/related-party-transaction-policy.pdf>.

Deposit

During the financial year ended March 31, 2015, your Company has not accepted any deposits from the public.

Going Concern Status

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

Financial statements (i.e. Balance Sheet, Profit & Loss Statement and Cash-Flow Statement, together with notes) are prepared through the process which has automated as well as manual controls to ensure accuracy of recording all transactions which have taken place during any accounting period, and the resultant financial position at period end. All data pertaining to payroll, purchases, manufacturing, project cost and other financial activities are recorded through ERP systems operating in various sites as well as head office. All data/ transactions entered in systems are checked by various functional personnel on the basis of supporting documents & records, then the accounting entries are checked by accounts personnel, and finally those are validated by managerial personnel.

At periodic intervals, the accounting data are compiled and financial statements are prepared. While preparing the financial statements, it is ensured that all transactions pertaining to the accounting period are recorded. Fixed assets, all significant items of stores and monetary assets are physically verified. Balance confirmations are obtained for all significant items of trade receivables and advances.

After preparation of the financial statements, all items appearing in the statements are analysed in order to ensure overall reasonableness.

The Company has adopted policies and procedures including Internal Audit system for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

Annual Return

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as Annexure G.

Statutory Auditors

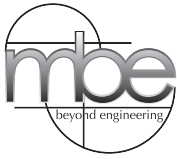
M/s Lovelock and Lewes, Chartered Accountants (FRN: 301056E), the Statutory Auditors of the Company hold office till the conclusion of the Annual General Meeting for the year ended March 31, 2017, under the provisions of Section 139(2) of the Companies Act, 2013, subject to the ratification of the Members of the Company. Accordingly, the ratification of their appointment as the Statutory Auditors of the Company is being placed before the Members at the Annual General Meeting.

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment.

Secretarial Audit

In terms of the requirements of Section 204 of the Companies Act, 2013 the Secretarial Audit of the Company for the year ended March 31, 2015, was conducted by M/S A. K. Labh & Co., Company Secretaries. The Secretarial Auditors' Report is attached to this Report as Annexure H and forms part of the Directors' Report. Clarifications regarding the matter of emphasis of the report of the Secretarial Auditor are as under:

1. Due to severe cash crunch there were some lapses in depositing the contributions towards Provident Fund and the Employee State Insurance with the prescribed authorities. However, the Company is taking best possible measures to regularise the same.
2. The Company has taken the requisite approval from its shareholders through a special resolution at the Extra Ordinary General Meeting of the members of the Company held on July 30, 2015 and has applied to the Ministry of Corporate Affairs for waiver of the excess payment of remuneration to its managerial personnel during the financial year 2014-15.
3. The Company has Chief Financial Officer (CFO) in terms of Section 203 of the Companies Act, 2013 and the Company is in the process of filing the requisite form (DIR-12) with the Office of the Registrar of Companies for such appointment.



Cost Auditor

M/s A Bhattacharya & Associates, Cost Auditors has been appointed as Cost Auditors for conducting the audit of cost records of the Company for the Financial Year 2014-15.

Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts and clarifications regarding the qualified opinion of the Statutory Auditors are as under and the same have also been included in the Notes to the Accounts section of the Annual Report:

Standalone Financial Statement

During the previous financial year, the Company paid a sum of Rs. 5.60 Crores towards managerial remuneration to its Executive Chairman and two Whole Time Directors, out of which a sum of Rs. 3.79 crores was in excess of the maximum permissible limit under The Companies Act, 2013 read with Schedule V of the said Act. However, the Company has taken necessary approval from its shareholder through a special resolution at the Extra Ordinary General Meeting held on July 30, 2015 and has applied to the Central Government waiver of such excess payment of remuneration to its managerial personnel.

Consolidated Financial Statement

The Company on 24th March 2015 disposed 70% of its investment in one of its step-down subsidiaries in Germany for EURO 14 mio. As per the amended agreement with the buyer, the sales consideration is to be received on or before 30th September 2015 or any other extended date as may be agreed by both the parties.

Management feels the sales consideration will be received within the due date in relation to which the Auditor has expressed qualified opinion/ reservation in their Report.

Risk Management Policy

Your Company has a robust Risk Management Policy. The Management of your Company regularly monitors the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. However, none of the identified risks, in the opinion of the Board, are threatening to the existence of the Company.

Insurance

The assets of the Company including building, shed, plant & machinery, etc. are adequately insured.

Occupational Health & Safety

In line with your Company objectives, the Occupational Health & Safety (OH&S) Management System has been integrated & tuned up with the production/construction process with an eye on continual improvement. Your Company has revised the OH&S Policy in July 2013 and laid down a norm to

establish the **OH&S MANAGEMENT SYSTEM**, which has subsequently been certified as per **BS OHSAS 18001:2007** standard in October 2013. The OH&S system and norms have been accorded international recognition and are compatible with international standards.

As a part of the OH&S Management System, there are periodic audits, training and inspections to ensure health & safety compliance at all the sites. The Company has a system of 'Daily OH&S Message' for all the email users of the Company, which gives update about recent OH&S requirement. There is an intranet webpage (MBE-Bridge) for OH&S, which contains 'Procedure', 'Formats', copy of 'Certificates' and 'Training' model etc.

In 2014 MBECL as a whole achieved 'No Fatality' records, which shows a sustainable improvement in Occupational Health & Safety. Apart from that there are many satisfied customers, who issued 'Merit Certificate' for excellent safety performance in their project sites this year (such as BPCL-Kochi Refinery, NTPC Mauda, ACC Expansion Project Jamul, WBPDC for Sagardighi Thermal Power-CHP#2 and Tata Projects – Kalinganagar etc.). This year the Company achieved National Safety Council Award for TPL-Kalinganagar site and in recent past the Company was awarded international recognitions like RoSPA Awards etc.

Particulars Of Employees

The ratio of the remuneration of each Director to the median employee's remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as Annexure I.

Cautionary Statement

Certain statements in the Directors' Report describing the Company's operations, objectives, projections and expectations regarding future performance may constitute 'forward looking statements' with the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied, depending on the economic conditions, Government policies and other incidental factors and developments.

Acknowledgement

The Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work, active involvement and devoted services rendered. The Directors would also like to thank all the stakeholders, investors including Bankers and other business associates, who have extended their valuable support and encouragement.

This has, understandably, been critical for the Company's success. The Directors look forward to their continued support and understanding in the years to come.

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO

Annexure A to the Directors' Report

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars required under the provisions of Section 134(3)(m) of the Companies Act, 2013, and Rule 8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of Energy

- (i) The steps taken or impact on conservation of energy:

Energy conservation measures taken in the past years and the consumption of energy are monitored on continual basis. Routine steps like strict control and monitoring of usage, good preventive maintenance of machines and equipments like DG Sets, AC units have resulted in optimal usage of electrical parts.

- (ii) The steps taken by the company for utilising alternate sources of energy:

There is nothing substantial to report.

- (iii) The capital investment on energy conservation equipments:

There is nothing substantial to report.

B. Technology Absorption

- (i) The efforts made towards technology absorption:

There is nothing substantial to report.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

There is nothing substantial to report.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :

There is nothing substantial to report.

- (iv) The expenditure incurred on Research and Development:

There is nothing substantial to report

C. Foreign Exchange Earnings and Outgo

Rs. In Lakhs

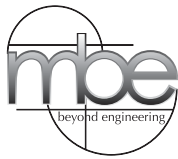
Foreign Exchange Earning	Sale of Contracts	319.35
	Corporate Guarantee Commission	46.13
	Interest Income	299.13
	Service Charges	473.00
Foreign Exchange Outgo	Travelling	26.96
	Professional and Consultation fees	115.77
	Interest Expenses	1309.57
	Others	183.54

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO



Annexure B to the Directors' Report

Management Discussion & Analysis

Overview

The Gross Value Added (GVA) grew at 7.2% in 2014-15 compared to 6.6% in 2013-14.

In January, 2015, Government of India revised the base year from 2004-05 to 2011-12. Also, GDP at factor cost will henceforth, be presented as Gross Value Added (GVA).

Gross Fixed capital formation increased from 3% in 2013-14 to 4.1% in 2014-15. However, exports in 2014-15 recorded a growth of only 0.9% as compared to 7.3% in 2013-14.

During the year inflation in Wholesale Price Index (WPI) was 3.4% as fuel prices had witnessed a sharp decline. Also, the rupee remained relatively stable, which too had a sobering effect on inflation.

In 2015-16, concerns surrounding the Construction and Mining sectors still exist. Index in Industrial production (IIP) recovered slowly with a 2.1% growth in 2014-15. The recovery was led by growth in production of electricity, cement and coal. The low growth in manufacturing sector can be attributed to high interest rate, infrastructure bottlenecks, low domestic and international demand. "The Make in India" policy announced by the Prime Minister is aimed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best – in – class manufacturing infrastructure.

The growth in eight core sectors (Mining, Fertilisers, Electricity, Crude Oil, Natural Gas, Refinery Products, Steel & Cement) during 2014-15 was 4.4%. Mining grew only by 2.4%, manufacturing by 1.2% and construction by 4.8%.

Outlook for 2015-16

FICCI has estimated a GDP growth of 7.8% in 2015-16 of which industrial growth is expected at 6.5%. Weak demand is a cause of concern with both domestic investment and consumption demand remaining weak. Although the Government is taking a lot of confidence building measures, the translation at ground level is yet to take place.

As per CRISIL, Private Sector capital investment is expected to decline in 2015-16 by 11% from Rs 975 Billion to Rs 867 Billion. However, investment in the Public Sector is expected to grow by 3% from Rs 1119 Billion to Rs 1149 Billion. Capital investment is expected to show healthy growth only after 2015-16.

Capital expenditure is primarily expected in Infrastructure (Roads & Power) : 42%, Energy (mainly oil & gas): 30% and Metals : (10%).

The investment outlook for 2015-16 hinges on increased public investment in infrastructure. Investments in Roads, Railways, Power Distribution / Transmission will have a multiplier effect of creating demand for cement, steel, capital goods and in spurring manufacturing. The Government has announced several policy changes in Roads & Power sector to revive investments.

A sector wise analysis of the areas where the Company is active is given below.

Power

Capacity Addition has gone up in India by 27 % from the year 2013-14 to the year 2014-15. Per capita consumption of electricity has grown from 16.3 Kwhr from the year 1947 to 1010 Kwhr in 2015. In the first 3 years of 12th Five Year Plan, total 50,958 MW has already been added by January 15, 2015, against a target of 76,000 MW. In the next four years capacity addition of 81,602 MW is envisaged (Niti Aayog Presentation for "Infrastructure : Powering Growth through Connectivity, May 2015). Five more ultra mega power projects (UMPPs), under the plug-and-play model will be set up with total investments of Rs 1 Lac Cr. This was announced by the Finance Minister in Union Budget 2015. "Plug and play" system coal blocks will be auctioned after they are granted various clearances to speed up and simplify mining and get better valuation. Transparent auction of coal blocks under the new government will also speed up growth of coal based power plant in the coming years.

In the last Financial Year the new investments in Power Sector was not significant because of various issues including the coal block allocation. No major Private Power Producers had taken any major investment decision towards implementation of new power projects or capacity addition because of various problems. Due to this reason, all power equipment manufacturers had suffered because of very limited orders. The market remained volatile during the last financial year.

However the investment climate is very positive in the power sector from this year. With the merging of coal, power and Renewable Energy under one single ministry in the present Government, it is expected that policy and decision making will be quicker and more efficient. The Government has reset the targets of renewable energy by 2022. Capacity addition of 1,75,000 MW of renewable energy is envisaged by the Ministry, out of which 1,00,000 MW will be from solar energy. Total 17 numbers of solar park (12,259 MW) will be set up by the year 2022. Total 1,12,650 cKM of Transmission line will be added in the next four years. There will be big investment in Solar energy and Transmission and Distribution sector.

McNally is fully geared to take the full advantage of the emerging traditional power market as well as renewable sector. It is already an established brand name in power equipment manufacturing all over the world. Considering the market trend and stringent environment laws to be implemented in India McNally has already tied up with Fieda Enviro, China for ESP manufacturing and with Andritz, Austria for FGD projects. McNally has also entered into T&D business and is planning to enter in renewable sector by bidding in Solar energy segment.

Steel

Due to policy paralysis during last few years, one of the most affected industry was Steel. In absence of efficient Mining, Environment and Land policy, the mining of coal, Iron Ore and other minerals required for the production of Steel, was affected severally, which indirectly slowed down the Metallurgical Industry including Steel. Now with the expected change in policy decision and infrastructure development being one of the major focused areas, there is huge potential for growth of this industry. The country is slated to become the second largest producer of steel by 2025 as large public and private sector players are set to strengthen steel production capacity.

The installed capacity of Steel in SAIL is expected to increase to 50 Million TPA by Vision- 2025 based on the assumption of 8% GDP growth.

Most of the additional capacity will be created in the private sector, apart from a few in the public sector. The Company's experience of execution of EPC packages including raw material handling, Sinter plant, Coke Oven By-products Recovery Plant & Coke Oven Batteries is expected to play a significant role in securing orders in this sector.

Metals & Mining

The Company is a proven market leader in Mineral beneficiation in India, having set up most of the plants for Copper, Lead, Zinc and having executed two overseas projects in Konkola Copper Mines at Zambia. This area continued to be a strategic focused area for the company. LME Index for most of the base metals like Aluminium, Copper, etc are showing an upward trend after being sluggish for last few years.

All the manufacturers (Hindusthan Copper, Sterlite & Birla) have indicated expansion plans to meet the demand. The copper production in India in last 15 years has increased by 20 times, however, the present estimated per capita consumption is about 0.5 kg whereas the world consumption is 2.7 kg. With Government priority on Infrastructure development, there will be surge in the demand of copper of around 12 to 15% per annum.

The present Zinc production in India is around 4% of the world production at 7 MT per annum. This is expected to rise to 14 MT per annum by 2020.

Aluminium is the 2nd most used metal in the world as shown in the economy. During April to December 2014, Aluminium ingot prices rose by 12.2% owing to the rise of demand. Export of Aluminium surged by 65% during this period.

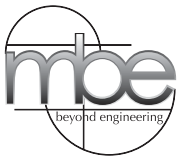
To meet the targeted steel production of 300 Mtpa by 2025, with an investment of 12 lacs Crores, Government of India is coming up with Modernization of SAIL plants, restrictions on export of Iron Ore dust / fines, and framed the policies for its captive utilization, which has given a boost to the Iron Ore Beneficiation industry in India. Domestic Iron Ore beneficiation market has very good potential with upcoming big Iron Ore beneficiation projects of SAIL, NMDC, OMC, KFC & other Private sector units. The expected projects are in Bolani, Taldih, Raoghat, Chiria, Kirandul, Bachel, Gandhamardhan, Jalpaposhi and Khaira Mines. Existing SAIL Producing Units like RSP, BSL, DSP and BSP have also embarked upon captive pelletisation & sinter plant facilities, which would require beneficiated Iron ore from the captive Mines as feed to the pellet / sinter plant.

To become self sufficient in the field of Steel & Power production, the domestic coal quality has to improve with proper beneficiation of Coking & Non Coking coal. The recent coal block auction by Govt. of India has encouraged this industry of Coal Washery & in-turn a huge potential is seen, which is expected to open up the dormant market on EPC basis. To meet the requirement of quality clean coal, Private Mine Owners & subsidiaries of Coal India are coming up with captive Coal Washeries with both Wet & Dry beneficiation Technology. The major projects expected on EPC basis are : Bina Kakri, Lakhanpur, Kargali, Karo, Konar, Kusmunda, Chasnala Piparwar and CESC's mines. Coal India is also reviewing their Contracting strategy for Coal Washeries on BOM basis, which is expected to soften the terms of Contract.

Port, Shipyard, Mining & Stockyard Machineries

The company has the reputation of bringing the latest technologies in India as long term licensee and collaboration with the world leaders in each of the equipment segments it forayed since the late 1990s.

Today MBE boasts of steady license agreement with M/s Konecranes, Finland to manufacture & supply a slew of Port & Shipyard cranes since 2002, collaboration with M/s Poltegor, Poland for Stacker Reclaimers and open cast mining machineries like Bucket Wheel Excavators, Spreaders, Drive Heads and Shiftable Conveyors and collaboration with Famur Famak, Poland for Wagon Tiplers, Side Arm Chargers, Paddle Feeders and Rail Mounted Gantry Cranes (RMGC). More than 125 machines are today commissioned and working satisfactorily in steel, port, power & mining sectors all across India.



Container Handling is a growing market in Ports, Inland Container Depots (ICD) & Container Freight Stations (CFS). The Company plans to tie-up with reputed International companies for manufacturing container handling equipment like Reach Stackers, Rubber Tyred Gantry Cranes (RTGC) & Ship to Shore (STS) cranes.

The Company also envisages opportunity and would like to concentrate on Operation & Maintenance of complete port and also its technology driven products and machineries supplied to various sectors in an endeavour to generate revenues and facilitate cash flow.

Government plan for huge investment to modernize the Navy and Naval Dockyard facilities and ship repairing infrastructure can translate into booming business in the Electric Level Luffing cranes during the next 5 years in a phased manner.

Cement

India is the Second largest producer of cement in the world, next to China. However, the present per capita cement consumption in India is about 190 kg compared to 1580 kg in China.

The Cement Industry is optimistic that the thrust and importance given in the Union Budget for the development of National Highways/ Freight Corridors, Rural and Urban Roads, Affordable Housing, Port Connectivity, Development of 100 Smart Cities, fast expanding network of metro rail in state capitals etc. should help in boosting the muted growth of Cement Industry.

Currently the total installed capacity is around 400 Million Tons and projected to increase to 480 Million Tons by 2017 as per the report of the Working Group on Cement Industry for XIIth Five Year Plan (2012-2017). Following projections were made by the Working Group;

Ending March	Base Line	Baseline+ Concrete roads + Housing	Baseline + Concrete roads + Housing + Fiscal Support	Assumed Rate of Growth (in %)		
				1	2	3
Scenario	1	2	3	1	2	3
2017	442.5	473.9	479.3	7.1	8.5	8.8
2022	692.3	793.4	811.4	9.4	10.9	11.1
2027	1084.0	1329.3	1374.9	9.4	10.9	11.1

In order to achieve these targets, many more cement projects with grinding units and bulk terminals are in pipeline and the EPC concept is becoming need of the hour for the fast track execution of Projects.

The prestigious project of ACC (Holcim Group) bagged by the Company in 2012 is going for commissioning this year. Another assignment has been received from ACC for construction of a grinding unit. After successful implementation of these projects, the Company hopes to make further breakthroughs in this new business segment. Already a few dialogues are in advance stage with other major cement producers.

Infrastructure

The Indian Infrastructure Sector in the previous years was crippled with issues such as land acquisition, environmental clearances, high cost of rupee, stressed working capital, dull macroeconomic conditions and so on. The new government is trying to put the sector in order and has brought the focus on infrastructure development, primarily on logistics infrastructure creation and urbanization. Developing Smart Cities and AMRUT Cities, High Speed railway connectivity, Dedicated Freight corridor, enhanced metro rail connectivity are on the top of the agenda of the present Government.

The Government is also working on untangling the road blocks and activating the stuck infra projects. Equal emphasis is laid on social developmental projects such as Hospitals and Educational Institutions.

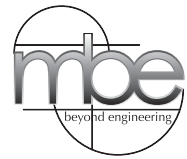
The Company continues to maintain its focus in these areas with additional emphasis being laid on higher remunerative projects and also move up in the value chain.

Opportunities & Threats

The Company is facing increased competition in many areas of its operations due to entry of a large number of domestic & International players. In addition, ordering for new projects had slowed down in the last 2 years due to delays in taking administrative & policy decision by the Government, tight Cash Flow, land acquisition issues & obtaining environmental clearances.

Segmentwise or Productwise Performance

The Company is engaged in turnkey projects in infrastructure and related manufacturing activities and therefore the question of segment-wise performance does not arise.



Outlook

The company has an order backlog of around Rs. 5736 Crores and hopes to continue the past growth trend this year also.

RISKS & CONCERNS

The EPC Business as such is exposed to risks at various stages. Increase in raw material prices of steel, cement and other items, delays in payment from the Customer coupled with high interest cost of borrowings, delays at construction sites due to unforeseen circumstances beyond control, all add to increase in project costs. Your company has got in place risk mitigation strategies to minimize the impact of such events. Moreover, with Oracle based ERP implemented across the company, your company is better equipped today to monitor all operations on real time basis, thereby taking corrective actions and reducing risk.

Material Developments in Human Resources / Industrial Relations Front, including Number of People Employed

Your company believes in building long-term relationships with all stakeholders, with equal emphasis on the “employee”, and in ensuring “employee delight”. This is epitomized in the remarkable retention rates and numerous incidences of long-service awards. In terms of employee care, the organization provides to and fro transport to its employees (at HO & Project Sites), meal coupons, insurance coverage including immediate family, not to mention the informal environment evident in the camaraderie shared between employees of diverse work groups and across hierarchy. All of this contributes to the creation of a happy, loyal and committed work-force.

Your Company is continuing with its organization transformation exercise with some of the key focus areas being organization restructuring and resizing for improving organizational efficiency, compensation bench marking, competency assessment for senior management and leadership team, followed by individual development plans to create a healthy succession pipeline for critical leadership positions.

Your Company also boasts of attracting young talent from Infrastructure and Construction industry as lateral hires who are absorbed directly in the Middle Management category thereby increasing the organizational capability. Your Company is invited for campus visits on prestigious first-day slots at all the targeted institutions.

The industrial relations during the year have been cordial.

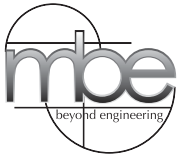
Internal Control Systems and their Adequacy

Your Company has a detailed well spelt internal control system in place to ensure that all financial, commercial and legal transactions are fully authorized, recorded and correctly reported. The Audit Committee of the Board of Directors, chaired by an experienced Independent Director, reviews the adequacy of the Internal Control System. The Company’s Internal Audit Department is in charge for periodically carrying out detailed audit of the transactions of the Company at various project sites, manufacturing locations and offices in order to ensure that recording and reporting are adequate and as per the policy of the Company. The Internal Auditors periodically physically verify the Company’s assets and ensure that there is no unauthorized usage. The assets are kept in proper conditions and are covered under adequate insurance.

Financial Performance

The financial year 2014-15 has been the most challenging year in the recent past for the entire infrastructure sector. Complete policy paralysis at the Government level and resulting deferment and delay on all new projects in the infra sector reduced the overall opportunities for all the players. This has resulted in significant fall in order booking during the financial year for all the players. Your company is no exception and during the year the fresh order inflow was substantially lower at Rs.1226 Cr. The company during the year faced severe working capital crunch due to nonpayment of dues by certain Private and Public sector customers and delayed execution on part of some customers. This has affected the execution and the billing in spite of high opening order book at the beginning of the financial year. The borrowing level during year increased substantially which also created pressure on cash flow and profitability due to high interest burden. Though the top line during the year was maintained at the same level of previous year, the pressure on high interest payout and higher provision of depreciation due to change in accounting policy resulted in loss of Rs. 114.22 crores during the financial year.

To improve the performance and increase the availability of working capital, the company has taken certain measures. To recapitalize the company and restoring erosion of net worth due to losses, equity issue of Rs. 400 cr have been planned out of which Rs. 102 cr has already been received in Mar’15. In July’15 the shareholders have approved preferential allotment of equity to EMC Ltd for Rs. 100 cr, which on completion of SEBI Takeover Code related formalities shall be issued and post this issue, EMC Ltd will become a joint promoter along with Williamson Magor Group. In addition, the bankers of the company has already decided to provide additional working capital facility to the company which shall help to boost the working capital availability. Adequate steps have been taken to monetize overseas investments and as part of this effort, the Singapore based 100% owned subsidiary of the Company has entered into a sale agreement to sale 70% holding in its German subsidiary at a value of Euro 14 million. After paying off the overseas debt in the subsidiary an estimated inflow of Rs. 60-70 cr shall come into the company in the current financial year. Effective steps have been taken to complete the



old and held up projects and to bring back retention money and stuck up receivables within the current financial year. The company expects unlocking of at least Rs. 100 cr on this account.

Disclosure by the Management

Your Board has received confirmation from its senior managerial staff that they had no personal interest in any material, financial and commercial transactions of the Company.

Cautionary Statement

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report, have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assumed.

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO

Annexure C to the Directors' Report

Corporate Governance

In accordance with Clause 49 of the Equity Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report containing the details of the Company's policies on Corporate Governance and due compliance report on specific areas wherever applicable for the year ended March 31, 2015 are given hereunder:-

I Company's Philosophy:

The Company continues to commit itself to maintain the highest standards of integrity, transparency and accountability in all facets of its operations and to create Shareholders' value on a sustainable basis. The Company believes that good Corporate Governance, with transparency and independence as its key ingredients, provides a market oriented framework for the running of the Company. It can ensure a proper balance between management, board and shareholders, adequate levels of transparency, appropriate compensation schemes and the prevention of conflict of interests.

II Governance Structure with Defined Roles and Responsibilities:

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge its responsibilities in an effective manner. The Company Secretary of the Company acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. The Chairman provides overall direction and guidance to the Board. In the operations and functioning of the Company, the Chairman is assisted by two Whole Time Directors and a core group of senior level executives.

The Company has also instituted a legal compliance programme, supported by a strict internal reporting system that covers the Company's various project sites as well as its subsidiaries. The purview of this system includes various statutes, such as industrial and labour laws, taxation laws, corporate and securities laws and health, safety and environment regulations.

III. Corporate Governance Practices:

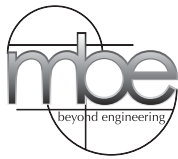
The Company maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented governance norms include the following:

- All securities related filings with Stock Exchanges and Securities & Exchange Board of India (SEBI) are reviewed every quarter by the Company's Stakeholders' Relationship Committee of Directors.
- The Company has independent Board Committees for matters related to Corporate Governance and stakeholders' interface and nomination of Board members.
- The Company's internal audit is conducted by a designated and experienced team.
- The Company also undergoes quarterly secretarial audit conducted by an independent company secretary who is in whole-time practice. The annual secretarial audit report is placed before the Board and is included in the Annual Report.

IV. Board of Directors:

a. Composition of the Board:

The Board of Directors comprises eleven members at the end of the financial year, consisting of nine Non-Executive Directors who account for 82 percent of the Board's strength as against minimum requirement of 50 percent as per the listing agreement. The Non-executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law and public enterprises. The composition is as under:



Name of Directors	Category of Directors	No. of other Directorships held		No. of other Board Committee(s) of which he/she		No. of shares held in the Company as at March 31, 2015
		Public	Private	Is a Member	Is a Chairperson	
Mr. Aditya Khaitan	Promoter - Non Executive Chairman	8	1	5	2	0
Mr. Virendra Kumar Verma	Independent – Non Executive	0	0	0	0	700
Mr. Utsav Parekh	Independent – Non Executive	7	0	2	0	100
Mr. Amritanshu Khaitan	Promoter - Non Executive	8	1	0	0	8,000
Mr. Subir Ranjan Dasgupta	Independent – Non Executive	2	7	4	0	2,500
Mr. Asim Kumar Barman	Independent – Non Executive	0	1	0	0	0
Mr. Sudipto Sarkar	Independent – Non Executive	5	2	6	0	0
Mr. P H Ravikumar	Independent – Non Executive	7	5	6	4	0
Miss. Nandini Khaitan###	Additional – Non Executive	8	0	0	0	0
Mr. Prasanta Kumar Chandra	Executive – Whole Time Director	2	2	0	0	1,000
Mr. Prabir Ghosh	Executive – Whole Time Director	2	0	0	0	0

Excluding Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Due to the sad demise of Late Deepak Khaitan the position of Executive Chairman of the Company has been vacated w.e.f March 9, 2015.

Miss. Nandini Khaitan was appointed as an Additional Non-Executive Director of the Company w.e.f. March 30, 2015.

1. All independent directors have confirmed their independence to the Company.
2. The non-executive directors have no pecuniary relationship or transactions with the Company in their personal capacity.
3. Except Mr. Aditya Khaitan and Mr. Amritanshu Khaitan, who are the brother and son of Late. Deepak Khaitan, respectively, no director is related to any other Director on the Board.
4. The information as mentioned in Annexure – X of Clause 49 of the Listing Agreement with the Stock Exchange is made available to the Board members. The Board periodically reviews compliance reports of all laws applicable to the Company and the steps taken to rectify instances of non-compliance.
5. The Company has adopted the Code of Conduct for the Directors, Senior Management Personnel and other employees of the Company. The Code of Conduct is posted on the website of the Company. The Company has received confirmations from the Non-Executive Directors, Whole Time Directors and Senior Management Personnel regarding compliance with the Code of Conduct for the year ended March 31, 2015. A declaration to this effect signed by the Whole Time Directors is attached to this report.
6. All the directors who are on various Committees are within the permissible limits of the listing agreement. The Directors have intimated from time to time their membership in the various Committees in other Companies.
7. No convertible instruments are held by non-executive directors.

b. Selection of Independent Directors:

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under applicable laws.

c. Familiarisation programmes for Board Members:

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

d. Details of remuneration paid/payable to Non Executive Directors:

Name of the Directors	Sitting fees paid during the year (in Rs)
Mr. Aditya Khaitan	80,000
Mr. Virendra Kumar Verma	2,00,000
Mr. Utsav Parekh	1,80,000
Mr. Amritanshu Khaitan	1,20,000
Mr. Subir Ranjan Dasgupta	2,00,000
Mr. Asim Kumar Barman	3,60,000
Mr. Sudipto Sarkar	20,000
Mr. P H Ravikumar	1,00,000
TOTAL	12,60,000

e. Details of remuneration paid/payable to the Executive Chairman & the Whole Time Directors:

(In Rs)

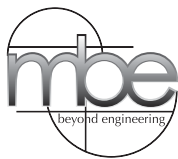
Particulars	Mr. Deepak Khaitan (Executive Chairman)	Mr. Prasanta Kumar Chandra (Whole Time Director & COO)	Mr. Prabir Ghosh (Whole Time Director & Group CFO)
Salary	1,74,50,000	1,03,83,900	1,08,17,741
Performance Bonus	–	–	–
Contributions to Provident Fund and other funds	21,81,250	5,67,300	5,67,300
Perquisites	1,39,84,758	13,800	33,830
Total remuneration	3,36,16,008	1,09,65,000	1,14,18,871

Notes:

- None of the Non-executive Directors receive any remuneration from the Company apart from the sitting fees for meetings attended by them.
- During the Financial Year, the Company exceeded the maximum amount permissible u/s 197 of the Companies Act, 2013 read with Schedule V of the said Act towards managerial remuneration. However, the Company has taken necessary approval from its shareholder through a special resolution at the Extra Ordinary General Meeting held on July 30, 2015 and has applied to the Central Government/National Company Law Tribunal for waiver of such excess payment of Managerial Remuneration.
- The salary of Mr. Deepak Khaitan, the Executive Chairman of the Company was paid upto March 9, 2015, the date of his demise.
- The resolutions appointing the Executive Chairman or the Whole Time Directors do not provide for payment of severance fees.

f. Board Meetings and attendance of Directors:

- The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board Meetings and the same were dealt with appropriately.
- During the year, 6 Board Meetings were held on May 30, 2014, August 14, 2014, November 14, 2014, February 02, 2015, February 13, 2015 and March 30, 2015. The Ministry of Corporate Affairs vide General Circular No. 28/2011, dated 20.05.2011, has permitted the participation of Directors in Board Meetings through electronic mode. As permitted by the aforesaid circular, some of the Directors participated through electronic mode at the aforesaid Board Meetings.
- The attendance recorded for each of the Directors at the Board Meetings during the year ended on March 31, 2015, and of the last Annual General Meeting is as under :



Directors	Number of Board Meetings attended	Attendance at the Last AGM
Mr. Deepak Khaitan	1	No
Mr. Aditya Khaitan	4	Yes
Mr. Virendra Kumar Verma	4	No
Mr. Utsav Parekh	4	No
Mr. Amritanshu Khaitan	6	Yes
Mr. Subir Ranjan Dasgupta	4	No
Mr. Asim Kumar Barman	5	Yes
Mr. Sudipto Sarkar	1	No
Mr. P H Ravikumar	3	No
Mr. Prasanta Kumar Chandra	5	Yes
Mr. Prabir Ghosh	6	Yes
Miss Nandini Khaitan	0	No

g. Code of conduct:

The Code of Conduct of the Company as adopted by the Board of Directors is applicable to all Directors, senior management and employees of the Company. The Code is available on the Company's corporate website.

The Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

V. Audit Committee

The role and terms of reference of the Audit Committee includes the areas laid down in Section 177 of the Act and Clause 49 III (D) of the Listing Agreement. The powers of the Audit Committee are in accordance with Clause 49 III (C) of the Listing Agreement. The Audit Committee also reviews the information stipulated under Clause 49 III (E) of the Listing Agreement.

Brief descriptions of the terms of reference of the Audit Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition:

The Audit Committee was constituted by the Board of Directors. Member Directors of the Audit Committee are as under:

Mr. V.K. Verma (Chairperson)
 Mr. Asim. Kr. Barman
 Mr. S.R. Dasgupta
 Mr. Utsav Parekh

All the members of the Audit Committee are Non-executive Independent Directors. The Committee has elected Mr. Virendra Kumar Verma as its Chairman. In the absence of Mr. Verma, Mr. S.R. Dasgupta Chairs the Meetings. All the members of Audit Committee are financially literate and Mr. V.K. Verma is having accounting and related financial management expertise.

The Audit Committee Meetings were held on May 30, 2014, August 14, 2014, November 14, 2014 and February 13, 2015. The attendance of each Audit Committee member is as under:

Name of the Audit Committee Member	Number of meetings attended
Mr. Virendra Kumar Verma	4
Mr. Utsav Parekh	3
Mr. Subir Ranjan Dasgupta	3
Mr. Asim Kr. Barman	3

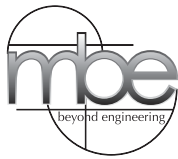
At the invitation of the Company, representatives from various divisions of the Company, internal auditors, statutory auditors, Whole Time Director & Group CFO and Company Secretary who is acting as Secretary to the Audit Committee also attend the Audit Committee Meetings to respond to queries raised at the Committee Meetings.

VI. Nomination and Remuneration Committee

The name of the existing Remuneration Committee was changed to Nomination and Remuneration Committee in compliance with Section 178 (1) of the Companies Act, 2013 and Clause 49 IV (A) of the Listing Agreement.

The broad terms of reference of the Nomination & Remuneration Committee are as follows:

- a. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- b. To carry out evaluation of every Director's performance



- c. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- d. To formulate the criteria for evaluation of Independent Directors and the Board.
- e. To recommend/review remuneration of the Executive Director(s) and Whole-time Director(s) based on their performance.
- f. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- g. To perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition:

The composition of the Committee is as under:

- Mr. Asim. Kr. Barman (*Chairman*)
- Mr. V. K. Verma
- Mr. S. R. Dasgupta
- Mr. Utsav Parekh

The Nomination & Remuneration Committee of the Company met twice during the year on May 30, 2014 and March 30, 2015. The attendance of the members of the Remuneration Committee was as follows:

Name of Remuneration Committee Member	Number of meetings attended
Mr. Asim Kumar Barman	2
Mr. Subir Ranjan Dasgupta	2
Mr. Utsav Parekh	1
Mr. V. K. Verma	1

Remuneration Policy:

Remuneration of employees largely consists of basic remuneration, perquisites and performance incentives.

The component of the total remuneration varies for different grades and is governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him and his individual performance.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

VII. Stakeholders Relationship Committee

The name of the existing Investors Grievance Committee has been changed to Stakeholders Relationship Committee in compliance with Section 178(5) of the Companies Act, 2013 which requires the Chairperson of the Committee to be a non executive Director. Therefore the Committee was reconstituted as follows:

- Mr. Asim Kr. Barman (*Chairman*)
- Mr. P. H. Ravikumar
- Mr. Sudipto Sarkar
- Mr. P. K. Chandra
- Mr. P. K. Ghosh

The Stakeholders Relationship Committee of the Company met once during the year on May 30, 2014. The attendance of the members of the Shareholders'/Investors' Grievance Committee was as follows:

Stakeholder Relationship Committee Member	Number of meetings attended
Mr. Sudipto Sarkar	–
Mr. P H Ravikumar	1
Mr. Asim Kumar Barman	1
Mr. Prabir Ghosh	1
Mr. Prasanta Kumar Chandra	1

All Investors complaints, which cannot be settled at the level of the Registrars - Maheshwari Datamatics Private Limited and the Company Secretary and the Compliance Officer, will be forwarded to the Stakeholders Relationship Committee for final settlement.

Investors' Grievances

The following table shows the nature of complaints received from shareholders during 2014-15.

Nature of complaints	Pending as on April 1, 2014	Received during the year	Replied/ resolved during the year	Pending as on March 31, 2015
Non receipt of Dividend Warrants	0	2	2	0
Non receipt of Share certificates	0	0	0	0
Non receipt of Annual Reports	0	0	0	0
Total	0	2	2	0

Investors' complaints are generally redressed within fifteen days from their lodgment.

The Company confirms that there were no share transfers lying pending as on March 31, 2015, and all requests for dematerialization and re-materialization of shares as on that dates were confirmed/ rejected into the NSDL/CDSL system.

VIII. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on May 30, 2014 by the Board under Section 135 of the Companies Act, 2013, which is as under:

Mr. Asim Kr Barman (*Chairperson*)

Mr. P.K.Chandra

Mr. P.K.Ghosh

The Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy regarding the activities to be undertaken by the Company as specified in Schedule VII of the Act. The Committee shall also recommend the amount of expenditure to be incurred on the activities as mentioned above and monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year a meeting of the Corporate Social Responsibility Committee was held on 30.05.2014 which was attended by all the three members of the Committee.

IX. Meeting of Independent Directors

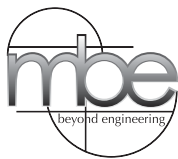
During the year a meeting of the Independent Directors was held on 14th November, 2014 which was attended by Mr. S.R. Dasgupta, Mr. V.K Verma, Mr. P.H. Ravikuar, Mr. Utsav Parekh and Mr. A.K. Barman. Leave of Absence was granted to Mr. Sudipto Sarkar.

X. Extraordinary General Meeting:

An Extraordinary General Meeting of the Company was held on February 28, 2015.

The attendance recorded for each of the Directors at the last Extra Ordinary General Meeting is as under :

Directors	Attendance at the Last EGM
Mr. Deepak Khaitan	No
Mr. Aditya Khaitan	Yes
Mr. Virendra Kumar Verma	No
Mr. Utsav Parekh	No
Mr. Amritanshu Khaitan	Yes
Mr. Subir Ranjan Dasgupta	No
Mr. Asim Kumar Barman	Yes
Mr. Sudipto Sarkar	No
Mr. P H Ravikumar	No
Mr. Prasanta Kumar Chandra	Yes
Mr. Prabir Ghosh	Yes



XI. Other Board Committees

a. Committee of Directors

During the year, 52 Committee of Directors Meetings were held on April 3, 2014, April 10, 2014, April 17, 2014, April 24, 2014, April 30, 2014, May 8, 2014, May 15, 2014, May 22, 2014, May 29, 2014, June 5, 2014, June 12, 2014, June 19, 2014, June 26, 2014, July 3, 2014, July 10, 2014, July 17, 2014, July 24, 2014, July 31, 2014, August 7, 2014, August 14, 2014, August 21, 2014, August 28, 2014, September 4, 2014, September 11, 2014, September 18, 2014, September 25, 2014, September 30, 2014 October 9, 2014, October 16, 2014, October 22, 2014, October 30, 2014, November 6, 2014, November 13, 2014, November 20, 2014, November 27, 2014, December 4, 2014, December 11, 2014, December 18, 2014, December 24, 2014, January 1, 2015, January 8, 2015, January 15, 2015, January 22, 2015, January 29, 2015, February 5, 2015, February 12, 2015, February 19, 2015, February 26, 2015, March 4, 2015, March 12, 2015, March 19, 2015 & March 26, 2015.

The attendance recorded for each of the Directors at the Committee of Directors' Meetings during the year ended on March 31, 2015 is as under:

Committee Member	Number of Committee of Directors' Meetings attended
Mr. Deepak Khaitan	–
Mr. Subir Ranjan Dasgupta	–
Mr. Asim Kumar Barman	5
Mr. Prasanta Kumar Chandra	52
Mr. Prabir Ghosh	52

XII. Allotment Committee:

The Board has formed an Allotment Committee consisting of the following Directors:

Mr. S.R. Dasgupta, Chairman of the Committee

Mr. Prabir Ghosh

Mr. Prasanta Kumar Chandra

The Allotment Committee of the Company met twice during the year on 3rd March, 2015 and 13th March, 2015 for which Mr. S.R. Dasgupta waved the sitting fees. The attendance of the members of the Allotment Committee was as follows:

Allotment Committee Member	Number of meetings attended
Mr. S R Dasgupta	2
Mr. Prabir Ghosh	2
Mr. Prasanta Kumar Chandra	2

XIII. Subsidiary Companies:

The Company has the following subsidiaries as on 31st March, 2015:

- McNally Sayaji Engineering Limited
- McNally Bharat Equipments Limited
- McNally Bharat Infrastructure Limited
- MBE Coal & Mineral Technology India Private Limited
- MBE Mineral Technologies Pte Limited, Singapore
- MBE Minerals Zambia Limited
- McNally Bharat Engineering (SA) Proprietary Limited

MBE Minerals Technologies Pte. Limited, Singapore has the following subsidiary :

MBE EWB Technologies Kft, Hungary

The Company has its representations in the Board of the above subsidiaries.

XIV. Disclosures

- The Company has adopted a policy on dealing with Related Party Transactions and the same is disclosed at the website of the Company.

There was no material related party transaction for the year ended 31st March, 2015.

- b. Disclosure of Accounting Treatment: All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.
- c. The Company has adopted a Risk Management Policy and has laid down procedures for informing the Board members about the risk assessment and minimization procedures in accordance with clause 49(VI) of the Listing Agreement with the Stock Exchange.
- d. The Company has formulated a Whistle Blower Policy and established a Vigil Mechanism for Directors and Employees and same has been disclosed in the Company's website. The Management affirms that no personnel has been denied access to the Audit Committee.
- e. The Senior management has informed the Board in accordance with Clause 49(VIII)(D)(2) of the Listing Agreement that they are not having any personal interest in material, commercial and financial transactions of the Company that may have potential conflict with the interest of the Company at large.
- f. The Whole Time Director & COO and the Whole Time Director & Group CFO have given the necessary certificates as required under Clause 49(IX) of the Listing Agreement.
- g. The Company has issued formal appointment letters to all Independent Directors and the terms and conditions of appointment of Independent Directors appointed under the Companies Act, 2013, have been disclosed on the website of the Company.
- h. The Company has adopted a policy on remuneration for Directors, Key Managerial personnel and other employees and has laid down evaluation criteria for Independent Directors. Both the above policies are available in Annexure E of the Annual Report. The policy on Independent Director's familiarization and continuing education program is available at the Company's Website.
- i. Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years – Nil.
- j. None of the non-executive director has any pecuniary relationship or transactions with the company.
- k. All the mandatory requirements have been appropriately complied with.
- l. All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- m. Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement with Stock Exchange.
- n. There were no material, financial and commercial transactions by Senior Management as defined in Clause 49 of the listing agreement where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

XV. Compliance with of Non-Mandatory Requirements

The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:

i. The Board:

No separate office is maintained for Executive Chairman and therefore during the year under review, no expenses were incurred in connection therewith.

ii. Shareholder Rights:

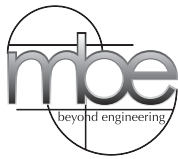
Half-yearly declaration of financial performance including summary of the significant events in last six months are presently not being sent to the Shareholders of the Company.

iii. Reporting of Internal Auditors:

The Reports of Internal Auditors are placed before the Audit Committee on a quarterly basis.

XVI. Compliance Certificate

Compliance Certificate for Corporate Governance from Auditors of the Company is given as Annexure to this report.



XVII. General Body Meetings

The details of General Meetings held in the last three years are as under:

Annual General Meeting:

AGM	Day	Date	Time	Venue
49th	Friday	September 28 2012	11.00 a.m	Eastern Zonal Cultural Centre, Purbashree IB- 201, Sector – 3, Salt Lake City, Kolkata – 700106
50th	Friday	September 27 2013	11.00 a.m	Eastern Zonal Cultural Centre, Purbashree IB- 201, Sector – 3, Salt Lake City, Kolkata – 700106
51st	Wednesday	July 30 2014	11.00 a.m	Eastern Zonal Cultural Centre, Purbashree IB- 201, Sector – 3, Salt Lake City, Kolkata – 700106

Details of Special Resolutions adopted in the previous 3 AGMs:

The following special resolutions were adopted in the Annual General Meeting of the Company during the past 3 financial years and e voting facilities were made available to the shareholders:

Particulars of Resolution	Resolution adopted on	No. of shares and % of Votes in Favour	No. of shares and % of Votes against
Creation of Mortgage or Charge under Section 180 (1) (c)	July 30, 2014	1,17,42,320 100% of the valid votes casted	Nil, 0.00% of the valid votes casted
Increasing the borrowing limit under section 180 (1) (c)	July 30, 2014	1,17,42,120 100% of the valid votes casted	200, 0.00% of the valid votes casted
Increasing the limits of loan & investments under section 186	July 30, 2014	1,17,42,319 100% of the valid votes casted	1, 0.00% of the valid votes casted
Increasing the authorized share Capital of the Company	July 30, 2014	1,17,42,320 100% of the valid votes casted	Nil, 0.00% of the valid votes casted
Change in Capital Clause of Articles of association	July 30, 2014	1,17,42,320 100% of the valid votes casted	Nil, 0.00% of the valid votes casted
Further Issue of Shares	July 30, 2014	1,17,42,310 100% of the valid votes casted	100.00% of the valid votes casted

Ajay Kumar Chandak, a Practicing Chartered Accountant was appointed scrutinizer to scrutinize the e-voting process.

The following Resolutions were adopted at the Extraordinary General Meeting of the Company during the past 3 financial years and e voting facilities were made available to the shareholders:

Particulars of Resolution	Resolution adopted on	No. of shares and % of Votes in Favour	No. of shares and % of Votes against
Issue of 75,00,000 equity shares on Preferential Basis to Person/ entities not forming part of Promoter/ Promoter Group	February 28, 2015	1,35,64,168 100% of the valid votes casted	3000.00% of the valid votes casted
Issue of 20,00,000 equity shares on Preferential Basis to Williamson Magor & Company Limited, an entity forming part of Promoter/ Promoter Group	February 28, 2015	1,13,82,769 100% of the valid votes casted	300 0.00% of the valid votes casted
Issue of 30,00,000 warrants on Preferential Basis to Williamson Magor & Company Limited, an entity forming part of Promoter/ Promoter Group	February 28, 2015	99,09,4278 7.05% of the valid votes casted	14,73,642 12.95% of the valid votes casted

Ajay Kumar Chandak, a Practicing Chartered Accountant was appointed scrutinizer to scrutinize the e-voting process.

The following Resolutions were passed by Postal Ballot during the past 3 financial years as per the procedures prescribed in The Companies (Passing of Resolution by Postal Ballot) Rules, 2001. The Results of Postal Ballot were as under:

Particulars of Resolution	Resolution adopted on	No. of shares and % of Votes in Favour	No. of shares and % of Votes against
Approval for payment of remuneration to Mr. Deepak Khaitan as the Executive Chairman of the Company during the tenure April 1, 2013 – August 11, 2016	December 27, 2013	1,18,04,319 99.253% of the valid votes casted	88,802 0.747% of the valid votes casted
Approval for payment of remuneration to Mr. Prasanta Kumar Chandra as the Whole Time Director & COO of the Company during the tenure April 1, 2013 – February 13, 2016	December 27, 2013	1,17,80,801 99.255% of the valid votes casted	88,422 0.745% of the valid votes casted
Approval for payment of remuneration to Mr. Prabir Kumar Ghosh as the Whole Time Director & Group CFO of the Company during the tenure April 1, 2013 – June 26, 2016	December 27, 2013	1,17,80,701 99.255% of the valid votes casted	88,462 0.745% of the valid votes casted
Increase in authorized share capital & alterations in Memorandum of Association of the Company	January 19, 2013	92,56,654 99.97% of the valid votes casted	2,424 0.03% of the valid votes casted
Alteration in Articles of Associations of the Company	January 19, 2013	92,57,711 99.98% of the valid votes casted	2,009 0.02% of the valid votes casted
Issue of Non Convertible Redeemable Preference Shares of Rs. 100/- each of an aggregate nominal amount not exceeding Rs. 120 Crores	January 19, 2013	92,55,533 99.97% of the valid votes casted	2,887 0.03% of the valid votes casted

As per the provisions of the Act and Listing Agreement with the Stock Exchanges the shareholders were given option to vote on all resolutions through electronic means and by means of ballot. Ajay Kumar Chandak, a Practicing Chartered Accountant was appointed scrutinizer to scrutinize the e-voting process.

a. Person who conducted the Postal Ballot exercise

Mr. Atul Kumar Labh, a Practicing Company Secretary, appointed as the scrutinizer conducted the Postal Ballot voting process, result of which was declared on December 27, 2013.

Mr. Ajay Kumar Chandak, a Practicing Chartered Accountant, appointed as the scrutinizer conducted the Postal Ballot voting process, result of which was declared on January 19, 2013.

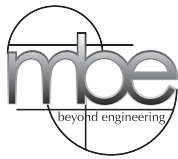
b. Procedure for Postal Ballot

The procedures as prescribed in the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, were followed for passing the special resolutions by Postal Ballot.

XVIII.Means of Communication:

Quarterly results:

- | | |
|---|--|
| (i) Which newspapers normally published in | Financial Express (All India Edition) Dainik Statesman (Bengali), Kolkata |
| (ii) Any web site, where displayed | www.mcnallybharat.com |
| (iii) Whether it also displays official news releases and presentations made to institutional investors/ analysts | General information on the Company, official news releases and presentations to analysts and institutional investors are also posted on the Company's website. |



XIX. General Shareholder Information

a. Annual General meeting to be held:

Day, Date, time and venue:

Day : Monday
 Date : September 28, 2015
 Time : 2:30 p.m
 Venue : Williamson Magor Hall, The Palladian Lounge The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata 700 001

b. Financial Year : 1st April to 31st March

c. Period of Book Closure : September 21 to 27, 2015 (both days inclusive)

d. Listing on Stock Exchanges:

The Equity shares of the Company are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Ltd, 'Exchange Plaza', C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400051 and listing fees have been paid for the year 2015-2016.

Stock Codes:

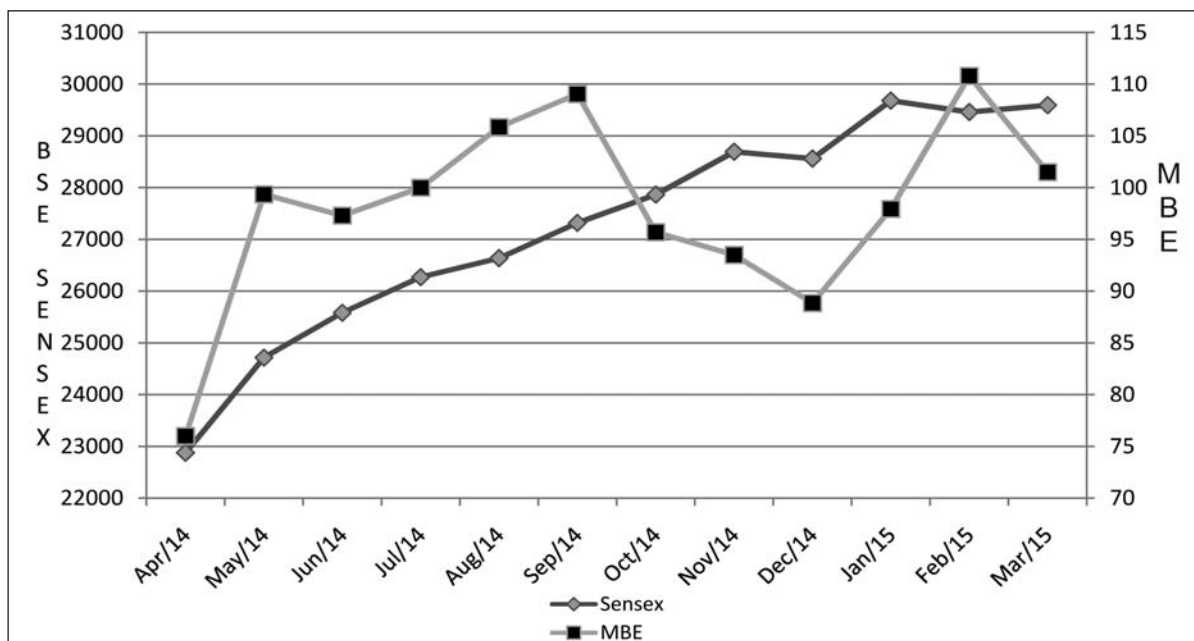
Bombay Stock Exchange	532629
National Stock Exchange	MBECL
Reuters Code	MCNL.BO
Bloomberg Code	MCNA:IN
International Securities Identification Number (ISIN) for the Company's shares in dematerialized form	INE 748A01016

e. Market Price Data:

The details of the monthly highest and lowest closing quotations of the equity shares of the Company at the Bombay Stock Exchange and the National Stock Exchange during the financial year 2014-15 are as under:

Month	Bombay Stock Exchange		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2014	76.00	66.25	76.35	66.45
May 2014	99.35	67.95	100.25	68.30
June 2014	97.30	89.00	98.70	88.70
July 2014	100.00	84.75	100.15	85.15
August 2014	105.85	85.00	105.85	85.10
September 2014	109.05	89.75	109.05	89.75
October 2014	95.70	87.40	95.40	86.85
November 2014	93.50	83.50	93.35	83.55
December 2014	88.85	74.65	88.25	74.90
January 2015	97.95	76.80	97.95	77.10
February 2015	110.80	88.95	111.00	88.95
March 2015	101.50	79.40	101.30	79.60

Share Price Performance in comparison to broad based indices – BSE Sensex:



Share Price Performance in comparison to broad based indices – BSE Sensex:

f. Share Transfer Agents:

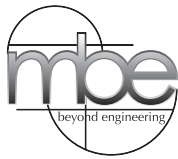
The Company has engaged the services of Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata 700001, a SEBI registered Registrar, as their Share Transfer Agents for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trading in Company's shares can now be done only in the dematerialized form, request for Demat and Remat should be sent directly to Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata 700001. Shareholders have the option to open their Accounts with a Depository Participant having connectivity with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

g. Share Transfer System:

As already stated, the Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Therefore, Investors/Shareholders are requested to kindly note that physical documents, viz. Demat Request Form (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 7 days from the date of generation of the DRF by the DP will be rejected/cancelled. This is being done to ensure that no Demat requests remain pending with the Share Transfer Agents beyond a period of 15 days. Investors/Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agents after generating the DRF.

h. Distribution of Shareholding as on 31st March, 2015:

No. of Shares	No. of holders	% of total holders	No. of shares	% of total shares
1 to 500	14,380	84.3204	1952504	6.5939
501 to 1000	1,309	7.6756	1086958	3.4034
1001 to 2000	627	3.6766	981801	3.0656
2001 to 3000	215	1.2607	551309	1.7580
3001 to 4000	93	0.5453	338225	1.1231
4001 to 5000	104	0.6098	497039	1.1524
5001 to 10000	133	0.7799	1004172	3.5096
10001 and above	193	1.1317	34181804	79.3940
Total	17,054	100.0000	40593818	100.0000



i. Pattern of Shareholding as on 31st March, 2015:

	Category	No. of Holders	No. of Shares
1	Promoter & Promoter Group		
	– Individual/HUF (Indian)	3	32021
	– Bodies Corporate (Indian)	9	12037743
	– Individual/HUF (Foreign)	–	–
	– Bodies Corporate (Foreign)	–	–
2	Mutual Funds	5	2937435
3	Financial Institutions/Banks	4	18770
4	Insurance Companies	4	528309
5	Foreign Institutional Investors	5	107487
6	Domestic Companies	551	11106174
7	Foreign Companies	–	–
8	Resident Individual	16108	13096617
9	Non Resident Individual	308	676230
10	Clearing Member	57	53032
Total		17,054	40593818

j. Convertible Instruments:

The Company allotted the following warrants of Rs. 100/- convertible into 1 equity share each (convertible within 18 months) to Williamson Magor & Company Limited on March 13, 2015 :

Date of Allotment	Category of Warrant holder	No. of Warrants held	As a Percentage of Total No. of Warrants	As a Percentage of Total No. of Shares of the Company assuming full conversion of warrants
13.03.2015	Promoter	30,00,000	100%	6.88%

k. Dematerialization of Shares:

As on March 31, 2015, 30669882 Shares of the Company's total shares representing 75.55% shares were held in dematerialized form and the balance 24.45% representing 9923936 shares were in paper form.

l. Address of Correspondence:

The Company's Registered Office is situated at 4, Mangoe Lane, Kolkata 700001.

Shareholders' correspondence should be addressed to:

McNally Bharat Engineering Company Limited

Share Department

4, Mangoe Lane, Kolkata – 700 001, Telephone Nos : 66281122, Fax No : 66282277, E-mail : mbecal@mbecl.co.in

Maheshwari Datamatics Private Limited

6 Mangoe Lane, 2nd Floor, Kolkata - 700 001, Telephone Nos : 2243-5029/5809

Fax No: 2248-4787, E-mail: mdpldc@yahoo.com

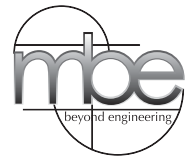
Contact person : Mr. S. Rajagopalan, Vice President

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO



Declaration by the CEO & CFO under Clause 49 of the listing agreement regarding adherence to the Code of Conduct

In accordance with Clause 49 sub-clause 1(D) of the Listing Agreement with the Stock Exchanges, we hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2015.

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of **McNally Bharat Engineering Company Limited**

We have examined the compliance of conditions of Corporate Governance by McNally Bharat Engineering Company Limited, for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange(s) in India.

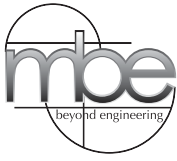
The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

Kolkata, August 13, 2015

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No: 52340



Annexure D to the Directors' Report

Annual Report on Corporate Social Responsibility Activities

Background

India has seen a period of sustained economic growth during the last ten years. The Country however still continues to face major challenges like poverty, illiteracy, malnutrition, health hazards, gender bias, environmental problems etc. These have resulted in a large section of the population remaining as 'un-included' from the mainstream. It is necessary to address these challenges through sustainable efforts, both by Government and Private Sector Organisations.

The Indian Business has traditionally been socially responsible. While a lot of human and economic resources are available for utilisation in the corporate world; a suitable mechanism is necessary to channelise these resources for socio-economic development. Keeping this in mind, the Ministry of Corporate Affairs had come out with a voluntary CSR Guidelines in 2009. The Companies Act, 2013 ('The Act') has made it mandatory for certain class of Companies to adopt a Corporate Social Responsibility Policy and spend every year an amount prescribed in the Act, towards discharging its obligations towards the Society in terms of the CSR Policy adopted by it.

McNally Bharat Engineering Company Limited (MBECL) is conscious of its social responsibilities and the environment in which it operates. The Company's Policy on Corporate Social Responsibility is as hereunder:

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company shall consist of three or more Directors amongst whom one shall be an Independent Director.

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of MBECL.

The CSR Committee shall :

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by MBECL as specified in Schedule VII of the Companies Act 2013 (the Act);
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- (c) Monitor the Corporate Social Responsibility Policy of MBECL from time to time.
- (d) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of MBECL.

CSR Activities

MBECL shall identify any one or more of the following areas for its CSR activities:

- Eradication of hunger and poverty;
- Promotion of education;
- Promotion of gender equality and empowerment of women;
- Reducing child mortality and improving maternal health;
- Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- Ensuring environmental sustainability;
- Employment enhancing vocational skills;
- Social business projects;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- The activity/list of activities identified by MBECL from time to time from the above items shall form part of this CSR Policy. Since this is the first year of formal CSR activity to be undertaken by MBECL under the provisions of Companies Act, 2013, the specific modalities of execution of CSR Project/Program and its Implementation Schedule is being developed by the Committee for recommending to the Board of Directors.

Preference shall be given to local area and areas around MBECL for spending the amount earmarked for CSR.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for MBECL and disclose its contents in their report and also publish the details on MBECL's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors shall ensure that MBECL spends at least 2% of the average net profits of MBECL made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

The Board of Directors may decide to undertake its CSR activities recommended by the CSR Committee, through a registered Trust or a registered society or a company established by MBECL under section 8 of the Act. – Provided that -

- If such trust, society or company is not established by MBECL or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- MBECL shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism.

MBECL may also collaborate with other Companies for undertaking projects or programs for CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programmes.

MBECL may build CSR capacities of their own personnel as well as of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed 5 (five) percentage of the total CSR expenditure of MBECL in a financial year.

CSR Expenditure

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, MBECL will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down as abovementioned.

CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

Any unspent/unutilised CSR allocation of a particular year, will be carried forward to the following year, that is, the CSR Budget will be non-lapsable in nature.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity with the CSR Policy.

Exclusions

The CSR activities shall be undertaken by MBECL, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

Any Contribution of any amount directly or indirectly to any political party under section 182 of the Act, by MBECL shall not be considered as CSR activity.

The CSR projects or programs or activities that benefit only the employees of MBECL and their families shall not be considered as CSR activities in accordance with section 135 of the Act. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of MBECL.

Implementation

CSR programmes will be undertaken by various work centres/locations of MBECL to the best possible extent within the defined ambit of the identified Project/ Program.

The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

By and large, it may be ensured that the CSR programmes shall be executed in and around the areas adjoining Company's workplace and factories/ Project sites/ work centres.

Powers for Approval

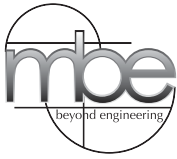
CSR programmes as may be identified by each work centre/corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

Monitoring and Feedback

To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly/quarterly basis.

The CSR Committee at the corporate office will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.

Work centres and locations will also try to obtain feedback from beneficiaries about the programmes.



Appropriate documentation of MBECL's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of MBECL will be reported in the Annual Report of MBECL & the Board's Report in compliance with Section 135 and rules made thereunder.

General

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

MBECL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines.

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO

The Composition of the Corporate Social Responsibility Committee (CSR Committee):

The CSR Committee of the Company consists of the following Members:

Mr. Asim Kr Barman (*Chairperson*)
 Mr. P. K. Chandra
 Mr. P. K. Ghosh

Average net profit of the Company for last three financial years: Rs. (4936.04) Lacs

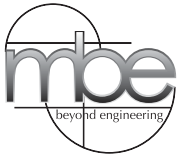
Prescribed CSR Expenditure (2% of the average net profit above): Not Applicable

However, the Company, as a good corporate practice, has spent the following amount in the following manner during the financial year ended 31st March, 2015:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and District where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise Amount spent on the projects or programmes Sub-heads:(1) Direct expenditure on projects or Programmes. (2)Overheads:	Cumulative expenditure upto the reporting period (Rs.)	Amount spent: Direct or through implementing agency
1	Coaching support for 25 children from disadvantaged urban communities	Education	Ward 58 (Tangra area) of Kolkata Municipal Corporation, West bengal	Budget for Financial Year 13-14 Rs. 150300.00	138753.00	Direct
				(1) Direct expenditure : Rs. 132753.00		
				(2) Overheads: Rs. 6000.00		
				Budget for Financial Year 14-15 Rs. 130100.00	280854.00	Direct
				(1) Direct expenditure : Rs. 135501.00		
				(2) Overheads: Rs. 6600.00		

Reasons for failing to spend the two percent of the average net profit of the last three financial years or any part thereof:
 Not Applicable

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.



Annexure E To The Directors' Report

REMUNERATION POLICY

1. Preamble

Section 178 of the Companies Act, 2013 requires every Listed Company and certain other class of Companies to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee set up, pursuant to above Section is to formulate the criteria for determining qualifications and positive attributes and independence of a Director and recommend to the Board the above Policy for adoption. Clause 49 of the Listing Agreement also contains a similar provision. Additionally it requires, a Policy on Board diversity. The Company is also required to disclose the Remuneration Policy in its Annual Report.

2. Policy

In compliance of the above requirements the Board of Directors of McNally Bharat Engineering Company Limited, being a Listed Company, has adopted this Remuneration Policy.

3. Policy Objectives

The aims and objectives of the Policy may be summarised as under:-

- a. The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons/Members for the Board and Executive level.
- b. The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account Shareholder interests, industry standards and relevant Indian corporate regulations.
- c. The Remuneration Policy seeks to ensure that the interests of the Board Members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- d. The Remuneration Policy will ensure that the remuneration to Directors and Executives 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.

4. Principles of Remuneration

I. Transparency:

The process of remuneration management shall be transparent, unbiased and impartial and conducted in good faith and in accordance with appropriate levels of confidentiality.

II. Performance Driven Remuneration:

The Company should follow the culture of performance driven remuneration by way of implementation of performance incentive system and annual assessment.

III. Affordability and Sustainability:

The Company shall ensure that the remuneration at various levels is affordable and is capable of being sustained.

IV. Flexibility:

While the remuneration packages at various levels should be standardised, there should be enough scope to make it flexible with a view to reward candidates with exceptional qualities and competence.

V. Internal Equity:

The Company shall strive to remunerate the Board Members and other Executives in terms of their roles and responsibilities undertaken within the Organisation. Their contribution and value addition for the growth of the Company shall be counted while fixing their remuneration and subsequent promotion. The same principle shall also be observed for other Executives.

VI. External Equity:

With a review to retain the best talents, the Company shall on a continuous basis procure information relating to market trend of remuneration packages being offered by various Companies in the same sector and try to match the remuneration accordingly.

VII. Non-Monetary Benefits:

The Company may consider extending certain Non-monetary Benefits with a view to offer social security to the families of the present and the past employees of the Company.

5. Remuneration for Directors in Wholetime Employment

The Board of Directors subject to the approval of the Shareholders at a General Meeting approves the remuneration payable to the Wholetime Directors/ Executive Directors based on the recommendation of the Nomination and Remuneration Committee. Executive Directors' remuneration is reviewed annually against performance, keeping in view the size and complexity of business and challenges encountered during the period under review.

The remuneration package of the Executive Directors shall comprise of the following components.

- a) Basic Salary:
The basic salary shall be fixed within a salary grade.
- b) Bonus:
The Executive Directors may be granted performance bonus not exceeding 6 months' salary in a year, as may be approved by the Board.
- c) Reimbursement:
In addition to the salary and performance bonus payable, the Board may subject to/pursuant to the approval of the shareholders at a general meeting, grant reimbursements to the Executive Directors as the Board may deem fit within a fixed scale.
- d) Variable Pay and Other Benefits:
As may be determined by the Board of Directors from time to time.
- e) Sitting Fees:
The Executive Directors will not be entitled to any fee for attending the Meetings of the Board of Directors and Committees thereof.

6. Remuneration of Non- Executive Directors

- I. Sitting Fees:
The Non-Executive Directors shall be paid Sitting Fees for attending the Board and Committee Meetings as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the ceiling fixed in the Companies Act, 2013. They will also be reimbursed travelling and out of pocket expenses on actual basis for attending the meetings.
- II. Commission:
Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Non- Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

7. Remuneration of Key Managerial Personnel and Other Executives

The Director, Key Managerial Personnel or other executives shall be paid monthly remuneration as per MBEC's HR policies and / or as may be approved by the Committee. The break-up of the pay scale, bonus and quantum of perquisites including housing, car, medicals, leave travel allowance, club fees, leave encashment, insurance, retiral benefits and other perquisites and allowances etc. shall be as per the Company's HR policies.

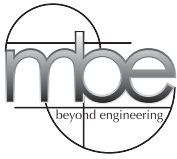
In case any of the relevant regulations require that remuneration of the Key Managerial Personnel or other executives is to be specifically approved by the Committee and / or the Board of Directors, then such approval will be accordingly procured.

8. Role of Nomination & Remuneration Committee

The role and responsibilities of the Nomination and Remuneration Committee shall be as prescribed in Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

9. Selection Of Board Members

- i. Nomination of a suitable person for appointment as a Director is a major responsibility of the Nomination and Remuneration Committee. The objective is to ensure that the Company's Board is competent at all points of time to be able to take decisions commensurate with the size and scale of operations and complexities of business. The Committee is to promptly identify candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board, after due consideration decides on the selection of the right candidate for appointment.
- ii. While considering nomination of candidates for appointment on the Board, the Nomination and Remuneration Committee will consider candidates not only from the field in which the Company operates but also from other professional areas like management, finance, accountancy, law, banking, merchant banking etc., with the objective of maintenance of Board diversity. The Committee shall also consider the following qualifications like possessing



basic academic qualification, requisite knowledge, experience and business skills that will benefit the Company and its business operations.

- iii. At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :-Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self confident, sees the whole picture.
- iv. While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder as also in Clause 49 of the Listing Agreement

10. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board, removal of a Director, Key Managerial Personnel or other executives subject to the provisions and compliance of the said Act, rules and regulations.

11. Retirement

The Director, Key Managerial Personnel or other executives shall retire as per the applicable provisions of the Act and the prevailing policy of MBECL. The Board will have the discretion to retain the Director, Key Managerial Personnel or other executives in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of MBECL.

12. Approval and Disclosure

This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

This policy shall be accordingly disclosed as part of the Board's Report.

13. Amendment

The right to interpret /amend/modify this Policy vests in the Board of Directors of the Company.

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

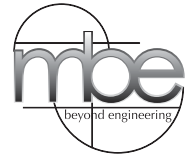
Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO

CRITERIA FOR EVALUATION OF THE INDEPENDENT DIRECTORS AND THE BOARD

The Nomination and Remuneration Committee has approved the following criteria for evaluation of Independent Directors and the Board in terms of clause 49(II)(B)(5)(a) of the Listing Agreement with the Stock Exchanges:

- I. Regular attendance in Board Meetings
- II. Participation in discussions and contributions made
- III. Expression of independent opinion on various matters taken up by the Board
- IV. Adequate knowledge about the Company's business and the Country's business and economic scenario.
- V. Innovative ideas for growth of the Company and in solving problems faced by the Company.
- VI. In case of conflict of interest, prompt in disclosing the same.
- VII. Possessing long term vision for growth of the Company



Annexure F to the Directors' Report

Form No. AOC-2

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

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

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

During the financial year ended 31st March 2015, there was no contract or arrangement or transaction entered into by the Company which was not on arm's length basis.

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

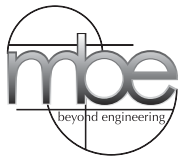
During the financial year ended 31st March 2015, there was no material contract or arrangement or transaction entered into by the Company at arm's length basis.

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO



Annexure G to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	:	L45202WB1961PLC025181
2	Registration Date	:	July 10, 1961
3	Name of the Company	:	McNally Bharat Engineering Company Limited
4	Category/Sub-category of the Company	:	Public Limited Company Private Sector
5	Address of the Registered office & contact details	:	4 Mangoe Lane, Kolkata - 700001, Ph: 033 - 22138905 W: http://www.mcnallybharat.com/ , E: mbecl@mbecl.co.in
6	Whether listed company	:	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Maheshwari Datamatics Private Limited 6 Mangoe Lane, 2nd Floor, Kolkata - 700001 Ph: 033 - 22435029

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)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction and maintenance of power plants	42201	36.5
2	Construction and maintenance of industrial facilities	42901	14.7

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	McNally Sayaji Engineering Company Limited	L28999WB1943PLC133247	Subsidiary	74.86	2(87)
2	MBE Mineral Technologies Pte Limited	Foreign Company	Subsidiary	100	2(87)
3	McNally Bharat Equipments Limited	U27106WB2008PLC123789	Subsidiary	99.4	2(87)
4	McNally Bharat Infrastructure Limited	U45400WB2008PLC123453	Subsidiary	99.4	2(87)
5	MBE Minerals Zambia Limited	Foreign Company	Subsidiary	99.99	2(87)
6	MBE Coal & Mineral Technology India Private Limited	U27100WB2009PTC137428	Subsidiary	99.99	2(87)
7	McNally Bharat Engineering (SA) Proprietary Ltd	Foreign Company	Subsidiary	100	2(87)

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 [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8,021	-	8,021	0.03%	32,021	-	32,021	0.08%	299.21%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	10,037,743	-	10,037,743	32.28%	10,037,743	2,000,000	12,037,743	29.65%	19.92%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	10,045,764	-	10,045,764	32.31%	10,069,764	2,000,000	12,069,764	29.73%	20.15%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI Individuals	–	–	–	0.00%	–	–	–	0.00%	0.00%
b) Other Individuals	–	–	–	0.00%	–	–	–	0.00%	0.00%
c) Bodies Corp.	–	–	–	0.00%	–	–	–	0.00%	0.00%
d) Any other	–	–	–	0.00%	–	–	–	0.00%	0.00%
Sub Total (A) (2)	–	–	–	0.00%	–	–	–	0.00%	0.00%
TOTAL (A)	10,045,764	–	10,045,764	32.31%	10,069,764	2,000,000	12,069,764	29.73%	20.15%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,228,813	6,976	3,235,789	10.41%	2,930,459	6,976	2,937,435	7.24%	-9.22%
b) Banks / FI	1,049	–	1,049	0.00%	18,770	–	18,770	0.05%	1689.32%
c) Central Govt	–	–	–	0.00%	–	–	–	0.00%	0.00%
d) State Govt(s)	–	–	–	0.00%	–	–	–	0.00%	0.00%
e) Venture Capital Funds	–	–	–	0.00%	–	–	–	0.00%	0.00%
f) Insurance Companies	844,631	600	845,231	2.72%	527,709	600	528,309	1.30%	-37.50%
g) FIs	65,000	–	65,000	0.21%	107,487	–	107,487	0.26%	65.36%
h) Foreign Venture Capital Funds	–	–	–	0.00%	–	–	–	0.00%	0.00%
i) Others (specify)	–	–	–	0.00%	–	–	–	0.00%	0.00%
Sub-total (B)(1):	4,139,493	7,576	4,147,069	13.34%	3,584,425	7,576	3,592,001	8.85%	-13.38%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6,043,970	240,990	6,284,960	20.21%	5,865,184	5,240,990	11,106,174	27.36%	76.71%
ii) Overseas	–	–	–	0.00%	–	–	–	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,086,060	183,104	5,269,164	16.95%	5,273,897	174,660	5,448,557	13.42%	3.40%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,661,686	–	4,661,686	14.99%	5,148,060	2,500,000	7,648,060	18.84%	64.06%
c) Others (specify)									
Non Resident Indians	461,565	710	462,275	1.49%	675,520	710	676,230	1.67%	46.28%
Overseas Corporate Bodies	–	–	–	0.00%	–	–	–	0.00%	0.00%
Foreign Nationals	–	–	–	0.00%	–	–	–	0.00%	0.00%
Clearing Members	222,900	–	222,900	0.72%	53,032	–	53,032	0.13%	-76.21%
Trusts	–	–	–	0.00%	–	–	–	0.00%	0.00%
Foreign Bodies - D R	–	–	–	0.00%	–	–	–	0.00%	0.00%
Sub-total (B)(2):	16,476,181	424,804	16,900,985	54.35%	17,015,693	7,916,360	24,932,053	61.42%	47.52%
Total Public (B)	20,615,674	432,380	21,048,054	67.69%	20,600,118	7,923,936	28,524,054	70.27%	35.52%
C. Shares held by Custodian for GDRs & ADRs	–	–	–	0.00%	–	–	–	0.00%	0.00%
Grand Total (A+B+C)	30,661,438	432,380	31,093,818	100.00%	30,669,882	9,923,936	40,593,818	100.00%	55.67%

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	B M Khaitan	21	0.00%	0%	21	0.00%	0%	0.00%
2	Amritanshu Khaitan	8,000	0.03%	0%	8,000	0.02%	0%	0.00%
3	Isha Khaitan	–	0.00%	0%	24,000	0.06%	0%	100.00%
4	Mcleod Russel India Limited	3,052,295	9.82%	0%	3,052,295	7.52%	7.52%	0.00%
5	Williamson Magor & Co Limited	3,179,748	10.23%	6.03%	5,179,748	12.76%	0%	62.90%
6	Babcock Borsig Limited	1,301,000	4.18%	3.54%	1,301,000	3.20%	3.2%	0.00%
7	Williamson Financial Services Ltd	1,551,000	4.99%	4.82%	1,551,000	3.82%	3.82%	0.00%
8	Kilburn Engineering Limited	854,300	2.75%	2.73%	854,300	2.10%	0.01%	0.00%
9	Bishnauth Investments Limited	99,400	0.32%	0%	99,400	0.24%	0.24%	0.00%

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

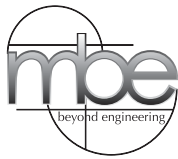
Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	B M Khaitan						
	At the beginning of the year	April 1, 2014		21	0.00%	21	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		21	0.00%	21	0.00%
2	Amritanshu Khaitan						
	At the beginning of the year	April 1, 2014		8,000	0.03%	8,000	0.02%
	Changes during the year				0.00%		0.00%
	At the end of the year	March 31, 2015		8,000	0.03%	8,000	0.02%
3	Isha Khaitan						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year	March 31, 2015	Open Market Transaction	24,000	0.08%	24,000	0.06%
	At the end of the year	March 31, 2015		24,000	0.08%	24,000	0.06%
4	Mcleod Russel India Limited						
	At the beginning of the year	April 1, 2014		3,052,295	9.82%	3,052,295	7.52%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		3,052,295	9.82%	3,052,295	7.52%
5	Williamson Magor & Co Limited						
	At the beginning of the year	April 1, 2014		3,179,748	10.23%	3,179,748	7.83%
	Changes during the year	March 3, 2015	Allot	2,000,000	6.43%	5,179,748	12.76%
	At the end of the year	March 31, 2015		5,179,748	16.66%	5,179,748	12.76%
6	Babcock Borsig Limited						
	At the beginning of the year	April 1, 2014		1,301,000	4.18%	1,301,000	3.20%
	Changes during the year				0.00%		0.00%
	At the end of the year	March 31, 2015		1,301,000	4.18%	1,301,000	3.20%
7	Williamson Financial Services Limited						
	At the beginning of the year	April 1, 2014		1,551,000	4.99%	1,551,000	3.82%
	Changes during the year				0.00%		0.00%
	At the end of the year	March 31, 2015		1,551,000	4.99%	1,551,000	3.82%

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
8	Kilburn Engineering Limited						
	At the beginning of the year	April 1, 2014		854,300	2.75%	854,300	2.10%
	Changes during the year				0.00%		0.00%
	At the end of the year	March 31, 2015		854,300	2.75%	854,300	2.10%
9	Bishnauth Investments Limited						
	At the beginning of the year	April 1, 2014		99,400	0.32%	99,400	0.24%
	Changes during the year				0.00%		0.00%
	At the end of the year	March 31, 2015		99,400	0.32%	99,400	0.24%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Systematix Fincorp India Limited#						
	At the beginning of the year	April 1, 2014		382,023	1.23%	382,023	0.94%
	Changes during the year	Aug. 14, 2014	Transfer	43,000	0.14%	339,023	0.84%
		Sept. 19, 2014	Transfer	58,237	0.19%	280,786	0.69%
		March 13, 2015	Transfer	55,586	0.18%	225,200	0.55%
	At the end of the year	March 31, 2015		225,200	0.72%	225,200	0.55%
2	Nikung Properties Private Limited						
	At the beginning of the year	April 1, 2014		770,000	2.48%	770,000	1.90%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2015		770,000	2.48%	770,000	1.90%
3	The Oriental Insurance Company Ltd#						
	At the beginning of the year	April 1, 2014		308,270	0.99%	308,270	0.76%
	Changes during the year	May 23, 2014	Transfer	33,291	0.11%	274,979	0.68%
		May 30, 2014	Transfer	26,709	0.09%	248,270	0.61%
		Aug. 29, 2014	Transfer	20,000	0.06%	228,270	0.56%
		Sept. 12, 2014	Transfer	70,118	0.23%	158,152	0.39%
		Sept. 19, 2014	Transfer	50,000	0.16%	108,152	0.27%
		Sept. 30, 2014	Transfer	15,433	0.05%	92,719	0.23%
	At the end of the year	March 31, 2015		92,719	0.30%	92,719	0.23%
4	Tata Investment Corporation Limited #						
	At the beginning of the year	April 1, 2014		655,000	2.11%	655,000	1.61%
	Changes during the year	July 25, 2014	Transfer	55,000	0.18%	600,000	1.48%
		Aug. 1, 2014	Transfer	345,000	1.11%	255,000	0.63%
		Aug. 8, 2014	Transfer	140,000	0.45%	115,000	0.28%
		Aug. 14, 2014	Transfer	77,857	0.25%	37,143	0.09%
		Aug. 22, 2014	Transfer	15,143	0.05%	22,000	0.05%
		Aug. 29, 2014	Transfer	22,000	0.07%	-	0.00%
	At the end of the year	March 31, 2015		-	0.00%	-	0.00%



Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5	York Financial Services Pvt. Ltd.*						
	At the beginning of the year	April 1, 2014		176,724	0.57%	176,724	0.44%
	Changes during the year	May 30, 2014	Transfer	119,371	0.38%	57,353	0.14%
		June 6, 2014	Transfer	44,451	0.14%	101,804	0.25%
		June 13, 2014	Transfer	111,039	0.36%	212,843	0.52%
		July 25, 2014	Transfer	77,802	0.25%	290,645	0.72%
		Aug. 1, 2014	Transfer	148,702	0.48%	439,347	1.08%
		Aug. 14, 2014	Transfer	11,300	0.04%	428,047	1.05%
		Aug. 22, 2014	Transfer	25,552	0.08%	453,599	1.12%
		Aug. 29, 2014	Transfer	105,328	0.34%	348,271	0.86%
		Sept. 12, 2014	Transfer	20,303	0.07%	327,968	0.81%
		Sept. 19, 2014	Transfer	29,757	0.10%	357,725	0.88%
		Sept. 30, 2014	Transfer	124,070	0.40%	481,795	1.19%
		Oct. 24, 2014	Transfer	51,138	0.16%	532,933	1.31%
		Oct. 31, 2014	Transfer	145,554	0.47%	678,487	1.67%
		Nov. 7, 2014	Transfer	131,504	0.42%	809,991	2.00%
		Nov. 21, 2014	Transfer	12,459	0.04%	822,450	2.03%
		Nov. 28, 2014	Transfer	87,601	0.28%	910,051	2.24%
		Dec. 12, 2014	Transfer	52,398	0.17%	962,449	2.37%
		Dec. 19, 2014	Transfer	48,701	0.16%	1,011,150	2.49%
		Feb. 6, 2015	Transfer	166,566	0.54%	844,584	2.08%
		March 6, 2015	Transfer	10,107	0.03%	854,691	2.11%
	At the end of the year	March 31, 2015		854,691	2.75%	854,691	2.11%
6	L&T Mutual Fund Trustee Ltd - L&T Equity Fund						
	At the beginning of the year	April 1, 2014		1,662,445	5.35%	1,662,445	4.10%
	Changes during the year	Sept. 12, 2014	Transfer	78,328	0.25%	1,584,117	3.90%
		Oct. 31, 2014	Transfer	68,000	0.22%	1,516,117	3.73%
		Nov. 14, 2014	Transfer	13,914	0.04%	1,502,203	3.70%
		Nov. 21, 2014	Transfer	45,086	0.14%	1,457,117	3.59%
	At the end of the year	March 31, 2015		1,457,117	4.69%	1,457,117	3.59%
7	Sundaram Mutual Fund A/c - Sundaram Infrastructure Advantage Fund						
	At the beginning of the year	April 1, 2014		1,566,368	5.04%	1,566,368	3.86%
	Changes during the year	April 4, 2014	Transfer	50,801	0.16%	1,515,567	3.73%
		April 11, 2014	Transfer	6,082	0.02%	1,509,485	3.72%
		April 18, 2014	Transfer	9,519	0.03%	1,499,966	3.70%
		May 9, 2014	Transfer	9,966	0.03%	1,490,000	3.67%
		May 30, 2014	Transfer	10,000	0.03%	1,480,000	3.65%
		June 13, 2014	Transfer	45,294	0.15%	1,434,706	3.53%
		June 20, 2014	Transfer	967	0.00%	1,433,739	3.53%
		July 4, 2014	Transfer	43,538	0.14%	1,477,277	3.64%
		Nov. 28, 2014	Transfer	3,935	0.01%	1,473,342	3.63%
	At the end of the year	March 31, 2015		1,473,342	4.74%	1,473,342	3.63%
8	IBC Knowledge Park Private Limited #						
	At the beginning of the year	April 1, 2014		415,835	1.34%	415,835	1.02%
	Changes during the year	Aug. 22, 2014	Transfer	48,208	0.16%	367,627	0.91%
		Aug. 29, 2014	Transfer	365,627	1.18%	2,000	0.00%
	At the end of the year	March 31, 2015		2,000	0.01%	2,000	0.00%

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
9	IL&FS Securities Services Limited						
	At the beginning of the year	April 1, 2014		18,453	0.06%	18,453	0.05%
	Changes during the year	April 4, 2014	Transfer	2,903	0.01%	15,550	0.04%
		April 18, 2014	Transfer	1,050	0.00%	16,600	0.04%
		April 25, 2014	Transfer	1,050	0.00%	15,550	0.04%
		May 16, 2014	Transfer	1,000	0.00%	16,550	0.04%
		May 23, 2014	Transfer	4,800	0.02%	21,350	0.05%
		May 30, 2014	Transfer	11,299	0.04%	32,649	0.08%
		June 6, 2014	Transfer	215,973	0.69%	248,622	0.61%
		June 20, 2014	Transfer	232,772	0.75%	15,850	0.04%
		June 30, 2014	Transfer	234,063	0.75%	249,913	0.62%
		Aug. 8, 2014	Transfer	4,620	0.01%	254,533	0.63%
		Aug. 14, 2014	Transfer	2,870	0.01%	251,663	0.62%
		Aug. 22, 2014	Transfer	1,000	0.00%	250,663	0.62%
		Aug. 29, 2014	Transfer	127,950	0.41%	378,613	0.93%
		Sept. 12, 2014	Transfer	545	0.00%	379,158	0.93%
		Sept. 19, 2014	Transfer	13,035	0.04%	392,193	0.97%
		Sept. 30, 2014	Transfer	1,224	0.00%	390,969	0.96%
		Oct. 3, 2014	Transfer	719	0.00%	390,250	0.96%
		Oct. 10, 2014	Transfer	20,500	0.07%	410,750	1.01%
		Oct. 31, 2014	Transfer	4,860	0.02%	415,610	1.02%
		Nov. 7, 2014	Transfer	860	0.00%	416,470	1.03%
		Nov. 14, 2014	Transfer	2,820	0.01%	413,650	1.02%
		Nov. 21, 2014	Transfer	10,000	0.03%	403,650	0.99%
		Nov. 28, 2014	Transfer	10,694	0.03%	414,344	1.02%
		Dec. 5, 2014	Transfer	100,000	0.32%	514,344	1.27%
		Dec. 12, 2014	Transfer	10,700	0.03%	503,644	1.24%
		Dec. 31, 2014	Transfer	69,100	0.22%	572,744	1.41%
		Jan. 9, 2015	Transfer	250	0.00%	572,494	1.41%
		Jan. 16, 2015	Transfer	250	0.00%	572,744	1.41%
		Jan. 23, 2015	Transfer	1,500	0.00%	574,244	1.41%
		Jan. 30, 2015	Transfer	2,500	0.01%	571,744	1.41%
		Feb. 6, 2015	Transfer	131,000	0.42%	440,744	1.09%
		Feb. 13, 2015	Transfer	14,100	0.05%	454,844	1.12%
		Feb. 20, 2015	Transfer	1,000	0.00%	455,844	1.12%
		March 6, 2015	Transfer	20,500	0.07%	435,344	1.07%
		March 13, 2015	Transfer	30,500	0.10%	404,844	1.00%
		March 20, 2015	Transfer	167,922	0.54%	236,922	0.58%
		March 27, 2015	Transfer	69,650	0.22%	167,272	0.41%
		March 31, 2015	Transfer	129,100	0.42%	38,172	0.09%
	At the end of the year	March 31, 2015		38,172	0.12%	38,172	0.09%
10	Milestone Finstock Private Limited						
	At the beginning of the year	April 1, 2014		559,715	1.80%	559,715	1.38%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		559,715	1.80%	559,715	1.38%

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
11	Amal N Parikh *						
	At the beginning of the year	April 1, 2014		299,998	0.96%	299,998	0.74%
	Changes during the year	March 3, 2015		–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		299,998	0.96%	299,998	0.74%
12	Sahal Business Pvt. Ltd.						
	At the beginning of the year	April 1, 2014		294,000	0.95%	294,000	0.72%
	Changes during the year	March 3, 2015		–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		294,000	0.95%	294,000	0.72%
13	Rekha Rakesh Jhunjhunwala						
	At the beginning of the year	April 1, 2014		998,349	3.21%	998,349	2.46%
	Changes during the year	March 3, 2015	Allot	2,500,000	8.04%	3,498,349	8.62%
	At the end of the year	March 31, 2015		3,498,349	11.25%	3,498,349	8.62%
14	Rakesh Radheshyam Jhunjhunwala						
	At the beginning of the year	April 1, 2014		500,000	1.61%	500,000	1.23%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		500,000	1.61%	500,000	1.23%
15	MKN Investment Private Limited						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year	March 13, 2015	Allot	5,000,000	16.08%	5,000,000	12.32%
	At the end of the year	March 31, 2015		5,000,000	16.08%	5,000,000	12.32%

*Not in the list of Top 10 shareholders as on 01/04/2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2015.

#Ceased to be in the list of Top 10 shareholders as on 31/03/2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2014.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Deepak Khaitan						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		–	0.00%	–	0.00%
2	Aditya Khaitan						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		–	0.00%	–	0.00%
3	Virendra Kumar Verma						
	At the beginning of the year	April 1, 2014		700	0.00%	700	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		700	0.00%	700	0.00%
4	Utsav Parekh						
	At the beginning of the year	April 1, 2014		100	0.00%	100	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		100	0.00%	100	0.00%
5	Amritanshu Khaitan						
	At the beginning of the year	April 1, 2014		8,000	0.03%	8,000	0.02%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		8,000	0.03%	8,000	0.02%

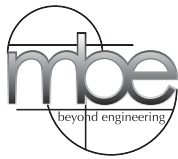
Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
6	Subir Ranjan Dasgupta						
	At the beginning of the year	April 1, 2014		2,500	0.01%	2,500	0.01%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		2,500	0.01%	2,500	0.01%
7	Asim Kumar Barman						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		–	0.00%	–	0.00%
8	Sudipto Sarkar						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		–	0.00%	–	0.00%
9	P H Ravikumar						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		–	0.00%	–	0.00%
10	Prasanta Kumar Chandra						
	At the beginning of the year	April 1, 2014		1,000	0.00%	1,000	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		1,000	0.00%	1,000	0.00%
11	Prabir Ghosh						
	At the beginning of the year	April 1, 2014		300	0.00%	300	0.00%
	Changes during the year		Transfer	–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		–	0.00%	–	0.00%
12	Sukanta Chattopadhyay						
	At the beginning of the year	April 1, 2014		–	0.00%	–	0.00%
	Changes during the year			–	0.00%	–	0.00%
	At the end of the year	March 31, 2015		–	0.00%	–	0.00%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	74,674.76	32,209.09	2,600.00	109,483.85
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	222.55	–	–	222.55
Total (i+ii+iii)	74,897.31	32,209.09	2,600.00	109,706.40
Change in Indebtedness during the financial year				
* Addition	31,515.87	8,895.15	4,080.00	44,491.02
* Reduction	–	–	–	–
Net Change	31,515.87	8,895.15	4,080.00	44,491.02
Indebtedness at the end of the financial year				
i) Principal Amount	105,130.82	41,104.24	6,680.00	152,915.06
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1,282.36	–	–	1,282.36
Total (i+ii+iii)	106,413.18	41,104.24	6,680.00	154,197.42



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		Deepak Khaitan Executive Chairman (Rs.)	Prasanta Kr Chandra Whole Time Director & COO (Rs.)	Prabir Ghosh Whole Time Director & Group CFO (Rs.)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,450,000.00	10,383,900.00	10,817,741.00	38,651,641.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13,984,758.00	13,800.00	33,830.00	14,032,388.00
	(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	Contributions to Provident Fund and other funds	2,181,250.00	567,300.00	567,300.00	3,315,850.00
	Total (A)	33,616,008.00	10,965,000.00	11,418,871.00	55,999,879.00
	Ceiling as per the Act*	12,000,000.00	12,000,000.00	12,000,000.00	

*As the Company has inadequate profits, the limit of yearly remuneration under Schedule V of the Companies Act, 2013, is Rs. 60 Lakhs. However, Special Resolutions were taken by the Company at its EGM held on July 30, 2015, approving the waiver of excess remuneration paid to the Executive Chairman and both the Whole Time Directors, thus doubling the limit under Scedule V to Rs. 120 Lakhs.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration		Name of Directors		Total Amount (Rs.)
1	Independent Directors	Virendra Kumar Verma	Utsav Parekh	Subir Ranjan Dasgupta	
	Fee for attending board committee meetings	Rs. 200,000.00	Rs. 180,000.00	Rs. 200,000.00	
	Commission	–	–	–	
	Others, please specify	–	–	–	
	Total (1)	Rs. 200,000.00	Rs. 180,000.00	Rs. 200,000.00	
	Independent Directors	Asim Kumar Barman	Sudipto Sarkar	P H Ravikumar	
	Fee for attending board committee meetings	Rs. 360,000.00	Rs. 20,000.00	Rs. 100,000.00	Rs. 1,060,000.00
	Commission	–	–	–	–
	Others, please specify	–	–	–	–
	Total (1)	Rs. 360,000.00	Rs. 20,000.00	Rs. 100,000.00	Rs. 1,060,000.00
2	Other Non-Executive Directors	Aditya Khaitan	Amritanshu Khaitan	–	
	Fee for attending board committee meetings	Rs. 80,000.00	Rs. 120,000.00	Rs. 200,000.00	
	Commission	–	–	–	
	Others, please specify	–	–	–	
	Total (2)	Rs. 80,000.00	Rs. 120,000.00	–	Rs. 200,000.00
	Total (B)=(1+2)	Rs. 640,000.00	Rs. 320,000.00	Rs. 300,000.00	Rs. 1,260,000.00
	Total Managerial Remuneration	Rs. 57,259,879.00			

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
		CEO	CFO	Sukanta Chattopadhyay Sr. VP -Commercial & CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			5,181,000.00	5,181,000.00
	(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	-	-	5,181,000.00	5,181,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

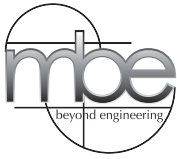
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY				
	Penalty	None			
	Punishment	None			
	Compounding	None			
B.	DIRECTORS				
	Penalty	None			
	Punishment	None			
	Compounding	None			
C.	OTHER OFFICERS IN DEFAULT				
	Penalty	None			
	Punishment	None			
	Compounding	None			

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO



Annexure H to Directors' Report

Form No. MR-3

**Secretarial Audit Report
For the Financial Year Ended 31.03.2015**

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

To
The Members
McNally Bharat Engineering Company Limited
Four Mangoe Lane
Surendra Mohan Ghosh Sarani, 7th Floor
Kolkata – 700 001
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by McNally Bharat Engineering Company Limited having its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, 7th Floor, Kolkata – 700 001, West Bengal (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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2015 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 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;
 - (c) 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;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

The Company has informed that there are no laws, which are specifically applicable to the Company.

Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

Matter of Emphasis :

1. The Company is not regular in depositing the contributions towards Provident Fund and the Employee State Insurance with the prescribed authorities.
2. Approval from the Central Government for payment of remuneration to the whole-time-directors in excess of the limits as stipulated vide Section 197 read with Schedule V to the Companies Act, 2013 are pending. However, the Company has taken the requisite approval from its shareholders through a special resolution at the Extra Ordinary General Meeting of the members of the Company held on 30.07.2015 and has applied to the Ministry of Corporate Affairs for waiver of such excess payment of remuneration to its managerial personnel accordingly and the same is awaited.

3. The Company has Chief Financial Officer (CFO) in terms of Section 203 of the Companies Act, 2013. However, filing of the requisite form (DIR-12) with the Office of the Registrar of Companies for such appointment in terms of the provisions of the Act is still pending.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

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

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company :

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

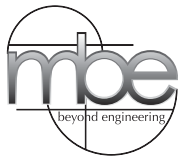
We further report that during the audit period the company has :

- (i) issued 95,00,000 Equity Shares of Rs. 10 each on preferential basis and all these newly issued shares are listed with the stock exchanges after making the necessary compliances;
- (ii) the Company has issued 30,00,000 Equity Share Warrants during the year;

For A. K. LABH & Co.
Company Secretaries

Place : Kolkata
Dated : 13-August-2015

(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No.-3238



Annexure I to the Directors' Report

Particulars of Employees

Particulars of employees and remuneration pursuant to the provisions of Section 197(12) of the Companies Act, 2013, and Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Executive Directors	Remuneration (Rs)	Ratio to the median remuneration
Mr. Deepak Khaitan – Executive Chairman (upto 9th March, 2015)	33,616,007.87	64.25:1
Mr. Prabir Ghosh – Whole Time Director & Group CFO	11,418,871.00	21.82:1
Mr. Prasanta Kumar Chandra – Whole Time Director & COO	10,965,000.00	20.95:1
Non Executive Directors		
Mr. Aditya Khaitan – Non Executive Director	40,000	0.07:1
Mr. Amritanshu Khaitan – Non Executive Director	20,000	0.03:1
Mr. Virendra Kumar Verma – Independent Director	2,00,000	0.38:1
Mr. Utsav Parekh – Independent Director	1,80,000	0.34:1
Mr. Subir Ranjan Dasgupta – Independent Director	2,00,000	0.38:1
Mr. Asim Kumar Barman – Independent Director	3,60,000	0.68:1
Mr. Sudipto Sarkar – Independent Director	20,000	0.03:1
Mr. P H Ravikumar – Independent Director	1,00,000	0.19:1
Miss Nandini Khaitan – Independent Director	–	–

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	Designation	Percentage Change
Mr. Deepak Khaitan	Executive Chairman (upto 9th March, 2015)	Nil
Mr. Prabir Ghosh	Whole Time Director & Group CFO	Nil
Mr. Prasanta Kumar Chandra	Whole Time Director & COO	Nil
Mr. Aditya Khaitan	Non Executive Director	Nil
Mr. Amritanshu Khaitan	Non Executive Director	Nil
Mr. Virendra Kumar Verma	Independent Director	Nil
Mr. Utsav Parekh	Independent Director	Nil
Mr. Subir Ranjan Dasgupta	Independent Director	Nil
Mr. Asim Kumar Barman	Independent Director	Nil
Mr. Sudipto Sarkar	Independent Director	Nil
Miss Nandini Khaitan	Independent Director	Nil
Mr. Sukanta Chattopadhyay	Sr. V.P Commercial & Company Secretary	Nil

- (iii) The percentage increase in the median remuneration of employees in the financial year : None
- (iv) The number of permanent employees on the rolls of company : 1266
- (v) The explanation on the relationship between average increase in remuneration and company performance : Not Applicable
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company : The total compensation paid to Key Managerial Personnel (including executive director) constituted 5.39% of the net loss of the year.
- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year :

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation	3,389,583,803.00	2,123,707,769.40	59.61%
Price Earnings Ratio	2.295	2.879	(20.29)%

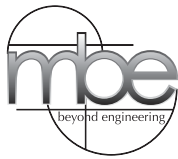
The Company had not made any Public Offer of its shares during the financial year ended March 31, 2015.

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average percentile increase already made in the salaries of employees in the last financial year (barring KMPs, including CFO & CS) = There has been no increase in the remuneration during the financial year ended March 31, 2015.
Percentile increase in the managerial remuneration in the last financial year (including CFO & CS) = There has been no increase in the remuneration during the financial year ended March 31, 2015.

- (ix) Comparison of the remuneration of each Key Managerial Personnel against the performance of the company:

	Mr. Deepak Khaitan Executive Chairman (upto 9th March, 2015)	Mr. Prabir Ghosh Whole Time Director & Group CFO	Mr. Prasanta Kr. Chandra Whole Time Director & COO	Mr. Sukanta Chattopadhyay Sr. V.P. Commercial & Company Secretary
Remuneration	Rs. 33,616,007.87	Rs. 11,418,871.00	Rs. 10,965,000.00	Rs. 5,556,000.00
As a % of Turnover	0.15 %	(0.05)%	0.05%	0.03%
As a % of Profit After Tax	(2.94) %	(1.00)%	(0.96)%	(0.49)%

- (x) The key parameters for any variable component of remuneration availed by the directors:
The Board determines the variable payments to be given from time to time based on the Directors' and Company's performance. No commission was paid to any of the non-executive directors of the Board during the financial year 2014-15.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
For the financial year ended March 31, 2015, no employee of the company received a remuneration that is higher than the remuneration of the highest paid director.
- (xii) Affirmation that the remuneration is as per the remuneration policy of the company:
The remuneration paid during the financial year ended 31st March, 2015 is in terms of the Remuneration Policy of the Company.



**Information pursuant to Rule 5(2) of the Company
(Appointment & Remuneration of Managerial Personnel) Rules, 2014**

Name	Designation	Permanent or Contractual	Qualification	Total Experience	DoJ	Age	Previous Employment & Designation
Mr. Prodosh Kumar Bandyopadhyay	President. Infra Proj & Construction Div	Permanent	B.E	42.3	11-Apr-11	63	Larsen & Toubro Limited Regional Operations Head (Thermal Power Plant Construction) - East
Mr. Krishna Nath Misra	President Supply Chain Management	Permanent	M.TECH	34.25	11-Jul-11	60	Eveready Industries – Vice President – Materials & Logistics
Mr. Gautam Maitra	Business Director. Process Plants Proj	Permanent	B.Tech Electrical	38.29	2-May-13	59	Ambika Projects (India) Pvt. Limited – Director – Metals, Minerals & Water Technology
Mr. Arup Kanti Nandi	President. Steel, Mines & Port Proj Div	Permanent	AMIE Chemical	32.29	24-Sep-87	59	Nirlon Synthetic Fibres & Chemicals Ltd – Technical Sales & Service Engineer
Mr. Dipankar Sarkar	President. Power Plants Projects Division	Permanent	M.E Mechanical	32.29	25-Aug-00	59	D.C Industrial Plant Services Ltd – General Manager
Mr. P. K. Chandra	Whole Time Director & COO.	Permanent	B.E. Mechanical	38.29	24-Jan-03	58	Texmaco Group of companies – Head Machinery Division
Mr. Sujoy Banerjee	President Group HR & OD	Permanent	Post Graduate Diploma in Personnel Management	25	1-Feb-11	50	Eveready Industries India Ltd – Vice President HR
Mr. Prabir Kumar Ghosh	Whole Time Director and CFO.	Permanent	B. Com (H) Associate Chartered Accountant	31.29	1-Nov-01	56	IFB Agro Industries Ltd President

For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO

Independent Auditor's Report

To The Members of McNally Bharat Engineering Company Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

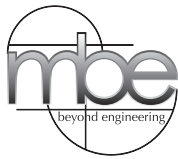
3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

8. We draw your attention to Note 44 (III) to the financial statements regarding remuneration aggregating Rs 560 Lakhs paid/payable to two whole-time directors and an erstwhile Chairman of the Company in excess of the limits prescribed under Section 197 of the Act read with Schedule V to the Act for which requisite approval from shareholders by way of special resolution is pending; and in case of the aforesaid Chairman, the Company is yet to obtain approval from the Central Government. The consequential impact of this matter on financial statements is presently not ascertainable.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit/loss and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order")', and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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, except for the effects of the matter referred to in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (g) 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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements - Refer Note 32;
 - ii. The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts - Refer Note 43(iii). The Company did not have any loss on long term derivative contract as at March 31, 2015.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

Kolkata, May 30, 2015

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No: 52340

Annexure to Independent Auditors' Report

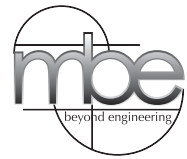
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of McNally Bharat Engineering Company Limited on the standalone financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loans, to a company covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.
(a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
(b) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- 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 inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (i) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Service Tax, Sales Tax, Value Added Tax, Provident Fund, Tax deducted at source, Works Contract Tax, Employees' State Insurance and Tax collected at source have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases and is regular in depositing undisputed statutory dues including Wealth Tax, Duty of Customs, Duty of Excise and cess, as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, duty of customs and duty of excise duty as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

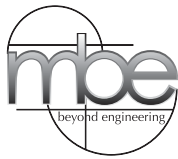
Name of the statute	Nature of dues	Amount (Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending	
Central Excise Act, 1944	Excise Duty and penal interest thereon	129.51	1989-93	Commissioner of Central Excise, Pondicherry	
Finance Act, 1994	Service Tax	16.81	2005-06	Addl Commissioner of Service Tax	
		4.24	2006-08	CESTAT, Kolkata	
APGST Act, 1957	Sales Tax	4.16	1994-95	Sales Tax Appellate Tribunal - Hyderabad	
Rajasthan Sales Tax Act, 1994		1.33	2005-06	Deputy commissioner (Appeals), Udaipur	
UP Trade Tax Act, 1948		1.30	2003-04	Deputy commissioner (Appeals) Robertsgunj	
Central Sales Tax Act, 1956		470.27	2006-07	West Bengal Appellate and Revisional Board	
Central Sales Tax Act, 1956		26.00	2007-08	West Bengal Appellate and Revisional Board	
Central Sales Tax Act, 1956		29.46	2008-09	West Bengal Appellate and Revisional Board	
Central Sales Tax Act, 1956		258.24	2013-14	Addl Commissioner of CT (Appeals)	
Central Sales Tax Act, 1956		217.09	2011-12	Addl Commissioner of CT (Appeals)	
WBST Act, 1994		3.90	2003-04	Depty. Commissioner, Commercial Taxes, Kolkata	
West Bengal Value Added Tax Act, 2003		VAT	72.27	2005-2006	West Bengal Appellate and Revisional Board
West Bengal Value Added Tax Act, 2003			182.58	2006-2007	West Bengal Appellate and Revisional Board
West Bengal Value Added Tax Act, 2003	65.67		2007-08	West Bengal Appellate and Revisional Board	
West Bengal Value Added Tax Act, 2003	79.84		2008-09	West Bengal Appellate and Revisional Board	
West Bengal Value Added Tax Act, 2003	20.26		2009-10	West Bengal Appellate and Revisional Board	
APVAT Act	12.62		2010-11	Asst. Commissioner Commercial Tax, Andhra Pradesh	
APVAT Act	0.94		2011-12	Asst. Commissioner Commercial Tax, Andhra Pradesh	
MP VAT Act	548.57		2011-12	Addl Commissioner of CT (Appeals)	
Bihar VAT Act	47.12		2010-11	JCCT appeals (Patna)	
Bihar VAT Act	29.34		2011-12	JCCT appeals (Patna)	
Income-tax Act, 1961	Income tax		1,339.55	2010-11	Commissioner of Income Tax (Appeals)



- c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has incurred cash losses in the financial year ended on that date and has not incurred cash losses in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanations given to us, except for dues to ICICI Bank for the period of i day aggregating Rs. 2,71,50,000, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata, May 30, 2015

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No: 52340



Balance Sheet As At 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	5,034.38	4,084.38
(b) Reserves and surplus	4	25,714.94	28,745.18
(c) Money received against share warrants	34	750.00	–
2 Non-current liabilities			
(a) Long-term borrowings	5	4,784.98	7,265.56
(b) Deferred tax liabilities (Net)	6	–	–
(c) Other Long term liabilities	7	100.79	87.84
(d) Long-term provisions	8	7,004.07	8,116.48
3 Current liabilities			
(a) Short-term borrowings	9	137,092.42	92,715.45
(b) Trade payables	10	105,676.59	100,710.19
(c) Other current liabilities	11	82,308.22	72,591.55
(d) Short-term provisions	12	2,483.25	8,513.00
TOTAL		370,949.64	322,829.63
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	10,766.50	13,159.38
(ii) Intangible assets	13	57.35	105.53
(iii) Capital work-in-progress		819.51	709.96
(b) Non-current investments	15	19,832.89	19,832.89
(c) Long-term loans and advances	16	4,776.27	2,884.16
(d) Other non-current assets	17	9.86	516.27
2 Current assets			
(a) Inventories	18	12,773.43	9,379.62
(b) Trade receivables	19	141,642.60	143,173.39
(c) Cash and Bank Balances	20	4,688.81	2,732.09
(d) Short-term loans and advances	21	49,822.68	32,103.00
(e) Other current assets	22	125,759.74	98,233.34
TOTAL		370,949.64	322,829.63

The notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our Report of even date.

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

Aditya Khaitan - Chairman
Prasanta Kumar Chandra - Wholetime Director & COO
Prabir Ghosh - Wholetime Director & Group CFO
Sukanta Chattopadhyay - Sr. V.P. Commercial & Company Secretary

Statement of Profit and Loss For The Year Ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

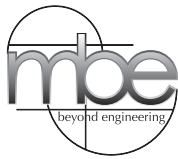
Particulars	Note No	Year Ended March 31, 2015	Year Ended March 31, 2014
I Revenue from Operation	23	217,011.25	214,377.95
II Other Income	24	1,188.63	1,173.10
III Total Revenue (I+II)		218,199.88	215,551.05
Expenses :			
Cost of materials consumed	25	111,192.84	95,053.48
Outsourcing expenses to outsiders for job work		59,938.48	56,685.54
Employee benefit expenses	26	13,657.47	15,846.84
Finance cost	27	22,519.48	15,123.69
Depreciation and amortization expenses	13	2,911.57	1,909.92
Other expenses	28	25,502.10	30,168.06
IV Total Expenses		235,721.94	214,787.53
V Profit/(Loss) before Provision for Onerous Contract items and tax (III-IV)		(17,522.06)	763.52
VI Provision for Onerous Contracts	42	-	7,500.00
VII Provision for Onerous Contracts written back	42	6,100.00	-
VIII Profit/(Loss) before tax (V - VI + VII)		(11,422.06)	(6,736.48)
IX Tax Expense :			
(1) Current Tax		-	512.38
(2) Deferred Tax		-	-
		-	512.38
X Profit/(Loss) for the period (VIII - IX)		(11,422.06)	(7,248.86)
XI Earnings Per Equity Share	41		
[Nominal Value per share : Rs. 10 (March 31, 2014 : Rs. 10)]			
(1) Basic (Rs.)		(36.42)	(23.72)
(2) Diluted (Rs.)		(36.38)	(23.72)

The notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our Report of even date.

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

Aditya Khaitan - Chairman
Prasanta Kumar Chandra - Wholetime Director & COO
Prabir Ghosh - Wholetime Director & Group CFO
Sukanta Chattopadhyay - Sr. V.P. Commercial & Company Secretary



Notes to the Financial Statements for the year ended 31.03.2015

1 General Information

McNally Bharat Engineering Company Ltd (MBE) is a leading Engineering Turnkey Project Execution Company in India. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 24 months for the purpose of current – non current classification of assets and liabilities.

2.2 Tangible Assets, Intangible Assets and Depreciation

- (a) Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight, duties and taxes and expenses incidental to and directly attributable to acquisition and installation of fixed assets. Own manufactured assets are capitalized at cost including an appropriate share of directly attributable overheads. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (b) Depreciation is provided on pro-rata basis using straight line method over the estimated useful lives of assets. The estimates of useful lives have undergone a change with effect from April 1, 2014, based on technical evaluation and are same as the lives prescribed under Schedule II to the Companies Act, 2013, except for certain items of Plant and Machinery with lower useful life as given below: Scaffolding Material: 4 years
- (c) Gains or losses arising from disposal of fixed assets carried at cost are recognized in the Statement of Profit and Loss.
- (d) Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Computer software is amortized over a period of three years.

2.3 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

2.4 Impairments

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

Notes to the Financial Statements for the year ended 31.03.2015

2.5 Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investment are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.6 Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using Weighted Average method. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Foreign currency translation

Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition: As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary current assets and monetary current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the Statement of Profit and Loss.

Forward Exchange Contract: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

2.8 Derivative Contracts

Derivative Contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects Of Changes In Foreign Exchange Rates'): Derivative contracts outstanding as at year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognized in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.9 Revenue Recognition

Revenue on contracts is recognized using percentage of completion method wherein the stage of completion is determined with reference to the ratio of the contract cost incurred for work performed up to the reporting date to the estimated total contract cost. In the case of unit rate contracts the stage of completion is determined with reference to the valuation of the actual amount of work completed as per the contracted rates. In cases where the current estimate of total contract cost and revenue indicate a loss, such loss is recognized as an expense.

Sale of goods : Sales are recognized when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties.

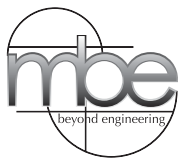
Sale of Services : In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognized net of service tax.

2.10 Other Income

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognized when the right to receive dividend is established.

Income from duty drawback : Income from duty drawback is recognized in the Statement of Profit and Loss on an accrual basis.



Notes to the Financial Statements for the year ended 31.03.2015

2.11 Employee Benefits

Short-term Employee Benefits are recognized in the period in which employee services are rendered.

Provident Fund : Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Superannuation Fund: The Company operates a superannuation fund scheme for some of its employees towards which the Company contributes up to a maximum of 15% of the employees' current salary, which is charged to the Statement of Profit and Loss. The scheme, which is fully funded, is managed by Trustees and is independent of the Company's finance.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be available or encashed beyond 12 months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefit are recognized in the Statement of Profit and Loss as and when incurred.

Post Retirement Medical Benefits: Accrued liability towards post employment medical benefits extended to certain categories of employees (Comprising of annual medical insurance premium to cover hospitalization) within a defined monetary limit are evaluated on the basis of actuarial valuation based on Projected Unit Credit (PUC) Method at the end of the year and is recognized as a charge in the accounts.

Other Long Term Employee Benefits: Other long term employee benefits comprising of entitlement to accumulation of Sick Leave and Long Service Award is provided based on Actuarial valuation as per PUC method carried out as at the end of the year.

Employees' State Insurance Scheme: Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognized as charge in Statement of Profit and Loss in the year in which they arise.

2.12 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.13 Provisions and Contingent Liabilities

Provisions : Provisions are recognized when there is a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a

Notes to the Financial Statements for the year ended 31.03.2015

reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.14 Leases

As a Lessee :

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease payments under operating leases are charged on a straight-line basis in the Statement of Profit and Loss over the lease term.

2.15 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.16 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17 Government Grants

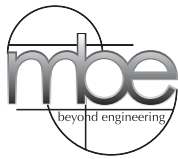
Grants of Capital nature and related to specific Fixed Assets are deducted from gross value of assets. Other grants of Capital nature are credited to Capital Reserve. Grant related to revenue are recognized in the Statement of Profit and Loss on a systematic basis to match them with related costs.

2.18 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
3 SHARE CAPITAL		
Authorized :		
7,00,00,000 (March 31,2014 : 4,00,00,000) Equity Shares of Rs. 10/- each	7,000.00	4,000.00
1,20,00,000 (March 31,2014 : 1,20,00,000) 11.50% Non-Convertible Redeemable Preference Shares of Rs. 100/- each	12,000.00	12,000.00
Issued, Subscribed & Paid up :		
4,05,93,818 (March 31,2014 : 3,10,93,818) Equity Shares of Rs. 10/- each fully paid up.	4,059.38	3,109.38
9,75,000 (March 31,2014 : 9,75,000) 11.50% Non-Convertible Redeemable Preference Shares of Rs. 100/- each fully paid up.	975.00	975.00
	5,034.38	4,084.38



Notes to the Financial Statements for the year ended 31.03.2015

(a) Reconciliation of Number of Equity Shares :

	As at 31.03.2015		As at 31.03.2014	
	No. of shares	Rs in Lacs	No of shares	Rs in lacs
At the beginning of the year	31,093,818	3,109.38	31,093,818	3,109.38
Add: Issued during the year	9,500,000	950.00	–	–
At the end of the year	40,593,818	4,059.38	31,093,818	3,109.38

(b) Reconciliation of Number of 11.50% Non-Convertible Redeemable Preference Shares :

At the beginning of the year	975,000	975.00	825,000	825.00
Add: Issued during the year	–	–	150,000	150.00
At the end of the year	975,000	975.00	975,000	975.00

(c) Rights and restrictions attached to shares :

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting,

Preference Shares: The Company has cumulative, non convertible redeemable preference shares of Rs 100 each at a coupon rate of 11.50% p.a.. Tenure of these Preference Shares is 7 years from the date of issue.

(d) The company does not have a holding company.

(e) Details of shares held by shareholders holding more than 5% of the aggregate Equity shares in the Company.

Sl. No.	Name of Equity Shareholders	As at March 31, 2015		As at March 31, 2014	
		No of Shares	% Held	No of Shares	% Held
1	Williamson Magor & Company Ltd.	5,179,748	12.76%	3,179,748	10.23%
2	McLeod Russel India Ltd.	3,052,295	7.52%	3,052,295	9.82%
3	MKN Investments Pvt. Ltd.	5,000,000	12.32%	–	–
4	Rekha Rakesh Jhunjunwala	3,498,349	8.62%	–	–

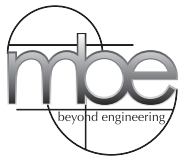
(f) Details of shares held by shareholders holding more than 5% of the aggregate 11.50% Non-Convertible Redeemable Preference shares in the Company

Sl. No.	Name of Non-Convertible Redeemable Preference Shareholders	As at March 31, 2015		As at March 31, 2014	
		No of Shares	% Held	No of Shares	% Held
1	Tata Capital Financial Services Limited	625,000	64.10%	625,000	64.10%
2	Brijesh Kumar Biyani	100,000	10.26%	100,000	10.26%
3	Rahul Mohindar	50,000	5.12%	50,000	5.12%
4	Vinay Mohindar	100,000	10.26%	100,000	10.26%
5	Mridula Mohata	100,000	10.26%	100,000	10.26%

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
4 RESERVES & SURPLUS		
Capital Redemption Reserve	1.00	1.00
Securities Premium Account		
Balance at the beginning of the year	8,460.30	8,460.30
Add: Premium on Securities allotted during the year	8,550.00	-
Less: Expenses relating to Securities during the year	26.99	-
Balance as at the end of the year	16,983.31	8,460.30
Securities Premium Account-Non-Convertible Redeemable Preference Share		
Balance at the beginning of the year	2,884.40	2,888.40
Add: Premium on Non-Convertible Redeemable Preference Shares allotted during the year	-	-
Less: Expenses relating to Non-Convertible Redeemable Preference Shares during the year	-	4.00
Balance as at the end of the year	2,884.40	2,884.40
General Reserve	1,687.22	1,687.22
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	15,712.26	23,088.36
Profit/(Loss) for the year	(11,422.06)	(7,248.86)
	4,290.20	15,839.50
Less : Appropriations		
Dividend on Preference Shares for the year	112.13	108.76
Dividend Distribution Tax on Dividend on Preference Shares	19.06	18.48
Balance at the end of the year	4,159.01	15,712.26
Total	25,714.94	28,745.18
5 LONG TERM BORROWINGS : [Refer Note No 47]		
Secured :		
Term Loans :		
From Banks in Foreign Currency	2,207.10	2,964.01
From Bank in Indian Rupee	1,562.94	2,816.55
Unsecured :		
From Others	1,014.94	1,485.00
	4,784.98	7,265.56



Notes to the Financial Statements for the year ended 31.03.2015

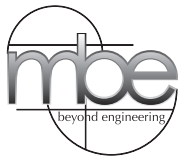
(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
6 DEFERRED TAX LIABILITIES (NET) :		
Liabilities :		
Difference between written down value of block of assets as per Income tax laws and book written down value of the fixed assets	1,171.77	1,719.64
Assets :		
Items allowable for tax purposes on payment	(214.25)	(210.37)
Business losses	(891.02)	(1,259.84)
Others	(66.50)	(249.43)
	<u>-</u>	<u>-</u>
(a) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.		
(b) During the year the Company has recognized deferred tax assets (including assets on business losses) to the extent of deferred tax liabilities.		
7 OTHER LONG TERM LIABILITIES :		
Advance from Customers	26.50	26.81
Others	74.29	61.03
	<u>100.79</u>	<u>87.84</u>
8 LONG TERM PROVISIONS :		
Provision for Employee Benefits [Refer Note no 48]:		
Provision for Privileged Leave Encashment	447.65	479.50
Provision for Other Employee Benefits	211.72	235.28
	<u>659.37</u>	<u>714.78</u>
Other Provisions :		
Provision for Lease Rent	540.42	607.96
Provision for Tax [Refer Note no 49]	5,804.28	6,793.74
	<u>7,004.07</u>	<u>8,116.48</u>

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
9 SHORT TERM BORROWINGS :		
Secured :		
Term Loan from Banks :		
Indian Rupee Loan (Refer Note a below)	1,814.26	9,978.11
Foreign Currency Loan (Refer Note b below)	732.39	1,989.72
Working Capital Loan (Refer Note b below) :		
Cash Credit from Banks	74,465.13	50,438.38
Working Capital Demand Loan from Banks	19,710.34	3,000.00
Packing Credit in Indian Rupee	85.00	–
Unsecured :		
Term Loan :		
From Banks	26,600.00	14,000.00
From Others	5,100.00	5,100.00
Working Capital Loan :		
Cash Credit from Banks	–	109.24
Working Capital Demand Loan from Banks	–	5,500.00
Packing Credit in Foreign Currency	1,905.30	–
Deposit (Inter Corporate)	6,680.00	2,600.00
	<u>137,092.42</u>	<u>92,715.45</u>
a Details of Security for Term Loans from Banks is as follows:		
Consortium of Banks: A first pari passu charge by way of hypothecation of the current assets viz., stocks of raw materials, semi-finished goods, finished goods, stores and spares, bills receivables including receivables from hire purchase/leasing, book debts and other movable assets, both present and future. A first pari passu charge in favour of the said Banks by way of third party charge on the movable and fixed assets of the Kumardhubi Division owned by McNally Sayaji Engineering Company Limited, (a Subsidiary Company). A corporate guarantee from McNally Sayaji Engineering Company Limited in favour of the BOI Consortium equivalent to the value of the property to be mortgaged by McNally Bharat Engineering Company Limited. Charge on fixed assets on subservient basis except ICICI to the extent of term loan.	–	8,000.00
Karur Vysya Bank Ltd: Pari passu Hypothecation charge on retention money of RINL project, SAIL IISCO Steel Plant, Burnpur and BHEL projects amounting to Rs 18400.00 lacs along with other lenders.	1,814.26	1,978.11
b Details of Security for Term Loan in Foreign Currency and Working Capital Loan is as follows:		
Consortium of Banks: A first pari passu charge by way of hypothecation of the current assets viz., stocks of raw materials, semi-finished goods, finished goods, stores and spares, bills receivables including receivables from hire purchase/leasing, book debts and other movable assets, both present and future. A first pari passu charge in favour of the said Banks by way of third party charge on the movable and fixed assets of the Kumardhubi Division owned by McNally Sayaji Engineering Company Limited, (a Subsidiary Company). A corporate guarantee from McNally Sayaji Engineering Company Limited in favour of the BOI Consortium equivalent to the value of the property to be mortgaged by McNally Bharat Engineering Company Limited. Charge on fixed assets on subservient basis except ICICI to the extent of term loan.	94,992.86	55,428.10
	<u>96,807.12</u>	<u>65,406.21</u>



Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
10 TRADE PAYABLES :		
Acceptances	7,532.59	9,665.13
Trade Creditors [Refer Note no 30]	98,144.00	91,045.06
	<u>105,676.59</u>	<u>100,710.19</u>
11 OTHER CURRENT LIABILITIES :		
Current Maturities of Long Term Borrowings [Refer Note No. 47]	11,037.66	9,502.84
Interest Accrued but not due on borrowings	1,282.36	222.55
Interest Accrued and due on borrowings	49.14	-
Other Interest Accrued but not due	2,931.56	313.60
Unpaid Dividends [Refer note (a) below]	18.43	20.88
Advances from Customers	55,075.13	55,106.30
Employee Benefits payable	1,867.20	1,049.45
Security Deposits	36.68	36.68
Due to Customers [Refer Note (b) below]	3,101.54	3,964.36
Creditors for Purchase of Fixed Assets	319.20	659.11
Book Overdraft in Current Account with Banks	4,087.11	70.59
Statutory dues	1,356.41	587.64
Others Payables	1,145.80	1,057.55
	<u>82,308.22</u>	<u>72,591.55</u>
(a) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.		
(b) Excess of Actual billing over cost incurred and profit /loss recognized.		
12 SHORT TERM PROVISIONS :		
Provision for Employee Benefits : [Refer Note No. 48]		
Provision for Gratuity [Refer Note No. 46]	20.12	18.27
Provision for Privileged Leave Encashment	177.78	121.14
Provision for Other Employee Benefits	73.48	51.28
	<u>271.38</u>	<u>190.69</u>
Other Provisions :		
Provision for Dividend on Preference Shares	27.65	27.65
Provision for Dividend Distribution Tax on Preference Shares	4.70	4.70
Provision for Future Foreseeable Losses in Construction Contracts	671.19	664.10
Provision for Onerous Contracts	1,400.00	7,500.00
Provision for Mark to Market Loss on Derivative Contracts	108.33	125.86
	<u>2,483.25</u>	<u>8,513.00</u>

Notes to the Financial Statements for the year ended 31.03.2015

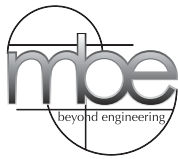
13 FIXED ASSETS

(All figures in Rs. Lacs, unless otherwise stated)

Particulars	Gross Block				Depreciation/Amortization				Net Block		
	April 1, 2014	Addition	Disposal	Adjustments*	March 31, 2015	April 1, 2014	For the year	Disposal	Adjustment*	March 31, 2015	March 31, 2014
Tangible Assets :											
Plant & Equipment	16,234.09	532.20	0.43	(1.82)	16,764.04	4,614.09	2,343.50	0.14	(16.41)	6,941.04	11,620.00
Furniture & Fixtures	1,286.59	47.21	171.62	-	1,162.18	320.43	152.30	59.39	-	413.34	966.16
Vehicles	179.21	7.98	10.67	52.28	228.80	53.27	45.81	4.04	18.80	113.84	125.94
Office Equipment	547.13	8.50	51.10	(50.46)	454.07	99.85	321.78	44.87	(2.39)	374.37	447.28
(A)	18,247.02	595.89	233.82	-	18,609.09	5,087.64	2,863.39	108.44	-	7,842.59	13,159.38
Intangible Assets :											
Computer Software (Other than internally generated)	1,113.79	-	-	-	1,113.79	1,008.26	48.18	-	-	1,056.44	105.53
(B)	1,113.79	-	-	-	1,113.79	1,008.26	48.18	-	-	1,056.44	105.53
(A+B)	19,360.81	595.89	233.82	-	19,722.88	6,095.90	2,911.57	108.44	-	8,899.03	13,264.91
Total	17,564.00	2,177.76	380.95	-	19,360.81	4,527.36	1,909.92	341.38	-	6,095.90	13,264.91
March 31, 2014											-

*Adjustment Columns represent regrouping of fixed assets in line with the requirement of Schedule-II of Company Act 2013.

14 The Company has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013 and as a result the estimated useful lives of certain fixed assets have been revised with effect from April 1, 2014. Consequently, depreciation expense for the year is higher by Rs. 837.51 lakhs with corresponding impact on loss for the year. Additionally, pursuant to the transitional provision set out in the said Schedule II, the carrying amount of fixed assets (after retaining the residual values) aggregating Rs. 158.66 lakhs, which have no remaining useful life as on April 1, 2014, has been charged to the Statement of Profit and Loss with corresponding impact on loss for the year.



Notes to the Financial Statements for the year ended 31.03.2015

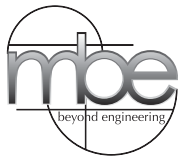
(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31,2014
15 NON-CURRENT INVESTMENTS :		
Long Term - Trade Investments (Valued at Cost)		
(a) Quoted Equity Instruments		
Investment in Subsidiaries		
67,29,698 (March 31,2014 - 67,29,698) Equity Shares of Rs. 10 each fully paid up in McNally Sayaji Engineering Limited (Out of which non disposal undertakings have been issued for 56,61,590 shares in favour of financial institutions.)	15,343.11	15,343.11
(b) Unquoted Equity Instruments		
Investment in Subsidiaries		
6,49,459 (March 31,2014-6,49,459) Equity shares in MBE Mineral Technologies Pte Limited (Formerly MBE Holding Pte Limited) of 10 Singapore Dollar each fully paid.	2,550.74	2,550.74
99,400 (March 31,2014-99,400) Equity Shares of Rs. 10 each fully paid in McNally Bharat Equipments Limited	9.94	9.94
99,400 (March 31,2014-99,400) Equity Shares of Rs. 10 each fully paid in McNally Bharat Infrastructure Limited	9.94	9.94
4,99,99,996 (March 31,2014-4,99,99,996) Equity Shares in MBE Minerals Zambia Limited of ZMK 1 each fully paid	4.69	4.69
3,49,322 (March 31, 2014-3,49,322) Equity Shares in MBE Coal & Mineral Technology India Pvt. Limited of Rs 10 each fully paid	1,909.78	1,909.78
100 (March 31, 2014-100) Equity Shares in McNally Bharat Engineering (SA) Proprietary Limited of ZAR 20.37 each fully paid	0.13	0.13
Long Term - Other Than Trade Investments (Valued at cost unless otherwise stated)		
(a) Quoted Equity Instruments		
10,960 (March 31,2014 - 10,960) Equity Shares of Rs. 5 each fully paid up in Eveready Industries India Limited	2.28	2.28
10,960 (March 31,2014 - 10,960) Equity Shares of Rs. 5 each fully paid up in McLeod Russel India Limited	2.28	2.28
	19,832.89	19,832.89
Aggregate amount of quoted Investments	15,347.67	15,347.67
Market Value of quoted Investments (excluding investment in McNally Sayaji Engineering Limited, in the absence of Current Market Quotation)	54.75	38.47
Aggregate amount of unquoted Investments	4,485.22	4,485.22
Aggregate provision for diminution in value of Investments	-	-

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
16 LONG TERM LOANS AND ADVANCES :		
Unsecured Considered Good (Unless otherwise stated):		
Capital Advances	336.04	286.11
Security Deposits	89.46	120.08
Other Loans and Advances		
Balances with Government Authorities	0.46	0.46
Others	4,350.31	2,477.51
	<u>4,776.27</u>	<u>2,884.16</u>
17 OTHER NON-CURRENT ASSETS :		
Long Term Trade Receivables:		
Unsecured Considered Good	0.28	322.83
Others :		
Long term deposits with banks with maturity period more than 12 months	–	2.20
Margin Money Deposit	9.58	191.24
	<u>9.86</u>	<u>516.27</u>
18 INVENTORIES :		
Raw Materials	12,773.18	9,379.37
Loose Tools	0.25	0.25
	<u>12,773.43</u>	<u>9,379.62</u>
19 TRADE RECEIVABLES :		
Unsecured - Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment [Refer note (a)]	30,990.72	28,151.31
Other Debts	110,651.88	115,022.08
	<u>141,642.60</u>	<u>143,173.39</u>
Less: Provision for doubtful debts	–	–
	<u>141,642.60</u>	<u>143,173.39</u>
(a) Trade receivable includes receivable from subsidiary companies by Rs. 616.38 Lacs (March 31, 2014 : Rs. 572.75 Lacs)		
20 CASH AND BANK BALANCES :		
Cash and Cash Equivalents		
Cash on Hand	147.45	197.24
Cheques on Hand	–	230.05
Remittance in Transit	28.30	2.29
Bank Balances in Current Account	4,302.48	2,281.43
Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	2.48	–
Margin Money Deposit	189.47	–
Unpaid Dividend Account	18.63	21.08
	<u>4,688.81</u>	<u>2,732.09</u>



Notes to the Financial Statements for the year ended 31.03.2015

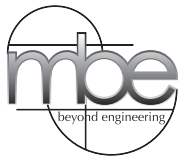
(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31,2014
21 SHORT TERM LOANS AND ADVANCES :		
Unsecured considered good :		
Loans & Advance to Subsidiaries (Refer Note a)	11,937.60	6,596.49
Other Loans & Advances		
Income Tax Refund Receivable	19.28	111.68
Balance with Statutory / Govt Authorities	4,375.41	4,312.75
Security Deposits	300.65	232.17
Prepaid Expenses	121.45	406.43
Advance to Supplier & Others	29,842.25	18,646.01
Employee Advance	73.69	60.65
Advance Income Tax (Net of Provision for Tax Rs NIL)	3,152.35	1,736.82
	<u>49,822.68</u>	<u>32,103.00</u>
(a) Loans to subsidiaries include the following. Loans have been given after complying with the provisions of section 372A of the Companies Act, 1956. The closing balance of current year represents the maximum amount outstanding during the year :		
(i) Balance of loan given to MBE Minerals Zambia Limited (100% subsidiary) for business purpose.	13.38	12.76
(ii) Balance of loan given to MBE Mineral Technologies Pte Ltd.,Singapore (100% subsidiary) for business purpose.	3,880.35	351.56
(iii) Balance of loan given to McNally Bharat Equipments Limited (100% subsidiary) for business purpose.	1.00	1.00
(iv) Balance of loan given to McNally Bharat Engg. (S.A.) Proprietary Ltd. (100% subsidiary) for business purpose.	37.33	35.61
22 OTHER CURRENT ASSETS :		
Unsecured Considered good :		
Due from Customers [Refer note (a)]	125,198.42	97,991.08
Unamortized Expenses :		
Others	561.32	242.26
	<u>125,759.74</u>	<u>98,233.34</u>
(a) Excess of cost incurred and profit/loss recognized as per AS 7 over actual sales billing.		

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31,2014
23 REVENUE FROM OPERATION :		
Sale of Equipments & Contract Revenue	216,835.29	213,673.33
Other Operating Revenue :		
Duty Drawback	8.49	1.60
Sale of Scrap	429.46	1,103.41
Recovery of Bad Debt	-	76.53
Misc. Income -Discount Received	-	0.20
	<u>217,273.24</u>	<u>214,855.07</u>
Less: Excise Duty	261.99	477.12
	<u>217,011.25</u>	<u>214,377.95</u>
24 OTHER INCOME :		
Interest Income	375.08	179.62
Dividend Income from Long Term - Other than Trade Investments	0.82	0.77
Net Gain on sale of Current Investments	-	1.24
Service Charges (Gross)	473.00	-
Corporate Guarantee Commission	46.13	566.31
Provision for Loss on Derivatives - Mark to Market Valuation - No longer required - written back	17.53	181.57
Miscellaneous Income	276.07	243.59
	<u>1,188.63</u>	<u>1,173.10</u>
25 COST OF MATERIALS CONSUMED : [Refer Note No. 37 and 38]		
Raw Material Consumed		
Opening Inventory	9,379.37	8,826.10
Add : Purchases	30,917.08	26,932.73
Less : Inventory at the end of the year	<u>12,773.18</u>	<u>9,379.37</u>
Cost of Raw Materials consumed during the year	27,523.27	26,379.46
Consumption of bought out Components and related Spares	83,669.57	68,674.02
	<u>111,192.84</u>	<u>95,053.48</u>



Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
26 EMPLOYEE BENEFIT EXPENSES : [Refer Note no 46]		
Salaries, Wages & Bonus	11,412.95	13,531.32
Contribution to Provident Fund	473.42	485.03
Contribution to Super Annuation Fund	1.03	16.45
Contribution to Gratuity Fund	80.68	4.29
Workmen and Staff Welfare Expenses	1,689.39	1,809.75
	<u>13,657.47</u>	<u>15,846.84</u>
27 FINANCE COST :		
Interest Expense	21,051.85	13,629.71
Other Borrowing Costs	1,268.30	934.15
Net Loss on foreign currency transactions and translation	199.33	559.83
	<u>22,519.48</u>	<u>15,123.69</u>
28 OTHER EXPENSES :		
Power & Fuel	1,495.00	1,581.61
Rent	1,631.21	1,725.54
Repairs to Buildings	0.01	1.12
Repairs to Machinery	95.07	111.62
Insurance	612.57	628.48
Payment to Auditors :		
As Auditors :		
Audit Fees	28.00	28.00
Fees for issuing various certificates (including limited reviews)	24.65	31.61
For reimbursement of expenses	0.55	0.42
Director Fees	12.60	13.20
Rates & Taxes	370.66	746.22
Cartage & Freight	3,854.86	7,524.50
Bank Charges	2,863.13	3,334.04
Professional Services	3,162.83	4,096.83
Travelling	2,465.50	3,000.34
Net Loss on foreign currency transactions and translation (other than considered in finance cost)	15.77	2,645.48
Bad Debts Written Off	2,628.36	390.82
Provision for Future Foreseeable Losses in Construction Contracts	7.08	664.10
Miscellaneous Expenses	6,234.25	3,644.13
	<u>25,502.10</u>	<u>30,168.06</u>

Notes to the Financial Statements for the year ended 31.03.2015

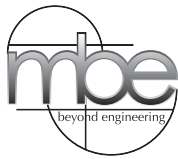
29 As per the Scheme of Arrangement as sanctioned by the Hon'ble High Court at Calcutta vide its Order dated 28th July 2009 which was filed with the Registrar of Companies, West Bengal , Kolkata on 1st September 2009 , for reconstruction of McNally Bharat Engineering Company Limited (MBECL) and its subsidiary viz McNally Sayaji Engineering Ltd (MSEL) - the Products Division of MBECL engaged in the business of manufacture and/or procuring equipments for various engineering and infrastructure projects and having its units at Kumardhubi, in the State of Jharkhand and Asansol, in the State of West Bengal and Bangalore, in the State of Karnataka has been transferred to MSEL with effect from the appointed date, i.e. 01.04.2008 .As per the scheme of arrangement the transfer and vesting of Products Division of MBECL to MSEL shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof, provided however, that such charges, mortgages and/or encumbrances shall be confined only to the assets of MBECL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in MSEL and no such charges, mortgages and/ or encumbrances shall extend over or apply to any other asset(s) of MSEL. Thus the existing charges on the assets of the Products Division for facilities enjoyed by MBECL will continue and vice versa. Accordingly, working capital demand loans, cash credit facilities, term loans and other non fund based facilities of the Company are secured by assets which include those of the Product Division of MSEL.

30 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31,2014
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	233.23	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	85.22	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1309.74	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

31 The Company had entered in September 2003 a joint venture agreement with Elsamex S.A. where officially it was appointed as a subcontractor in "West Bengal Corridor Development Project – Improvement of Gazole Hilli Section of SH 10 with a link to Balurghat from Patiram," (the project). However consequent to considerable delay in execution of the project the Public Works Department of Government of West Bengal (PWD) had unilaterally terminated the contract in January 2006. The company and Elsamex S.A. felt that such delay in execution was due to the inability of PWD to hand over the stretch of encumbrance free land for widening of road and non-availability of construction drawings on time by PWD. The company has a legitimate claim of Rs. 1517 lacs towards receivable (included in Note No.19) and Rs.1133 lacs on account of deposit against Performance Guarantee (included in Note No.21). Elsamex S.A. moved to arbitration and had claimed an amount of Rs.7334 lacs including an additional claim on consequential losses as per guidelines of "Federation Internationale Des Ingenieurs-Conseils" (FIDIC). Arbitral Board in their meeting held on 25th October 2010 has upheld Elsamex S A's claim and has given award in favour of Elsamex S A. Under the award, a total amount of Rs.3535 lacs is receivable by the Company. A claim has already been lodged with PWD. PWD has preferred to challenge the verdict of the Arbitrators and has appealed to the High Court for a stay in the matter of payment of award money.



Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
32 CONTINGENT LIABILITIES		
(a) Claims against the company not acknowledged as debt	100	100
(b) Other money for which the Company is contingently liable:		
(i) Excise Duty matters pending in appeal related to issues of applicability and classification	130	130
(ii) Sales Tax/VAT matters pending in appeal relating to disputes regarding assessable value and exemptions claimed	2,184	957
(iii) Service Tax Matters pending in appeal relating to issues of applicability	21	27
(iv) Income Tax matter pending in appeal relating to disputes regarding the taxable value and the deduction claimed.	1,640	1,340
(v) Corporate guarantees given in favour of subsidiary companies	11,900	12,997
(vi) Other guarantees given	241	1,732
(vii) Standby letter of credit	2,007	3,252
(viii) Liquidated damages relating to contract sales	Amount not readily ascertainable	Amount not readily ascertainable

The probable cash outflow in respect of the above matters is not determinable at this stage.

33 CAPITAL COMMITMENTS

Estimated value of contracts in capital account remaining to be executed	102.16	273.92
--	--------	--------

34 MONEY RECEIVED AGAINST SHARE WARRANT

30 lakh warrants was issued to existing promoter against which Rs. 7.5 cr has been received as 25% upfront payment.

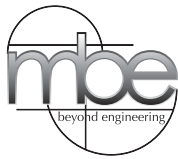
(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
35 CIF VALUE OF IMPORTS		
Components, Spare Parts and Stores	423.23	3,822.77
	423.23	3,822.77
36 EXPENDITURE IN FOREIGN CURRENCY		
Travelling	26.96	135.52
Professional and consultation fees	115.77	364.75
Interest expense	1,309.57	1,157.12
Others	183.54	541.80
	1,635.84	2,199.19

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
37 VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED		
Raw Materials (Value)		
Imported	–	–
Indigenous	27,523.27	26,379.46
	<u>27,523.27</u>	<u>26,379.46</u>
Raw Materials (%)		
Imported	0.00%	0.00%
Indigenous	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>
Components and related spares (Value)		
Imported	423.23	3,822.77
Indigenous	83,246.34	64,851.25
	<u>83,669.57</u>	<u>68,674.02</u>
Components and related spares (%)		
Imported	0.51%	5.57%
Indigenous	99.49%	94.43%
	<u>100.00%</u>	<u>100.00%</u>
38 DETAILS OF RAW MATERIALS CONSUMED		
Steel	23,843.89	23,520.57
Cement and Others	3,679.38	2,858.89
	<u>27,523.27</u>	<u>26,379.46</u>
	As at March 31, 2015	As at March 31, 2014
39 DIVIDEND REMITTED IN FOREIGN CURRENCY		
Dividend paid during the year	–	1.89
Number of non-resident shareholders	1	1
Number of equity shares held by such non-resident shareholders	189,451	189,451
Year to which the dividends relate	Not Applicable	2012-13
40 EARNINGS IN FOREIGN CURRENCY		
Sale of Contracts	319.35	454.82
Corporate Guarantee Commission	46.13	566.31
Interest Income	299.13	67.57
Service Charges	473.00	–
	<u>1,137.61</u>	<u>1,088.70</u>



Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

		As at March 31, 2015	As at March 31, 2014
41 EARNINGS PER SHARE			
(a) Basic :			
Profit / (Loss) after Tax		(11,422.06)	(7,248.86)
Less: Dividend on Preference Shares (Including Dividend distribution Tax)		131.19	127.24
Adjusted net profit for the year	(A)	(11,553.25)	(7,376.10)
Weighted Average number of equity shares outstanding	(B)	31,718,476	31,093,818
Basic EPS (Rs.)	(A/B)	(36.42)	(23.72)
(b) Diluted :			
Profit / (Loss) after Tax		(11,422.06)	(7,248.86)
Less: Dividend on Preference Shares (Including Dividend distribution Tax)		131.19	127.24
Adjusted net profit for the year	(A)	(11,553.25)	(7,376.10)
Weighted Average number of equity shares outstanding	(B)	31,718,476	31,093,818
Add : Weighted average number of potential equity shares on account of share warrant	(C)	39,041	–
Weighted average number of shares outstanding for diluted EPS	(D = B+C)	31,757,517	31,093,818
Diluted EPS (Rs.)	(A/D)	(36.38)	(23.72)

42 PROVISION FOR ONEROUS CONTRACTS

The Company is engaged in the business of executing projects on turnkey basis. Progress in some such contracts had suffered for various reasons and mostly beyond the control of the Company. Against these contracts, the Company as a measure of abundant precaution decided to make an omnibus provision of Rs. 75 Crores in 2013-14 to take care of any future losses that may arise. During the year expenses amounting to Rs. 61 crores have been incurred on some of these projects. Consequently, the respective project costs have increased and provision on onerous contract written back to such extent.

(All figures in Rs. Lacs, unless otherwise stated)

		As at March 31,2015	As at March 31,2014
43 INFORMATION IN ACCORDANCE WITH AS-7 CONSTRUCTION CONTRACTS, IN RESPECT OF CONTRACTS IN PROGRESS AS AT YEAR END DATE			
(i) Contract costs incurred		1,188,335.37	1,017,700.45
Add: Recognised profits net of recognised losses		76,533.00	72,826.02
Contract Revenues		1,264,868.37	1,090,526.47
Progress billing		1,142,771.49	996,499.75
Unbilled revenue (Net)		122,096.88	94,026.72
Due from customers		125,198.42	97,991.08
Due to customers		(3,101.54)	(3,964.36)
Advance payments received		55,075.13	55,106.30
Amount of retentions		82,958.58	75,293.90
(ii) Sale of equipments and contract revenue as reported in this accounts is in proportion to the actual costs incurred on such contracts to their contract values. Here costs represent actual costs incurred inclusive of future losses based on estimates of future costs of all on going projects made by the engineers of the company and such estimates verified independently and certified by a Chartered Engineer. Unbilled revenue represents such contract sales values less actual billing done on the basis of costs incurred.			
(iii) The company has made provision, as required under Accounting Standards, for material foreseeable losses on long term contracts.			

Notes to the Financial Statements for the year ended 31.03.2015

44 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard 18 on "Related Party Disclosures" are given below:

Relationships

- (a) Subsidiaries of the Company :
 - (i) MBE Coal & Minerals Technology, India Pvt. Ltd. (formerly Humboldt Wedag Minerals India Pvt. Ltd.)
 - (ii) McNally Sayaji Engineering Limited (MSEL)
 - (iii) McNally Bharat Equipments Limited (MBEL)
 - (iv) McNally Bharat Infrastructure Limited (MBIL)
 - (v) MBE Mineral Technologies Pte Limited (formerly MBE Holdings Pte Limited)
 - (vi) MBE Minerals Zambia Ltd
 - (vii) McNally Bharat Engineering (SA) Proprietary Ltd
- (b) Subsidiaries of MBE Mineral Technologies Pte Limited :
 - (i) MBE EWB Technologies Kft
 - (ii) MBE Cologne Engineering GmbH*
- (c) Associates of MBE Mineral Technologies Pte Limited :
 - (i) MBE Coal & Minerals Technologies GmbH**
- (d) Subsidiaries of MBE Coal & Minerals Technologies GmbH :
 - (i) MBE Mineral Processing Technology (Beijing) Co.Ltd .
 - (ii) MBE Mineral Processing of Brazil LTDA
 - (iii) PT MBE Coal & Minerals Technology , Indonesia
 - (iv) MBE Minerals S.A. Pty Limited.
 - (v) OOO MBE OUM, Russia
 - (vi) Coal & Mineral Technology Holding GmbH, Germany
- (e) Key Management Personnel :
 - (i) Mr. Deepak Khaitan - Executive Chairman***
 - (ii) Mr. Prasanta Kumar Chandra - Whole-time Director & COO
 - (iii) Mr. Prabir Ghosh- Whole-time Director & Group CFO

* 90% stake of the subsidiary has been sold on 30th April 2014.

** 70% stake of the subsidiary has been sold on 24th March 2015.

*** Expired on 9th March 2015

Notes to the Financial Statements for the year ended 31.03.2015

I) Relating to parties referred in (a), (b), (c) & (d) above.

(All figures in Rs. Lacs, unless otherwise stated)

Description	MBE Coal & Mineral Technology India Pvt.Ltd	MBE Mineral Technologies Pte Ltd, Singapore	MBE Cologne Engineering GmbH	MBE Coal & Minerals Technology GmbH	MBE EVOB Technological Kft, Hungary	McNally Sayaji Engineering Limited	McNally Bharat Equipments Limited	McNally Bharat Infrastructure Limited	MBE Minerals Zambia Limited	PT MBE Coal & Mineral Technologies Indonesia	MBE Minerals S.A. (Proprietary) Ltd.	McNally Bharat Engg (S.A.) Proprietary Ltd.
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Purchase of Materials and components	-	-	-	-	-	4,260.25	-	-	-	-	-	-
Rendering of services	-	473.00	-	-	-	(5,777.64)	-	-	-	-	-	-
Purchase of services	-	-	-	-	-	136.83	-	-	-	-	-	-
Sale of goods / contracts	-	-	-	-	319.35	(45.62)	-	137.43	-	-	-	-
Bank Charges Reimbursed	-	0.07	-	-	(454.82)	287.62	-	-	-	-	-	-
Rent paid	36.63	-	-	-	-	78.10	-	-	-	-	-	-
Loan Given	-	-	-	-	-	(73.50)	-	-	-	-	-	-
Loans repaid	-	2,801.48	-	-	-	-	-	-	-	-	-	-
Guarantee given	2,500.00	(3,706.96)	-	-	-	-	-	-	-	-	-	(35.61)
Guarantee Charges received	(4,000.00)	61.15	-	-	-	-	-	-	-	-	-	-
Guarantee received	6.99	(3,049.54)	-	-	-	-	-	-	-	-	-	-
Standby Letter of Credit given	(5.07)	46.67	(985.03)	-	2,006.70	(3,354.00)	-	-	-	-	-	-
Investments made	-	-	(3,252.40)	-	-	-	-	-	-	-	-	-
Interest received on loan	-	(549.15)	-	-	-	-	-	92.72	114.88	-	-	-
Advance given	-	184.81	-	-	-	-	-	-	(66.85)	-	-	-
Electricity	1.73	-	-	-	-	-	-	-	-	-	-	-
Other Items	7.25	66.46	-	-	-	(19.27)	-	-	(2.22)	(32.46)	3.47	-
	(78.59)	-	-	-	-	(2.98)	-	-	-	-	(28.73)	-
Balances Outstanding as at 31.03.2015												
Investments Outstanding	1,909.78	2,550.74	-	-	-	15,343.11	9.94	9.94	4.69	-	-	0.13
Outstanding on account of Standby Letter of Credit given	(1,909.78)	(2,550.74)	-	-	2,006.70	(15,343.11)	(9.94)	(9.94)	(4.69)	-	-	(0.13)
Guarantees Received Outstanding	-	-	(3,252.40)	-	-	-	-	-	-	-	-	-
Guarantees Outstanding	-	-	-	-	-	3,354.00	-	-	-	-	-	-
Outstanding payables	3,500.00	3,111.00	(985.03)	-	-	(3,354.00)	-	-	-	-	-	-
	(4,000.00)	(2,967.50)	-	-	-	5,288.70	-	-	-	-	-	-
	131.95	1.12	-	1.12	-	(5,044.75)	-	-	-	35.05	-	-
	-	(1.37)	-	(1.37)	-	5,332.03	-	-	-	(7.90)	-	-
Outstanding Receivables	(293.51)	3,880.28	-	-	18.52	(7,211.11)	1.00	1,182.03	1,195.66	-	(19.05)	37.33
	-	(351.56)	-	-	(10.34)	-	(1.00)	(987.19)	(1,026.06)	-	-	(35.61)

* Figures in bracket are for the year ended 31st March, 2014.

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

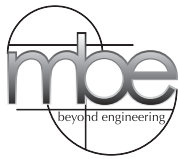
	As at March 31, 2015	As at March 31, 2014
(II) Relating to parties referred in (e) above		
Remuneration Paid :		
Mr. Deepak Khaitan	336.16	415.29
Mr. Prasanta Kumar Chandra	109.65	128.41
Mr. Prabir Ghosh	114.19	128.73
Dividend Paid	-	0.01
(III) During the Financial year, the Company has paid a sum of Rs. 5.60 Crores towards managerial remuneration to its Executive Chairman and two Whole Time Directors, which exceeds the maximum amount permissible u/s 197 of the Companies Act, 2013 read with Schedule V of the said Act. The Board of Directors of Company has already approved for payment of such remuneration, pending the further approval from the shareholders of the company. The company is in process of taking necessary approval from its shareholders through a special resolution and applying to the Central Government/National Company Law Tribunal for waiver of such excess payment of remuneration to its managerial personnel, wherever required.		

45 LEASES

As a Lessee

The company has significant operating leases for premises. These lease arrangements include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable term. The aggregate lease rentals payable are charged as Rent under Note No. 28. With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

Not later than one year	396.11	212.87
Later than one year and not later than five years	1,427.30	-
Later than five years	-	-



Notes to the Financial Statements for the year ended 31.03.2015

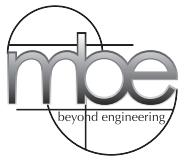
(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014			
46 EMPLOYEE BENEFIT EXPENSES					
A. GRATUITY (FUNDED)					
The Company operates a gratuity plan through the "McNally Bharat Executive Staff Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.					
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation					
(a) Present Value of Obligation at the beginning of the year	555.08	609.29			
(b) Current Service Cost	83.64	87.14			
(c) Interest Cost	51.00	52.40			
(d) Actuarial (Gains)/Losses	(17.33)	(70.37)			
(e) Benefits Paid	(94.06)	(123.38)			
(f) Present Value of Obligation at the end of the year	578.33	555.08			
(ii) Reconciliation of the Opening and Closing balances of Plan Assets					
(a) Fair Value of Plan Assets at the beginning of the year	536.80	462.00			
(b) Expected Return on Plan Assets	49.28	44.95			
(c) Actuarial Gains/(Losses)	(12.65)	(3.75)			
(d) Contributions by employer	78.83	156.98			
(e) Benefits paid	(94.05)	(123.38)			
(f) Fair Value of Plan Assets at the end of the year	558.21	536.80			
(iii) Amount recognised in current year and previous four years					
	2014-15	2013-14	2012-13	2011-12	2010-11
(a) Present Value of Obligation as at the end of the year	578.33	555.08	609.29	611.43	484.63
(b) Fair Value of Plan Assets as at the end of the year	558.21	536.80	462.00	365.63	285.15
(c) Liabilities recognized in the Balance Sheet	(20.12)	(18.27)	(147.28)	(245.80)	(199.49)
(d) Experience (Gain)/loss adjustments on plan liabilities	(17.33)	(70.37)	(102.23)	2.95	61.27
(e) Experience Gain/(loss) adjustments on plan assets	(12.65)	(3.75)	1.35	(0.37)	(0.50)
(iv) Expense recognised in the Statement of Profit and Loss					
(a) Current Service Cost			83.64		87.14
(b) Interest Cost			51.00		52.40
(c) Expected Return on Plan Assets			(49.28)		(44.95)
(d) Actuarial (Gains)/Losses on Defined Benefit Obligation			(17.33)		(70.37)
(e) Actuarial Losses/(Gains) on Plan Assets			12.65		3.75
(f) Total Expense recognized			80.68		27.97
(v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets					
(a) Fund with Life Insurance Corporation of India (LIC) (break-up by investment type is not available from LIC)			96.10		95.47
(b) Balance with Bank			3.90		4.53
Total			100.00		100.00
(vi) Actual Return on Plan Assets			36.63		41.20

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
B PRINCIPAL ACTUARIAL ASSUMPTIONS MADE BY THE ACTUARY FOR VALUATION OF THE ABOVE MENTIONED EMPLOYEE BENEFITS		
(a) Discount Rate (Per annum)	8.00%	8.25%
(b) Expected Rate of Return on Plan Assets (Per annum)	9.00%	9.00%
(c) Rate of Salary Increase (Per annum)	4.00%	4.00%
(d) Mortality Rate	In accordance with standard table LIC (1994-96) ultimate	In accordance with standard table LIC (1994-96) ultimate
C	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation..	
D	The fair value of plan asset have been segregated between the Company and the erstwhile product division of MBECL now a part of McNally Sayaji Engineering Limited on the basis of the present value of the obligations as at the end of the year.	
E Provident Fund	<p>Provident fund for certain eligible employees is managed by the Company through the “McNally Bharat Employees Provident Fund” in line with the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employers established provident funds, which require interest shortfalls to be compensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and there is no additional liability as at 31st March, 2015, in respect of interest rate guarantee . The Company has contributed amount of Rs. 473.42 Lacs towards Provident Fund during the year 2014-15 (2013-14 Rs. 485.03 Lacs)</p>	
	As at March 31, 2015	As at March 31, 2014
F Principal Actuarial Assumptions made by the actuary for valuation of the above employee benefit		
(a) Discount Rate (Per annum)	8.00%	9.16%
(b) Expected Rate of Return on Plan Assets (Per annum)	8.87%	8.78%
(c) Return on EPFO	8.75%	8.50%
(d) Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
G	Disclosures included are limited to the extent of disclosures provided by the actuary	
H Company’s best estimate of contribution expected to be paid to the Funds in the next year		
Gratuity Fund	224.24	
Provident Fund	401.85	



Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

47 CLASSIFICATION OF LONG TERM BORROWINGS

	Classified as Non Current		Classified as Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Secured :				
Term Loan				
From Banks in Foreign Currency	2,207.10	2,964.01	1,765.68	1,270.29
From Bank in Indian Rupee	1,562.94	2,816.55	2,786.39	2,204.55
From Others	–	–	1.59	13.15
Unsecured :				
From Others	1,014.94	1,485.00	6,484.00	6,014.85
	<u>4,784.98</u>	<u>7,265.56</u>	<u>11,037.66</u>	<u>9,502.84</u>

(a) Repayment terms and nature of securities given for Long Term Borrowings are as follows :

Name of Lender	Type	Non Current Portion	Current Portion	As at March 31,2015	Non Current Portion	Current Portion	As at March 31,2014	Nature of Security	Repayment Terms
ICICI Bank Ltd.	Bank	2,207.10	1,765.68	3,972.78	2,964.01	1,270.29	4,234.30	First charge by way of hypothecation on moveable assets / equipments both present and future with minimum asset cover of 1.25 times on outstanding ECB facility	The Borrower shall repay the total drawn down amount in ten semi annual installments commencing from the end of 30 months from the date of first drawdown.
ICICI Bank Ltd.	Bank	1,562.50	2,771.50	4,334.00	2,812.50	2,187.50	5,000.00	First pari passu charge (pari passu with Development Credit Bank) on moveable assets/equipments both present and future excluding those which are exclusively charged to other lenders with minimum asset cover of 1.10 times on the outstanding facility.	16 quarterly installments starting at the end of 15 months from the date of first disbursement i.e., 30th Sept. 2014.
Tata Capital Ltd.	Non Bank	–	1.59	1.59	–	13.15	13.15	Secured by hypothecation of asset acquired out of the said loan	Repayable in 36 monthly equated installments.
HDFC Bank Ltd.	Bank	0.44	14.89	15.33	4.05	17.05	21.10	Secured by hypothecation of asset acquired out of the said loan	Repayable in 36 monthly equated installments.
Aditya Birla Finance Ltd	Non Bank	1,014.94	6,484.00	7,498.94	1,485.00	6,014.85	7,499.85	Unsecured	Loan will be repaid in following installments :
									Due date Amount (Rs)
									08.06.15 741.94
									30.09.15 1,015.00
									30.09.16 3,966.00
									31.03.17 762.00
									30.09.17 810.00
									31.12.17 204.00
		<u>4,784.98</u>	<u>11,037.66</u>	<u>15,822.64</u>	<u>7,265.56</u>	<u>9,502.84</u>	<u>16,768.40</u>		<u>7,498.94</u>

(b) Other than the delay of 1 day towards repayment of Rs. 2,71,50,000 ICICI Bank, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

Notes to the Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	Classified as Non Current		Classified as Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
48 CLASSIFICATION OF PROVISION FOR EMPLOYEE BENEFITS :				
Provision for Gratuity	–	–	20.12	18.27
Provision for Privileged Leave Encashment	447.65	479.50	177.78	121.14
Provision for Other Employee Benefits	211.72	235.28	73.48	51.28
	<u>659.37</u>	<u>714.78</u>	<u>271.38</u>	<u>190.69</u>
49 CLASSIFICATION OF PROVISION FOR TAX :				
Provision for Tax	5,804.28	6,793.74	–	–
	<u>5,804.28</u>	<u>6,793.74</u>	<u>–</u>	<u>–</u>

50 Change in the estimate of contract revenue or contract costs have an effect on the current period and/or subsequent periods. It is impracticable to quantify the impact of such change in estimate.

51 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015		As at March 31, 2014	
(a) The Company uses Forward Exchange and other derivative Contracts like range forward to hedge its exposures in foreign currency. The information on such contracts outstanding as at year end are as follows:				
Loans	USD 63.00	Rs. 3,972.78	USD 70.00	Rs. 4,234.30
(b) Foreign Exchange Currency Exposures recognised by the Company that have not been hedged by a Derivative Instrument or otherwise as at year end:				
Payables	USD 0.66	Rs. 41.49	USD 2.22	Rs. 134.29
	EUR 1.75	Rs. 119.97	EUR 29.45	Rs. 2,458.49
Payable to Subsidiaries	USD 4.50	Rs. 283.77	USD 4.50	Rs. 272.21
	EUR 0.46	Rs. 31.47	EUR 0.37	Rs. 30.89
	ZAR 6.61	Rs. 35.05	ZAR –	Rs. –
Advance to Vendors	USD 0.02	Rs. 1.24	USD 0.02	Rs. 1.19
	EUR 1.42	Rs. 94.96	EUR 3.06	Rs. 248.81
Advance to Subsidiaries	USD 0.61	Rs. 37.95	USD 0.61	Rs. 36.20
Receivables	USD –	Rs. –	USD 7.22	Rs. 428.51
	EUR 5.13	Rs. 343.31	EUR 5.90	Rs. 479.73
Advance from Customers	USD 19.72	Rs. 1,243.54	USD 21.97	Rs. 1,328.97
	ZAR 150.00	Rs. 795.00	ZAR –	Rs. –
Advance from Subsidiaries	USD 0.03	Rs. 2.19	USD –	Rs. –
Loans	USD 30.21	Rs. 1,905.04	USD –	Rs. –
	EUR 10.70	Rs. 732.09	EUR 23.83	Rs. 1,989.33
Recoverable from Subsidiaries	USD 86.94	Rs. 5,409.41	USD 11.38	Rs. 675.40
(c) Mark to market losses :			<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
Mark to market losses provided for			108.33	125.86

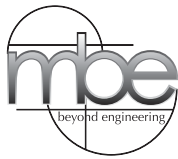
52 The company has only one “Business segment” and one “Geographical segment” as defined in Accounting Standard - 17 on “Segment Reporting”.

53 Previous year’s figures have been rearranged and / or regrouped wherever necessary to make them comparable with that of current year.

Signatories to notes 1 to 53

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

Aditya Khaitan - Chairman
Prasanta Kumar Chandra - Wholetime Director & COO
Prabir Ghosh - Wholetime Director & Group CFO
Sukanta Chattopadhyay - Sr. V.P. Commercial & Company Secretary



Cash Flow Statement for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	(11,422.06)	(6,736.48)
Adjustments for:		
Depreciation	2,911.57	1,909.92
Finance Cost	22,519.48	15,123.69
Interest Income	(375.08)	(179.62)
Dividend Income	(0.82)	(0.77)
Loss/(Profit) on Disposal of Fixed Assets (Net)	73.37	3.50
Loss/(Profit) on Sale of Investment (Net)	-	(1.24)
Bad Debts Written Off	2,628.36	390.82
Unrealised (gain)/ loss on Derivative Contracts	(17.54)	(181.57)
Provision for Future Foreseeable Losses in Construction Contracts	7.08	664.10
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	(257.61)	554.66
Provision for Onerous Contracts	(6,100.00)	21,388.81
Operating profit/(loss) before working capital changes	9,966.75	19,047.01
Adjustments for Changes in Working Capital :		
(Increase) / Decrease in Trade & Other Receivables	(46,370.95)	(52,767.33)
(Increase) / Decrease in Inventories	(3,393.81)	(553.27)
(Increase) / Decrease in Other Bank Balance	(187.02)	79.82
Increase / (Decrease) in Trade payables & Other Payables	5,750.84	(44,200.94)
Cash generated from/(used in) operations	(34,234.19)	(18,915.96)
Direct Taxes Paid (Net of Refund Received)	(2,404.99)	(2,404.99)
Net cash generated from/(used in) operating activities	(36,639.18)	(21,164.26)
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,095.27)	(2,758.39)
Sale of Fixed Assets	52.01	36.07
Interest Received	375.08	179.62
Dividend Received	0.82	0.77
Sale of Current Investments	-	8.26
Purchase of Investments in Subsidiary	-	(549.16)
(Increase) / Decrease in Fixed Deposit	181.38	(485.98)
Net cash from/(used in) investing activities	(485.98)	(3,274.81)

Cash Flow Statement for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
CASH FLOWS FROM FINANCING ACTIVITIES :		
Finance Cost Paid (Including Interest Paid)	(18,792.57)	(14,765.10)
Proceeds from issue of Share Warrants	750.00	-
Proceeds from issue of Shares	950.00	150.00
Security Premium on issue of Equity Shares (Net of expenses)	8,523.00	-
Proceeds from Long Term Borrowings	-	12,525.25
Repayment of Long Term Borrowings	(797.90)	(3,136.05)
Proceeds from Short Term Borrowings	94,085.79	46,376.58
Repayment of Short Term Borrowings	(49,708.83)	(14,727.98)
Increase/(decrease) in Book Overdraft in Current Account with Banks	4,016.52	(108.98)
Dividend paid (Including tax thereon)	(133.63)	38,892.38
	<u>38,892.38</u>	<u>(465.11)</u>
Net cash from/(used in) financing activities	38,892.38	25,848.61
Net increase/(decrease) in cash and cash equivalents	1,767.22	1,409.54
Cash and cash equivalents (Opening Balance)	2,711.01	1,301.47
[Refer note 2 below]		
Cash and cash equivalents (Closing Balance)	4,478.23	2,711.01
[Refer note 2 below]		

Notes:

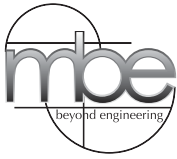
- The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard- 3 on Cash Flow Statements.
- Cash and Cash Equivalents comprise :

	<u>31.03.2015</u>	<u>31.03.2014</u>
Cash on Hand	147.45	197.24
Cheques on Hand	-	230.05
Remittance in Transit	28.30	2.29
Bank Balances in Current Account	4,302.48	2,281.43
	<u>4,478.23</u>	<u>2,711.01</u>
- Previous year's figure have been rearranged and/or regrouped wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

Aditya Khaitan - Chairman
Prasanta Kumar Chandra - Wholetime Director & COO
Prabir Ghosh - Wholetime Director & Group CFO
Sukanta Chattopadhyay - Sr. V.P. Commercial & Company Secretary



Independent Auditors' Report

To the Members of McNally Bharat Engineering Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of McNally Bharat Engineering Company Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and associate company; (refer Note i to the attached Consolidated Financial Statements), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with 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 Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. 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 and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' 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.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

We draw your attention to the following matters

7. Note 39(iii) to the consolidated financial statements regarding remuneration aggregating Rs 560 Lakhs paid/payable to two whole-time directors and an erstwhile Chairman of the Holding Company in excess of the limits prescribed under

Section 197 of the Act read with Schedule V to the Act for which requisite approval from shareholders by way of special resolution is pending; and in case of the aforesaid Chairman, the Holding Company is yet to obtain approval from the Central Government.

8. Qualification in the audit report of MBE Mineral Technologies Pte Limited, a subsidiary of the Company incorporated outside India, issued by its independent auditors vide its Report dated May 28, 2015 reproduced by us as under:
- “The Company on 24th March 2015 disposed 70% of investments in one of the subsidiaries for Euro 14,000,000 As per the terms of agreement with the buyer, sales consideration is to be received on or before 30th September 2015. As this is after the date of our audit report, we are not in a position to determine whether any provision is required for doubtful debts, if at all.”

Consequential impact of above matters on the consolidated financial statements is presently not ascertainable.

Qualified Opinion

9. 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 except for the indeterminate effects of the matters referred to in Basis for Qualified Opinion paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

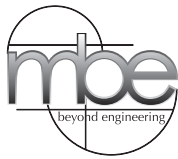
Other Matter

10. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 19,017 lakhs and net assets of Rs. 7,070 lakhs as at March 31, 2015, total revenue of Rs. 14,521 lakhs, net profit of Rs. 7,149 lakhs and net cash flows amounting to Rs. 306 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 22.90 lakhs for the year ended March 31, 2015 as considered in the consolidated financial statements, in respect of an associate company whose financial statement have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and associate company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, and associate is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and the subsidiary companies incorporated in India (Refer Note 1 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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.
 - In our opinion, except for the effects of the matters referred to in the Basis for Qualified Opinion paragraph above, proper books of accounts as required by law have been maintained by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors except that with respect to MBE Coal & Mineral Technology India Private Limited, the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on the servers physically located in India.
 - 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 by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to the 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 March 31, 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, incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above and reference is made to our comment on MBE Coal & Mineral Technology India Private Limited in Paragraph (b) above that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- (g) 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, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group- Refer Note 38 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2015- Refer (a) Note 46 and Note 36 to the consolidated financial statements in respect of such items as it relates to the Group and (b) the Group's share of net loss in respect of its associate.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2015.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No: 52340

Kolkata, May 30, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of McNally Bharat Engineering Company Limited on the Consolidated financial statements as of and for the year ended March 31, 2015

- i. (a) The Holding Company McNally Bharat Engineering Company Limited (MBECL) and its subsidiaries incorporated in India namely McNally Sayaji Engineering Limited (MSEL) and MBE Coal & Mineral Technology India Private Limited (MBE CMT) are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets. Based on reports of other auditors of the Holding Company's subsidiaries incorporated in India viz. McNally Bharat Infrastructure Limited (MBIL) and McNally Bharat Equipments Limited (MBEL), the said subsidiaries are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

- (b) The fixed assets of the Holding Company, MBECL and its subsidiaries incorporated in India namely MSEL and MBE CMT have been physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Holding Company and its subsidiaries and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

Based on report of other auditor in respect of MBIL a subsidiary, the fixed assets of the Company have been physically verified by the Management at regular interval and no material discrepancies have been noticed on such verification.

As per the report of the other auditor in respect of a subsidiary viz MBEL, there is no fixed assets hence clause i (a) and (b) are not applicable.

- ii. (a) The inventory of the Holding Company has been physically verified by the Management. Based on the report of the auditor of a subsidiary incorporated in India MBIL has been physically verified by the Management.

For MSEL and MBE CMT, Inventory (excluding stocks with third parties) has been physically verified by the respective Managements of subsidiaries during the year. In respect of inventory of the aforesaid subsidiaries lying with third parties, these have substantially been confirmed by them.

In our opinion and based on the report of other auditors, the frequency of verification for the holding company and all the subsidiaries above is reasonable.

As per the report of the other auditor in respect of a subsidiary viz MBEL, there is no inventory hence clause ii (a) (b) and (c) are not applicable.

- (b) In our opinion and based on the report of other auditors, the procedures of physical verification of inventory followed by the respective Managements of the Holding Company and its subsidiaries incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company and its subsidiaries and the nature of their respective businesses.

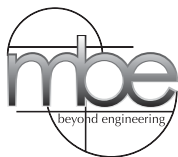
- (c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company and its subsidiaries incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company and its subsidiaries as compared to the respective book records were not material.

- iii. The Holding Company has granted unsecured loans, to a company covered in the register maintained under Section 189 of the Act. The aforesaid Holding Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act. In our opinion and based on the reports of other auditors, the subsidiaries incorporated in India have not granted any secured / unsecured loans to any company, firm or other party. Therefore, the provisions of Clause (iii), (iii) (a) and (iii) (b) of the said Order are not applicable to these subsidiaries.

- (a) In respect of the aforesaid loans, the company is repaying the principal amounts, as stipulated, and is also regular in payment of interest as applicable.

- (b) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.

- 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 Holding Company and its subsidiaries incorporated in India viz. MSEL and MBE CMT and the nature of their respective businesses for the purchase of inventory and fixed assets and for the



sale of goods and services. Further, on the basis of our examination of the books and records of the Holding Company and aforesaid subsidiaries and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

Based on the report of the auditors of the Holding Company's subsidiary incorporated in India viz. MBEL and MBIL, there is an adequate internal control system commensurate with the size of the aforesaid subsidiaries and the nature of their businesses. Further based on the report of the auditors of the subsidiaries, they have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

- v. In our opinion and according to the information and explanations given to us and based on the reports of other auditors of the subsidiaries incorporated in India as furnished to us, the Holding Company and its subsidiaries incorporated in India, have not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Holding Company and its subsidiaries incorporated in India namely MSEL and based on the report of auditor of MBIL in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and based on such review, we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. In our opinion and according to the information and explanations given to us and the records examined by us and based on report of other auditor, of the Holding Company's subsidiary, furnished to us, the Central Government of India has not specified the maintenance of cost records under sub section (1) of section 148 of the Act for any of the products for the following subsidiaries incorporated in India - MBE CMT and MBEL as per sub-section (1) of Section 148 of the Act.
- vii (a) In our opinion and according to the information and explanations given to us and the records of the Holding Company and a subsidiary incorporated in India viz. MSEL, examined by us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Excise, Works Contract Tax and Value Added Tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases but is regular in depositing undisputed statutory dues, including Wealth tax, duty of customs and cess with the appropriate authorities.

In our opinion, and according to the information and explanations given to us and the records of MBE CMT examined by us, and based on the reports of the other auditors of the subsidiaries incorporated in India, the aforesaid subsidiaries are generally regular in depositing undisputed statutory dues in respect of Service Tax, Wealth Tax, Duty of Custom and Duty of Excise, and are regular in depositing undisputed statutory dues, including Value Added Tax, Sales Tax, Provident Fund, Tax deducted at source, Works Contract Tax, Employees' State Insurance and Income Tax, and other material statutory dues, as applicable, with the appropriate authorities.

The extent of the arrears of statutory dues outstanding as at March 31, 2015, for a period of more than six months from the date they became payable are as follows:

Name of the company	Relationship	Name of the statute	Nature of dues	Amount (Rs. lakhs)	Period to which the amount relates	Due date	Date of Payment
McNally Sayaji Engineering Limited	Subsidiary	Income Tax Act	Tax deducted at Source	6.50	August 2014	September 7, 2014	May 29, 2015

- (b) According to the information and explanations given to us and the records of the Holding Company and its subsidiaries, incorporated in India examined by us the particulars of dues of Income Tax, Sales Tax, Service Tax and Duty of Excise, Value Added Tax as at March 31 2015 which have not been deposited on account of dispute, are as follows:

Name of the Company	Relationship	Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
MBECL	Holding	Central Excise Act, 1944	Excise Duty and penal interest thereon	129.51	1989-93	Commissioner of Central Excise, Pondicherry
MBECL	Holding	Finance Act 1994	Service Tax	16.81	2005-06	Additional Commissioner of Service Tax
MBECL	Holding	APGST Act, 1957	Sales Tax	4.24	2006-08	CESTAT, Kolkata
				4.16	1994-95	Sales Tax Appellate Tribunal, Hyderabad
MBECL	Holding	Rajasthan Sales Tax Act, 1994		1.33	2005-06	Deputy Commissioner (Appeals), Udaipur
MBECL	Holding	UP Trade Tax Act, 1948		1.30	2003-04	Deputy Commissioner (Appeals), Robertsgunj
MBECL	Holding	Central Sales Tax Act, 1956		470.27	2006-07	West Bengal Appellate and Revisional Board
MBECL	Holding	Central Sales Tax Act, 1956		26.00	2007-08	West Bengal Appellate and Revisional Board
MBECL	Holding	Central Sales Tax Act, 1956		29.46	2008-09	West Bengal Appellate and Revisional Board
MBECL	Holding	Central Sales Tax Act, 1956		258.24	2013-14	Additional Commissioner of CT (Appeals)
MBECL	Holding	Central Sales Tax Act, 1956		217.09	2011-12	Additional Commissioner of CT (Appeals)
MBECL	Holding	WBST Act, 1994		3.90	2003-04	Deputy Commissioner, Commercial Taxes, Kolkata
MBECL	Holding	West Bengal Value Added Tax Act, 2003	Value Added Tax	72.27	2005-06	West Bengal Appellate and Revisional Board
MBECL	Holding	West Bengal Value Added Tax Act, 2003		182.58	2006-07	West Bengal Appellate and Revisional Board
MBECL	Holding	West Bengal Value Added Tax Act, 2003		65.67	2007-08	West Bengal Appellate and Revisional Board
MBECL	Holding	West Bengal Value Added Tax Act, 2003		79.84	2008-09	West Bengal Appellate and Revisional Board
MBECL	Holding	West Bengal Value Added Tax Act, 2003		20.26	2009-10	West Bengal Appellate and Revisional Board
MBECL	Holding	AP VAT Act		12.62	2010-11	Asst. Commissioner Commercial Tax, Andhra Pradesh
MBECL	Holding	AP VAT Act		0.94	2011-12	Asst. Commissioner Commercial Tax, Andhra Pradesh
MBECL	Holding	MP VAT Act		548.57	2011-12	Additional Commissioner of CT (Appeals)
MBECL	Holding	BiharVAT Act		47.12	2010-11	JCCT Appeals.(Patna)
MBECL	Holding	BiharVAT Act		29.34	2011-12	JCCT Appeals, (Patna)
MBECL	Holding	Income-tax Act, 1961	Income Tax	1,339.55	2010-11	Commissioner of Income Tax (Appeals)
MSEL	Subsidiary	Central Excise Act, 1944	Excise Duty	6.70	1990-91	CESTAT, Kolkata
MSEL	Subsidiary	Central Excise Act, 1944	Excise Duty	21.18	1994-95 & 95-96	Deputy Commissioner, Dhanbad

Name of the Company	Relationship	Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
MSEL	Subsidiary	Central Excise Act, 1944	Excise Duty	28.31	1996-97	Assistant Commissioner, Dhanbad
MSEL	Subsidiary	Central Excise Act, 1944	Excise Duty	6.74	1993-94	Deputy Commissioner, Dhanbad
MSEL	Subsidiary	Central Excise Act, 1944	Excise Duty	18.79	1994-95	Deputy Commissioner, Dhanbad
MSEL	Subsidiary	Central Excise Act, 1944	Excise Duty	3.55	1992-93	Deputy Commissioner, Dhanbad
MSEL	Subsidiary	Bihar Finance Act, 1981	Sales Tax	6.44	1991-92	Deputy Commissioner of Commercial Taxes, Chirkunda
MSEL	Subsidiary	Bihar Finance Act, 1981	Sales Tax	5.47	1992-93	Deputy Commissioner of Commercial Taxes, Chirkunda
MSEL	Subsidiary	Bihar Finance Act 1981	Sales Tax	8.33	2004-05	Deputy Commissioner of Commercial Taxes, Chirkunda
MSEL	Subsidiary	Central Sales Tax Act, 1956	Sales Tax	256.02	2006-07	Commissioner of Commercial Taxes, Ranchi
MSEL	Subsidiary	Central Sales Tax Act, 1956	Sales Tax	64.83	2007-08	Commissioner of Commercial Taxes, Ranchi
MSEL	Subsidiary	Central Sales Tax Act, 1956	Sales Tax	1538.39	2008-09	Commissioner of Commercial Taxes, Ranchi
MSEL	Subsidiary	Central Sales Tax Act, 1956	Sales Tax	163.67	2009-10	Commissioner of Commercial Taxes, Ranchi
MSEL	Subsidiary	Central Sales Tax Act, 1956	Sales Tax	81.05	2010-11	Commissioner of Commercial Taxes, Ranchi
MBE CMT	Subsidiary	West Bengal Sales Tax Act.	Sales Tax	0.87	2004-05	Revision Board
MBE CMT	Subsidiary	West Bengal Sales Tax Act.	Sales Tax	1.24	2003-04	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	23.46	2011-12	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	57.94	2010-11	Sr. JCCT
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	34.82	2009-10	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	42.67	2009-10	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	10.51	2008-09	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	16.18	2007-08	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	14.20	2005-06	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	25.12	2004-05	Revision Board
MBE CMT	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax	16.91	2003-04	Revision Board
MBE CMT	Subsidiary	West Bengal Value Added Tax Act, 2003	Value Added Tax	3.64	2010-11	Sr.JCCT
MBE CMT	Subsidiary	West Bengal Value Added Tax Act, 2003	Value Added Tax	3.61	2005-06	Revision Board
MBE CMT	Subsidiary	Income Tax Act, 1961	Income Tax	50.02	2009-10	C.I.T Appeal
MBE CMT	Subsidiary	Income Tax Act, 1961	Income Tax	47.30	2010-11	C.I.T Appeal

Based on the reports of the other auditors of the Holding Company's subsidiaries incorporated in India, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of customs and duty of excise, Value Added Tax or Cess as at March 31, 2015 which have not been deposited on account of dispute.

- c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

In our opinion and according to the information and explanations given to us and the records examined by us and based on report of other auditors, of the Holding Company's subsidiaries, furnished to us there were no amounts required to be transferred by subsidiaries incorporated in India viz. MBE CMT, MBIL and MBEL to Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. In our opinion and according to the information and explanations given to us and the records examined by us and based on report of other auditor, of the Holding Company's subsidiary, furnished to us the Holding Company, and its subsidiaries incorporated in India namely MSEL and MBIL do not have accumulated losses as at the end of the financial year and these companies have incurred cash losses during the financial year ended on that date and have not incurred cash losses in the immediately preceding financial year.

MBE CMT a subsidiary has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

Based on the report of other auditor of MBEL, a subsidiary of the Holding Company, it does not have accumulated losses exceeding fifty percent of its net worth as at the end of the financial year. It has incurred cash loss in the current year. It has also incurred cash loss in the immediately preceding financial year.

- ix. According to the records of the Holding Company and its subsidiaries, examined by us and the information and explanations given to us and based on the reports of the other auditors furnished to us, the Holding Company and its subsidiaries incorporated in India have not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date except in case of Holding Company, MBECL dues to ICICI Bank aggregating to Rs. 271.5 lakhs has been defaulted for the period of one day and in case of MSEL dues to bank aggregating to Rs. 606.43 lakhs has been defaulted for the period of 14 days and 57 days.

Based on the report of other auditor, MBEL a subsidiary of the Holding Company incorporated in India does not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the aforesaid subsidiary.

- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company and its subsidiary MSEL incorporated in India for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the respective aforesaid Holding Company and its subsidiary.

In our opinion, and according to the information and explanations given to us and based on the reports of the other auditors of the Holding company's subsidiaries, the other subsidiaries have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to such subsidiaries.

- xi. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Holding Company and its following subsidiaries incorporated in India namely MSEL and MBE CMT have been applied for the purposes for which they were obtained.

Based on the reports of the other auditors furnished to us, other subsidiaries have not raised any loans during the year hence this clause is not applicable for aforementioned subsidiaries.

- xii. During the course of our examination of the books and records of the Holding Company and its subsidiaries carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors, we/the other auditors have neither come across any instance of material fraud on or by the Holding Company and its subsidiaries incorporated in India noticed or reported during the year, nor have we/the other auditors been informed of any such case by the respective Managements of the aforesaid Holding Company and its subsidiaries.

For Lovelock & Lewes

Firm Registration No. 301056E

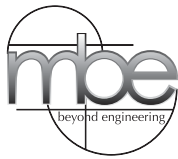
Chartered Accountants

Prabal Kr. Sarkar

Partner

Membership No: 52340

Kolkata, May 30, 2015



Consolidated Balance Sheet As At 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	5,034.38	4,084.38
(b) Reserves and surplus	4	30,232.30	27,631.60
(c) Money received against Share warrants		750.00	–
2 Minority Interest		4,176.81	4,890.56
3 Non-current liabilities			
(a) Long-term borrowings	5	8,890.49	14,482.89
(b) Other Long term liabilities	6	153.81	808.47
(c) Long-term provisions	7	7,335.42	9,966.67
4 Current liabilities			
(a) Short-term borrowings	8	155,888.18	113,131.66
(b) Trade payables	9	109,217.97	101,838.15
(c) Other current liabilities	10	91,680.50	81,381.10
(d) Short-term provisions	11	3,363.07	10,797.05
TOTAL		416,722.93	369,012.53
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	29,808.48	34,901.86
(ii) Intangible assets	12	1,598.41	5,577.94
(iii) Capital work-in-progress		903.76	791.36
(b) Non-current investments	14	2,676.01	4.59
(c) Deferred tax assets (net)	29	237.38	397.70
(d) Long-term loans and advances	15	6,448.32	3,046.66
(e) Other non-current assets	16	632.27	759.58
2 Current assets			
(a) Inventories	17	26,712.85	28,455.86
(b) Trade receivables	18	153,558.00	162,200.08
(c) Cash and Bank Balances	19	6,106.79	5,210.38
(d) Short-term loans and advances	20	61,979.90	28,649.10
(e) Other current assets	21	126,060.76	99,017.42
TOTAL		416,722.93	369,012.53

The notes are an integral part of these financial statements.

This is the Consolidated Balance Sheet referred to in our Report of even date.

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

Aditya Khaitan

Prasanta Kumar Chandra

Prabir Ghosh

Sukanta Chattopadhyay

- Chairman
- Wholetime Director & COO
- Wholetime Director & Group CFO
- Sr. V.P. Commercial & Company Secretary

Consolidated Statement of Profit and Loss For The Year Ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

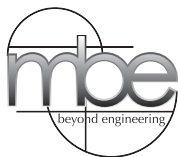
Particulars	Note No	Year Ended March 31, 2015	Year Ended March 31, 2014
I Sale of Equipment & Contract Revenue	22	241,624.52	261,651.51
Sale of Services		2,479.30	2,322.66
Other Operating Revenues		1,173.53	1,894.94
		<u>245,277.35</u>	<u>265,869.11</u>
Less: Excise Duty		2,303.92	2,678.20
		<u>242,973.43</u>	<u>263,190.91</u>
II Other Income	23	10,107.05	7,158.13
III Total Revenue (I+II)		<u>253,080.48</u>	<u>270,349.04</u>
Expenses :			
IV Cost of materials consumed	24	121,475.91	115,561.05
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	28	358.00	(2,414.26)
Outsourcing expenses to outsiders for job work		60,526.38	59,799.42
Employee benefit expenses	25	18,482.01	31,484.32
Finance cost	26	25,493.42	19,644.05
Depreciation and amortization expenses	12	4,620.93	4,013.32
Other expenses	27	35,976.00	42,684.17
Total Expenses		<u>266,932.65</u>	<u>270,772.07</u>
V Profit/(Loss) before exceptional items, onerous contract items and tax (III - IV)		<u>(13,852.17)</u>	<u>(423.03)</u>
VI (1) Exceptional Items	45	-	(531.23)
(2) Provision for onerous contracts	44	-	7,500.00
(3) Provision for onerous contracts written back	44	(6,100.00)	-
		<u>(6,100.00)</u>	<u>6,968.77</u>
VII Profit / (Loss) before tax (V - VI)		<u>(7,752.17)</u>	<u>(7,391.80)</u>
VIII Tax Expense :			
(1) Current Tax		155.38	1,052.56
(2) Deferred Tax		211.13	(932.69)
		<u>366.51</u>	<u>119.87</u>
IX Profit / (Loss) after tax before minority interests and share of results of Associate (VII -VIII)		<u>(8,118.68)</u>	<u>(7,511.67)</u>
X (1) Minority Interest		(713.75)	29.25
(2) Share of (profit) /Loss of associate		22.90	-
		<u>(690.85)</u>	<u>29.25</u>
XI Profit /(Loss) for the period (IX - X)		<u>(7,427.83)</u>	<u>(7,540.92)</u>
XII Earnings Per Equity Share :	40		
[Nominal Value per share : Rs. 10 (2014: Rs.10)]			
(1) Basic (Rs.)		(23.83)	(24.66)
(2) Diluted (Rs.)		(23.80)	(24.66)

The notes are an integral part of these financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

Aditya Khaitan - Chairman
Prasanta Kumar Chandra - Wholetime Director & COO
Prabir Ghosh - Wholetime Director & Group CFO
Sukanta Chattopadhyay - Sr. V.P. Commercial & Company Secretary



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

1 DISCLOSURE RELATING TO ENTITIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS

- (i) The Consolidated financial statement represents consolidation of accounts of McNally Bharat Engineering Company Limited (the Company) and its following subsidiaries.

Sl. No.	Name of the Company	Country of incorporation	As At 31.03.2015		As At 31.03.2014	
			Proportion of Ownership interest	Reporting Dates	Proportion of Ownership interest	Reporting Dates
1	McNally Sayaji Engineering Limited (MSEL)	India	74.86%	31-Mar-15	74.86%	31-Mar-14
2	McNally Bharat Equipments Limited	India	99.40%	31-Mar-15	99.40%	31-Mar-14
3	McNally Bharat Infrastructure Limited	India	99.40%	31-Mar-15	99.40%	31-Mar-14
4	MBE Minerals Zambia Limited	Zambia	99.99%	31-Mar-15	99.99%	31-Mar-14
5	MBE Mineral Technologies Pte Limited	Republic of Singapore	100.00%	31-Mar-15	100.00%	31-Mar-14
6	McNally Bharat Engineering (SA) Proprietary Ltd	South Africa	100.00%	31-Mar-15	100.00%	31-Mar-14
7	MBE Coal & Mineral Technology India Pvt Ltd	India	99.99%	31-Mar-15	99.99%	31-Mar-14
8	MBE EWB Kornyezetvedelmi Kft (subsidiary MBE Mineral Technologies Pte Ltd)	Hungary	99%	31-Mar-15	99%	31-Mar-14

Note : 90% Shareholding in MBE Cologne Engineering GmbH, a 100% subsidiary of MBE Mineral Technologies Pte Limited till 30th April 2014, was disposed off and only 10% shareholding is with MBE Mineral Technologies Pte Limited as on 31.3.15

- (ii) The Consolidated financial statement represents consolidation of accounts of McNally Bharat Engineering Company Limited (the Company) and its following Associate :

Sl. No.	Name of the Company	Country of incorporation	As At 31.03.2015		As At 31.03.2014	
			Proportion of Ownership interest	Reporting Dates	Proportion of Ownership interest	Reporting Dates
1	MBE Coal & Mineral Technology GmbH (Associate of MBE Mineral Technologies Pte Limited)	Germany	30%	31-Mar-15	100%	31-Mar-14

Note : 70% Shareholding in MBE Coal & Mineral Technology GmbH, a 100% subsidiary of MBE Mineral Technologies Pte Limited till 24th March 2015, was disposed off and only 30% shareholding is with MBE Mineral Technologies Pte Limited as on 31.3.15.

- (iii) With the sale of 70% holding in MBE Coal & Mineral Technology GmbH, the subsidiaries of MBE Coal & Mineral Technology GmbH viz MBE (S.A.) Minerals Proprietary Limited, MBE Mineral Processing Technology(Beijing) Co Ltd, MBE Mineral Processing Brasil LTDA, MBE Coal & Mineral Technology Indonesia, MBE Aufbereitung von Kohle und Mineralien GmbH, Coal & Mineral Technology Holding GmbH accordingly cease to remain subsidiaries of MBE Mineral Technologies Pte Limited.

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 – “Consolidated Financial Statements” and Accounting Standard 23 (AS 23) - “Accounting for Investments in Associates in Consolidated Financial Statements” as notified by Companies (Accounting Standards) Rules, 2006.

The Consolidated financial statements are prepared on the following basis:

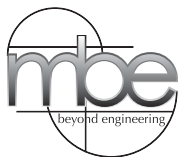
- (i) Subsidiaries are consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases.
- (ii) The financial statements of the Holding Company and the Subsidiary companies have been combined on a line by line basis by adding together like item of assets, liabilities, income and expenses. The intra group balances, intra group transactions and unrealized profit or losses thereon if any have been fully eliminated where such transactions took place subsequent to the date of acquisitions of the related subsidiary.
- (iii) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Holding Company in all cases.
- (iv) The excess / shortfall of the consideration given over the net value of the identifiable assets acquired in subsidiary company is recognized as goodwill/ capital reserve. Goodwill is disclosed under Fixed asset. Impairment loss is recognized where applicable.
- (v) The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiaries, assets and liabilities using the closing exchange rate at the Balance Sheet date, and for revenues, costs and expenses using average exchange rates prevailing during the period . The resultant exchange difference arising out of such transaction is recognized as part of equity (Foreign Currency Translation Reserve Account) by the Parent Company until the disposal of investment.
- (vi) The equity method has been followed where the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor’s share of net assets of the investee. The consolidated statement of profit and loss reflects the investor’s share of the results of operations of the investee.
- (vii) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the entities have ascertained their operating cycle for the purpose of current – non-current classification of assets and liabilities as follows:

- the Company : 24 months and
- subsidiaries and associate : 12 months.

2.2 Tangible Assets, Intangible Assets and Depreciation

- (a) Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight, duties and taxes and expenses incidental to and directly attributable to acquisition and installation of fixed assets. Own manufactured assets are capitalized at cost including an appropriate share of directly attributable overheads. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

- (b) Depreciation is provided on pro-rata basis using straight line method over the estimated useful lives of assets. The estimates of useful lives have undergone a change with effect from April 1, 2014, based on technical evaluation and are same as the lives prescribed under Schedule II to the Companies Act, 2013, except for certain items of Plant and Machinery with lower useful life as given below:
Scaffolding Material : 4 years
- (c) Gains or losses arising from disposal of fixed assets carried at cost are recognized in the Statement of Profit and Loss.
- (d) Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Computer software is amortized over a period of three years.

2.3 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

2.4 Impairments

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

2.5 Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investment are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.6 Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using Weighted Average method. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Foreign currency translation

Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition: As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary current assets and monetary current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

Forward Exchange Contract: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

2.8 Derivative Contracts

Derivative Contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects Of Changes In Foreign Exchange Rates'): Derivative contracts outstanding as at year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognized in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.9 Revenue Recognition

Revenue on contracts is recognized using percentage of completion method wherein the stage of completion is determined with reference to the ratio of the contract cost incurred for work performed upto the reporting date to the estimated total contract cost. In the case of unit rate contracts the stage of completion is determined with reference to the valuation of the actual amount of work completed as per the contracted rates. In cases where the current estimate of total contract cost and revenue indicate a loss, such loss is recognized as an expense.

Sale of goods : Sales are recognized when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties.

Sale of Services : In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognized net of service tax.

2.10 Other Income

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognized when the right to receive dividend is established.

Income from duty drawback : Income from duty drawback is recognized in the Statement of Profit and Loss on an accrual basis.

2.11 Employee Benefits

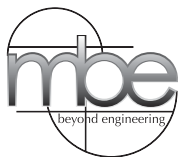
Short-term Employee Benefits are recognized in the period in which employee services are rendered.

Provident Fund : Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity : The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Superannuation Fund: The Company operates a superannuation fund scheme for some of its employees towards which the Company contributes upto a maximum of 15% of the employees' current salary, which is charged to the Statement of Profit and Loss. The scheme, which is fully funded, is managed by Trustees and is independent of the Company's finance.

Compensated Absences : Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be available or encashed beyond 12 months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits : Termination benefits in the nature of voluntary retirement benefit are recognized in the Statement of Profit and Loss as and when incurred.

Post Retirement medical benefit : Accrued liability towards post employment medical benefits extended to certain categories of employees (Comprising of annual medical insurance premium to cover hospitalization) within a defined monetary limit are evaluated on the basis of actuarial valuation based on Projected Unit Credit (PUC) Method at the end of the year and is recognized as a charge in the accounts.

Other Long Term Employee Benefits : Other long term employee benefits comprising of entitlement to accumulation of Sick Leave and Long Service Award is provided based on Actuarial valuation as per PUC method carried out as at the end of the year.

Employees' State Insurance Scheme : Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognized as charge in Statement of Profit and Loss in the year in which they arise.

2.12 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.13 Provisions and Contingent Liabilities

Provisions : Provisions are recognized when there is a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.14 Leases

As a Lessee :

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease payments under operating leases are charged on a straight-line basis in the Statement of Profit and Loss over the lease term.

2.15 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.16 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17 Government Grants

Grants of Capital nature and related to specific Fixed Assets are deducted from gross value of assets. Other grants of Capital nature are credited to Capital Reserve. Grant related to revenue are recognized in the Statement of Profit and Loss on a systematic basis to match them with related costs.

2.18 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.19 Warranty Provision

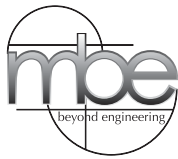
A warranty provision is raised for future estimated warranty claims based on past experience, as well as specific claims known at year end.

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
3 SHARE CAPITAL		
Authorized :		
7,00,00,000 (March 31,2014 : 4,00,00,000) Equity Shares of Rs. 10/- each	7,000.00	4,000.00
1,20,00,000 (March 31,2014 : 1,20,00,000) 11.50% Non-Convertible Redeemable Preference Shares of Rs. 100/- each	12,000.00	12,000.00
	<u>19,000.00</u>	<u>16,000.00</u>
Issued, Subscribed & Paid up :		
4,05,93,818 (March 31,2014 : 3,10,93,818) Equity Shares of Rs. 10/- each fully paid up.	4,059.38	3,109.38
9,75,000 (March 31,2014 : 9,75,000) 11.50% Non-Convertible Redeemable Preference Shares of Rs. 100/- each fully paid up.	975.00	975.00
	<u>5,034.38</u>	<u>4,084.38</u>

(a) Reconciliation of Number of Equity Shares :

	<u>As at 31.03.2015</u>		<u>As at 31.03.2014</u>	
	<u>No. of shares</u>	<u>Rs in Lacs</u>	<u>No of shares</u>	<u>Rs in lacs</u>
At the beginning of the year	31,093,818	3,109.38	31,093,818	3,109.38
Add: Issued during the year	9,500,000	950.00	-	-
At the end of the year	<u>40,593,818</u>	<u>4,059.38</u>	<u>31,093,818</u>	<u>3,109.38</u>



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(b) Reconciliation of Number of 11.50% Non-Convertible Redeemable Preference Shares :

	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Rs. in Lacs	No of Shares	Rs. in Lacs
At the beginning of the year	975,000	975.00	825,000	825.00
Add: Issued during the year	–	–	150,000	150.00
At the end of the year	975,000	975.00	975,000	975.00

(c) Right and restrictions attached to shares :

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting,

Preference Shares: The Company has cumulative, non convertible redeemable preference shares of Rs 100 each at a coupon rate of 11.50% p.a. Tenure of these Preference Shares is 7 years from the date of issue.

(d) Details of shares held by shareholders holding more than 5% of the aggregate Equity shares in the Company

Sl. No.	Name of Equity Shareholders	As at March 31, 2015		As at March 31, 2014	
		No of Shares	% Held	No of Shares	% Held
1	Williamson Magor & Company Ltd.	5,179,748	12.76%	3,179,748	10.23%
2	McLeod Russel India Ltd.	3,052,295	7.52%	3,052,295	9.82%
3	MKN Investments Pvt. Ltd.	5,000,000	12.32%	–	–
4	Rekha Rakesh Jhunjunwala	3,498,349	8.62%	–	–

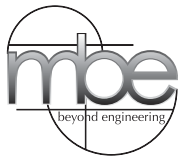
(e) Details of shares held by shareholders holding more than 5% of the aggregate 11.50% Non-Convertible Redeemable Preference shares in the Company

Sl. No.	Name of Non-Convertible Redeemable Preference Shareholders	As at March 31, 2015		As at March 31, 2014	
		No of Shares	% Held	No of Shares	% Held
1	Tata Capital Financial Services Limited	625,000	64.10%	625,000	64.10%
2	Brijesh Kumar Biyani	100,000	10.26%	100,000	10.26%
3	Rahul Mohindar	50,000	5.12%	50,000	5.12%
4	Vinay Mohindar	100,000	10.26%	100,000	10.26%
5	Mridula Mohata	100,000	10.26%	100,000	10.26%

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
4 RESERVES AND SURPLUS		
Capital Redemption Reserve	1.00	15.05
Capital Reserve		
Balance as at 31st March, 2015	863.59	2,602.92
Securities Premium Account		
Balance as at 31st March, 2015	16,983.31	8,460.30
Securities Premium Account-Non-Convertible Preference Share	2,884.40	2,884.40
Foreign currency translation reserve		
Balance as at 31st March, 2015	(3,679.84)	(1,565.03)
General Reserve		
Balance as at 31st March, 2015	1,598.14	1,834.78
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	18,925.80	21,273.19
Profit for the year	(7,427.83)	(7,540.92)
	<u>11,497.97</u>	<u>13,732.27</u>
Less : Appropriations		
Dividend on Preference shares for the year	112.13	108.75
Dividend Distribution Tax on Dividend on Preference Shares	19.06	18.48
Transfer to General Reserve	(214.92)	210.29
Others	-	(4.43)
Balance at the end of the year	<u>11,581.70</u>	<u>13,399.18</u>
	<u>30,232.30</u>	<u>27,631.60</u>
5 LONG TERM BORROWINGS :		
Secured : [Refer Note 41]		
Term Loan		
From Banks in Foreign Currency	2,207.10	10,178.30
From Bank in Indian Rupee	5,352.74	2,815.54
From Others	3.06	4.05
Unsecured:		
Other than from Banks	1,327.59	1,485.00
	<u>8,890.49</u>	<u>14,482.89</u>



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
6 OTHER LONG TERM LIABILITIES :		
Trade Payables (Including Acceptance)	50.88	29.66
Advance from Customers	26.50	26.81
Others	76.43	752.00
	<u>153.81</u>	<u>808.47</u>
7 LONG-TERM PROVISIONS :		
Provision for Employee Benefits		
Provision for Privileged Leave Encashment	643.03	1,886.19
Provision for Other Employee Benefits	211.72	244.22
	<u>854.75</u>	<u>2,130.41</u>
Other Provisions :		
Provision for Lease Rent	540.42	617.88
Provision for Tax	5,804.28	6,793.74
Others	135.97	424.64
	<u>7,335.42</u>	<u>9,966.67</u>
8 SHORT-TERM BORROWINGS :		
Secured : [Refer Note 42]		
Term Loan from Banks		
Indian Rupee Loan	1,814.26	17,478.11
Foreign Currency Loan	2,764.61	1,989.72
Loan Repayable on demand :		
From Banks	107,771.36	68,478.59
Unsecured :		
From Banks	29,863.20	16,609.24
From Others	13,674.75	8,576.00
	<u>155,888.18</u>	<u>113,131.66</u>
9 TRADE PAYABLES :		
Acceptances	7,556.34	10,071.05
Trade Creditors	101,661.63	91,767.10
	<u>109,217.97</u>	<u>101,838.15</u>

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

10 OTHER CURRENT LIABILITIES :

Current Maturities of Long Term Debt (Refer Note - 41)	15,261.89	11,912.03
Interest Accrued but not due on borrowings	1,387.78	362.21
Other Interest Accrued but not due	2,931.56	313.60
Interest Accrued and due on borrowings	97.69	77.78
Income Received in advance	218.35	305.79
Unpaid Dividends [Refer note (a) below]	161.45	193.62
Advances from Customers	57,313.62	58,580.12
Employee Benefits payable	2,341.67	1,455.12
Security Deposits	36.68	36.68
Due to Customers [Refer Note (b) below]	3,168.05	4,555.71
Creditors for Purchase of Fixed Assets	395.27	810.82
Statutory dues	1,914.39	772.37
Book Overdraft in Current Account with Banks	4,087.11	70.59
Others Payable	2,364.99	1,934.66
	<u>91,680.50</u>	<u>81,381.10</u>

(a) There is no amount due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

(b) Excess of Actual billing over cost incurred and profit /loss recognised.

11 SHORT-TERM PROVISIONS :

Provision for Employee Benefits : [Refer Note No. 35]		
Provision for Gratuity	221.13	192.72
Provision for Privileged Leave Encashment	189.04	145.22
Provision for Other Employee Benefits	123.67	1,297.43
	<u>533.84</u>	<u>1,635.37</u>
Other Provisions :		
Provision for Tax	42.49	-
Provision for Proposed Dividend	27.65	27.65
Provision for Corporate Dividend Tax	4.70	4.70
Provision for Future Foreseeable Losses in Construction Contracts	671.19	664.10
Provision for onerous contracts	1,400.00	7,500.00
Provision for Warranty	177.16	304.49
Provision for Mark to Market Loss on Derivative Contracts	108.33	125.86
Liquidated damages	228.74	324.84
Others	168.97	210.04
	<u>3,363.07</u>	<u>10,797.05</u>

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

12 FIXED ASSETS

(All figures in Rs. Lacs, unless otherwise stated)

Particulars	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK				
	April 1, 2014	Additions	Sales	Adjustments*	Foreign Exchange Translation Reserve Adj.	March 31, 2015	April 1, 2014	For the year	Sales	Adjustments*	Foreign Exchange Translation Reserve Adj.	March 31, 2015	March 31, 2014
Tangible Assets :													
Free Hold Land	256.85	-	-	-	(0.85)	256.00	-	-	-	-	-	256.00	256.85
Lease Hold Land	2,757.82	-	0.22	-	68.00	2,825.60	77.24	27.13	-	-	-	2,721.23	2,680.58
Building	13,082.82	2.00	43.00	(151.64)	220.00	13,110.18	1,314.30	510.88	16.00	(141.49)	-	11,442.49	11,768.52
Plant & Machinery	27,779.37	554.57	24.62	(2,437.56)	26.00	25,897.76	9,832.77	3,233.36	21.60	(1,320.97)	-	14,174.20	17,946.60
Furniture & Fixture	1,547.13	50.43	199.66	(162.54)	0.91	1,236.27	566.55	205.34	68.24	(180.53)	(0.10)	713.25	980.58
Vehicles	408.40	-	33.53	(1.23)	(7.30)	366.34	192.50	23.17	11.90	(15.41)	(13.43)	191.41	215.90
Office Equipments	1,511.32	10.47	83.70	(744.88)	(1.17)	692.04	800.14	387.65	77.43	(451.18)	(2.45)	35.31	711.18
Refrigerators & Air Conditioners	358.38	14.75	2.00	(42.72)	1.00	329.41	85.09	71.59	2.00	(49.34)	-	224.07	273.29
Telephone Plant	102.66	-	-	(41.92)	(0.10)	60.64	34.30	0.71	-	(24.79)	(0.10)	50.52	68.36
(A)	47,804.75	632.22	386.73	(3,582.49)	306.49	44,774.24	12,902.89	4,459.83	197.17	(2,183.71)	(16.08)	14,965.76	29,808.48
Intangible Assets :													
Goodwill	4,370.43	-	-	(3,104.54)	-	1,265.89	0.10	-	-	(0.10)	-	1,265.89	4,370.33
Technology for:													
Pumps	19.77	-	-	-	-	19.77	19.77	-	-	-	-	19.77	-
Designs and drawings	2,295.33	-	-	(45.33)	-	2,250.00	1,969.22	72.00	-	(40.22)	-	2,001.00	326.11
Computer software	2,692.82	-	-	(1,135.08)	(4.32)	1,553.42	1,811.32	89.10	-	(428.24)	(2.28)	1,469.90	881.50
(B)	9,378.35	-	-	(4,284.95)	(4.32)	5,089.08	3,800.41	161.10	-	(468.56)	(2.28)	3,490.67	5,577.94
Total (A + B)	57,183.10	632.22	386.73	(7,867.44)	302.17	49,863.32	16,703.30	4,620.93	197.17	(2,652.27)	(18.36)	18,456.43	40,479.80
As on 31.03.2014	52,475.93	5,073.26	654.19	-	(288.10)	57,183.10	12,855.71	4,013.32	349.64	-	183.91	16,703.30	39,620.22

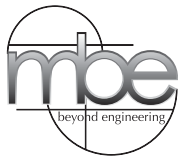
* Adjustment includes the value of fixed assets of the subsidiaries which has not been considered in consolidation during the year as per note 1 (iii).

13 The Company has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013 and as a result the estimated useful lives of certain fixed assets have been revised with effect from April 1, 2014. Consequently, depreciation expense for the year is higher by Rs. 933.46 lakhs with corresponding impact on loss for the year. Additionally, pursuant to the transitional provision set out in the said Schedule II, the carrying amount of fixed assets (after retaining the residual values) aggregating Rs. 224.16 lakhs, which have no remaining useful life as on April 1, 2014, has been charged to the Statement of Profit and Loss with corresponding impact on loss for the year.

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
14 NON-CURRENT INVESTMENTS:		
(Valued at Cost less other than temporary diminution in value, if any)		
Trade Investments		
(a) Unquoted Equity Instruments		
Investment in Associate		
90,000 Equity shares in MBE Coal and Mineral Technologies GmbH of Euro 1 each fully paid. (Goodwill on such investment 1400 Lakhs)	2,694.88	—
Add: Share of Profit/ (Loss) upto March 31, 2015	<u>(23.46)</u>	2,671.42
Other Than Trade Investments		
(a) Quoted Equity Instruments		
10,960 (March 31,2014 - 10,960) Equity Shares of Rs. 5 each fully paid up in Eveready Industries India Ltd.	2.28	2.28
10,960 (March 31,2014 - 10,960) Equity Shares of Rs. 5 each fully paid up in Mcleod Russel India Ltd.	2.28	2.28
(b) Unquoted Equity Instruments		
100 (March 31,2014 - 100) shares of Rs25/- each of Co Operative Bank of Baroda Ltd	0.03	0.03
2500 shares of 1 Euro each fully paid-up of MBE Cologne Engineering GmbH	402.79	—
Less: provision for other than temporary diminution	<u>(402.79)</u>	—
	<u>2,676.01</u>	<u>4.59</u>
Aggregate amount of quoted Investments	4.56	4.56
Market value of quoted investments	54.75	38.47
Aggregate amount of unquoted Investments	2,671.45	0.03
15 LONG-TERM LOANS AND ADVANCES :		
Unsecured Considered Good (Unless otherwise stated):		
Capital Advances	1,867.74	298.60
Security Deposits	229.79	251.78
Other Loans and Advances		
Balances with Government Authorities	0.46	0.46
Others	4,350.33	2,495.82
	<u>6,448.32</u>	<u>3,046.66</u>
16 OTHER NON-CURRENT ASSETS :		
Long term trade receivables:		
Unsecured Considered Good	489.36	553.75
Others :		
Long term deposits with banks	133.33	14.49
Margin Money Deposit	9.58	191.34
	<u>632.27</u>	<u>759.58</u>



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

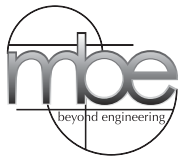
(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
17 INVENTORIES :		
Raw Materials	14,970.95	15,676.54
Work-in-progress	10,590.06	11,690.96
Finished Goods	65.76	108.92
Loose Tools	80.37	82.50
Stores and Spares	757.93	896.94
Stock in trade in transit	247.78	–
	<u>26,712.85</u>	<u>28,455.86</u>
18 TRADE RECEIVABLES :		
Secured - Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	536.92	732.20
Other Debts	<u>1,638.88</u>	<u>4,478.55</u>
	2,175.80	5,210.75
Unsecured - Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	25,969.84	27,797.47
Other Debts	<u>125,412.36</u>	<u>129,191.86</u>
	151,382.20	156,989.33
Unsecured - Considered Doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	1,527.40	1,222.68
Other Debts	<u>–</u>	<u>92.56</u>
	1,527.40	1,315.24
Less: Provision for doubtful debts	<u>1,527.40</u>	<u>1,315.24</u>
	<u>153,558.00</u>	<u>162,200.08</u>
19 CASH AND BANK BALANCES :		
Cash & Cash Equivalents		
Cash on Hand	168.34	210.62
Cheques on Hand	–	230.05
Remittance in Transit	28.30	60.79
Bank Balances		
Bank Balances in Current Account	5,614.29	4,087.01
Demand Deposits (Less than 3 months maturity)	0.10	586.80
Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	83.37	5.55
Margin Money Deposit	189.47	–
Unpaid Dividend Account	22.92	29.56
	<u>6,106.79</u>	<u>5,210.38</u>

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
20 SHORT-TERM LOANS AND ADVANCES :		
Secured considered good		
Others	–	0.01
Unsecured considered good		
Advance recovered in cash or in kind	11,226.51	–
Loans & Advance to Related Parties		
Recoverable from Whole time Director	18.69	22.40
Other Loans & Advances		
Advance Income Tax	3,282.75	1,228.60
Income Tax Refund Receivable	19.28	223.30
Balance with Statutory / Government Authorities	5,270.75	5,426.22
Security Deposits	318.46	287.59
Prepaid Expenses	151.81	594.99
Advance to Supplier & Others	31,264.85	20,444.84
Employee Advance	81.82	71.86
Others	10,344.98	349.29
	61,979.90	28,649.10
21 OTHER CURRENT ASSETS :		
Unsecured Considered good :		
Due from Customers [Refer note (a)]	125,474.07	98,907.29
Interest Receivable	0.04	0.02
Insurance Claim Receivables	0.23	0.23
Unamortised Expenses :		
Current portion of Foreign Currency Monetary item translation difference account	2.57	5.32
Others	583.85	104.56
	126,060.76	99,017.42
(a) Excess of cost incurred and profit/loss recognised as per AS 7 over actual sales billing .		
22 REVENUE FROM OPERATION :		
Sale of Equipment & Contract Revenue	241,624.52	261,651.51
Sale of Services	2,479.30	2,322.66
Other Operating Revenue :		
Duty Drawback	8.49	1.60
Sale of Scrap	986.16	1,620.54
Energy Income - Wind Mill	101.29	99.84
Agency Income	9.73	32.18
Recovery of Bad Debt	–	81.61
Misc. Income	67.86	59.17
	1,173.53	1,894.94
Total	245,277.35	265,869.11
Less: Excise Duty	2,303.92	2,678.20
	242,973.43	263,190.91



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

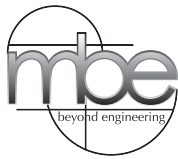
(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
23 OTHER INCOME :		
Dividend Income		
From Long Term Investments Other than trade	0.82	0.77
Net Gain/(Loss) on sale of Investment		
Long term Trade investment	8,245.39	1,789.78
Current Investment	–	1.24
Net Gain on foreign currency transactions and translation (other than considered in finance cost)	101.71	–
Liabilities / Provisions no longer required written back	710.62	553.18
Provision for Loss on Derivatives - Mark to Market Valuation - No longer required written back	46.18	262.63
Profit on Sale of Fixed Assets (net)	293.88	–
Service Charges (Gross)	471.91	–
Profit on unhedging of Foreign Currency Loan	–	1,406.40
Miscellaneous Income	236.54	2,803.23
	<u>10,107.05</u>	<u>7,158.13</u>
24 COST OF MATERIALS CONSUMED :		
Raw Material Consumed		
Opening Inventory	12,682.44	13,915.56
Add : Purchases	38,304.76	45,895.91
Less : Inventory at the end of the year	<u>14,970.95</u>	<u>15,676.54</u>
Cost of Raw Materials consumed during the year	36,016.25	44,134.93
Consumption of bought out Components and related Spares	85,459.66	71,426.12
	<u>121,475.91</u>	<u>115,561.05</u>
25 EMPLOYEE BENEFIT EXPENSES : [Refer Note No 35]		
Salaries, Wages & Bonus	15,835.80	27,010.07
Contribution to Provident Fund	666.66	738.80
Contribution to Super Annuation Fund	1.03	18.19
Contribution to Gratuity Fund	115.42	85.00
Workmen and Staff Welfare Expenses	1,863.10	3,632.26
	<u>18,482.01</u>	<u>31,484.32</u>
26 FINANCE COST :		
Interest Expense	23,646.30	16,934.54
Other Borrowing Costs	1,674.64	1,986.34
Net Loss on foreign currency transactions and translation	172.48	723.17
	<u>25,493.42</u>	<u>19,644.05</u>

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
27 OTHER EXPENSES :		
Consumption of Stores & Spare Parts	1,933.12	3,141.70
Fabrication and other charges	1,864.68	–
Power & Fuel	1,838.46	2,577.63
Rent	1,683.69	3,176.01
Repairs to Buildings	40.15	96.83
Repairs to Machinery	148.06	363.66
Repairs to Others	98.77	121.66
Insurance	701.28	836.15
Freight	738.71	221.31
Payment to Auditors :		
As Auditors :		
Audit Fees	72.76	93.06
Fees for issuing various certificates (including limited reviews)	77.36	154.24
For reimbursement of expenses	0.66	1.08
Director Fees	125.08	125.06
Rates & Taxes	541.49	973.21
Cartage & Freight	3,917.20	7,669.13
Bank Charges	2,931.45	3,436.57
Professional Services	3,861.55	5,692.64
Provision for Warranty	52.57	1,420.31
Travelling	3,036.79	4,202.10
Net Loss on foreign currency transactions and translation (other than considered in finance cost)	–	2,658.10
Bad Debts	2,798.74	425.95
Allowances for Bad and Doubtful Trade Receivables	314.62	–
Loans and Advances written off	1,479.16	–
Loss on Sale of Fixed Assets (net)	–	0.95
Agency commission & Selling expenses	108.14	53.58
Provision for Future Foreseeable Losses in Construction Contracts	7.08	874.14
Miscellaneous Expenses	7,604.43	4,369.10
	35,976.00	42,684.17
28 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS:		
Opening Stock		
Work-in-Progress	10,119.07	9,349.13
Stock -in-trade	785.63	–
Finished Goods	108.92	36.49
	<u>11,013.62</u>	<u>9,385.62</u>
Less:		
Closing Stock		
Work-in-Progress	10,590.06	11,690.96
Stock -in-trade	–	–
Finished Goods	65.56	108.92
	<u>10,655.62</u>	<u>11,799.88</u>
	358.00	(2,414.26)



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
29 DEFERRED TAX ASSETS (NET)		
Assets :		
Items allowable for tax purposes on payment	305.59	278.10
Business losses	2,502.84	1,629.60
Others	621.93	424.37
Liabilities :		
Difference between written down value of block of assets as per Income tax laws and book written down value of the fixed assets.	(3,192.98)	(1,934.37)
	237.38	397.70

(a) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws

30 The company had entered in September 2003 a joint venture agreement with Elsamex S.A. where officially it was appointed as a subcontractor in "West Bengal Corridor Development Project – Improvement of Gazole Hilli Section of SH 10 with a link to Balurghat from Patiram," (the project). However consequent to considerable delay in execution of the project the Public Works Department of Government of West Bengal (PWD) had unilaterally terminated the contract in January 2006. The company and Elsamex S.A. felt that such delay in execution was due to the inability of PWD to hand over the stretch of encumbrance free land for widening of road and non-availability of construction drawings on time by PWD. The company has a legitimate claim of Rs. 1517 lacs towards receivable (included in Note No.18) and Rs.1133 lacs on account of deposit against Performance Guarantee (included in Note No.20). Elsamex S.A. moved to arbitration and had claimed an amount of Rs.7334 lacs including an additional claim on consequential losses as per guidelines of "Federation Internationale Des Ingenieurs-Conseils" (FIDIC). Arbitral Board in their meeting held on 25th October 2010 has upheld Elsamex S A's claim and has given award in favour of Elsamex S A. Under the award, a total amount of Rs.3535 lacs is receivable by the company. A claim has already been lodged with PWD. PWD has preferred to challenge the verdict of the Arbitrators and has appealed to the High Court for a stay in the matter of payment of award money.

31 Leases

As a Lessee

The company has significant operating leases for premises. These lease arrangements include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable term. The aggregate lease rentals payable are charged as Rent under Note No. 27. With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

Not later than one year	396.11	238.00
Later than one year and not later than five years	1,427.30	82.47
Later than five years	–	–

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
32 INFORMATION IN ACCORDANCE WITH AS-7 CONSTRUCTION CONTRACTS, IN RESPECT OF CONTRACTS IN PROGRESS AS AT YEAR END DATE		
(i) Contract costs incurred	1,200,213.26	1,031,962.91
Add: Recognised profits net of recognised losses	78,984.73	75,653.60
Contract Revenues	1,279,197.98	1,107,616.52
Progress billing	1,156,850.84	1,013,264.94
Unbilled revenue (Net)	122,347.14	94,351.58
Due from customers	125,884.90	98,907.29
Due to customers	(2,665.33)	4,555.71
Advance payments received	55,504.96	57,689.44
Amount of retentions	84,330.21	76,926.27
(ii) Sale of equipments and contract revenue as reported in this accounts is in proportion to the actual costs incurred on such contracts to their contract values. Here costs represent actual costs incurred inclusive of future losses based on estimates of future costs of all on going projects made by the engineers of the company and such estimates verified independently and certified by a Chartered Engineer. Unbilled revenue represents such contract sales values less actual billing done on the basis of costs incurred.		

33 PROVISIONS FOR LIQUIDATED DAMAGES :

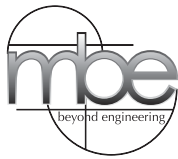
The company has as a matter of abundant caution recorded an accrual for liquidated damages in respect of contracts where there has been a default in providing services on time to customers in terms of deliverables as agreed to in the contracts. The movement in the carrying value of liquidated damages is as follows:

Opening Balance	962.04	994.11
Additional provision during the year	—	0.86
Provision utilised during the year	—	—
Provision written back	(96.10)	(32.93)
Closing Balance	865.94	962.04
Included in provision for doubtful debt	637.20	637.20
Included in other provision	228.74	324.84

34 PROVISIONS FOR WARRANTIES :

The Company warrants that their goods will perform in all material respects in accordance with the Company's standard specifications, for the warranty period. Accordingly, based on specific warranties, claims and claim history, the company provides for warranty claims. The movement in the carrying value of warranty costs is as follows:

Opening Balance	282.31	465.12
Additional provision during the year	52.37	1,420.31
Provision reversed during the year	(157.12)	(652.61)
Provision utilised during the year	(0.40)	(428.91)
Closing Balance	177.16	803.91



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

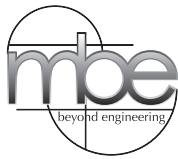
(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014			
35 GRATUITY (FUNDED)					
The Company operates a gratuity plan through the "McNally Bharat Executive Staff Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.					
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :					
(a) Present Value of Obligation at the beginning of the year	1,464	1,519			
(b) Current Service Cost	130	132			
(c) Interest Cost	128	134			
(d) Actuarial (Gains)/Losses	(41)	(75)			
(e) (Benefits Paid)	(259)	(253)			
(f) Present Value of Obligation at the end of the year	<u>1,422</u>	<u>1,457</u>			
(ii) Reconciliation of the Opening and Closing balances of Plan Assets :					
(a) Fair Value of Plan Assets at the beginning of the year	1,261	1,217			
(b) Expected Return on Plan Assets	110	112			
(c) Actuarial Gains/(Losses)	(8)	(6)			
(d) Contributions by employer	109	195			
(e) (Benefits paid)	(256)	(252)			
(f) Fair Value of Plan Assets at the end of the year	<u>1,216</u>	<u>1,264</u>			
(iii) Amount recognised in current year and previous four years :					
	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
(a) Present Value of Obligation as at the end of the year	1,422	1,457	1,521	1,587	1,328
(b) Fair Value of Plan Assets as at the end of the year	1,216	1,264	1,212	1,145	998
(c) Asset/ (Liability) recognized in the Balance Sheet	(221)	(193)	(308)	(442)	(330)
(d) Experience (Gain)/loss adjustments on plan liabilities	(41)	(75)	(134)	101	61
(e) Experience Gain/(loss) adjustments on plan assets	(8)	(6)	3	1	(1)
(iv) Expense recognised in the Statement of Profit and Loss					
(a) Current Service Cost			130		132
(b) Interest Cost			128		134
(c) (Expected Return on Plan Assets)			(110)		(112)
(d) Actuarial (Gains)/Losses on defined benefit Obligation			(41)		(75)
(e) Actuarial Losses/(Gains) on plan Assets			8		6
(f) Total Expense recognized and included			<u>115</u>		<u>85</u>
(v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets :					
(a) Fund with LIC			96.21%		95.56%
(b) Balance with Bank			3.79%		4.44%
Total			<u>100.00%</u>		<u>100.00%</u>

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
(vi) Actual Return on Plan Assets	85	107
(vii) Principal Actuarial Assumptions made by the actuary for valuation of the above mentioned employee benefits :		
(a) Discount Rate (Per annum)	8.00%	8.25%
(b) Expected Rate of Return on Plan Assets (Per annum)	9.00%	9.00%
(c) Rate of Salary Increase (Per annum)	4.00%	4.00%
(d) Mortality Rate	In accordance with standard table LIC (1994-96) ultimate	In accordance with standard table LIC (1994-96) ultimate
(viii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.		
(ix) Provident Fund		
Provident fund for certain eligible employees is managed by the Company through the "McNally Bharat Employees Provident Fund" in line with the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employers established provident funds, which require interest shortfalls to be compensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and there is no additional liability as at 31st March, 2015, in respect of interest rate guarantee .		
(x) Principal Actuarial Assumptions made by the actuary for valuation of the above employee benefit :		
(a) Discount Rate (Per annum)	8.00%	9.16%
(b) Expected Rate of Return on Plan Assets (Per annum)	8.87%	8.78%
(c) Return on EPFO	8.75%	8.50%
(d) Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
(xi) Disclosures included are limited to the extent of disclosures provided by the actuary		
(xii) The contribution expected to be made by the company for the year ended March 31, 2016 is not readily available and therefore not disclosed. Information pertaining to the year required to be considered as per AS-15 is disclosed to the extent given by actuaries.		



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
36	Pursuant to the Announcement on Accounting for derivatives issued by the Institute of Chartered Accountants of India in March , 2008 , the company has accounted for during the year reversal of loss amounting to RS. 46.18 lacs (Prev. Yr.- Rs 262.63 Lacs) in respect of outstanding derivative contracts at the balance sheet date by marking them to market.	
37	SEGMENT REPORTING	
	The company has only one "Business segment" and one "Geographical segment" as defined in Accounting Standard - 17 on "Segment Reporting".	
38	CONTINGENT LIABILITIES	
(a)	142.88	1,112.83
Estimated amount of Contracts remaining to be executed on capital account and not provided for		
(b)	100.00	100.00
Claims against the company not acknowledged as debt		
(c)	Other money for which the Company is contingently liable:	
(i)	215.30	215.00
Excise Duty matters pending in appeal related to issues of applicability and classification		
(ii)	4,674.24	4,267.11
Sales Tax/VAT matters pending in appeal relating to disputes regarding assessable value and exemptions claimed		
(iii)	21.00	27.00
Service Tax Matters pending in appeal relating to issues of applicability		
(iv)	15,254.00	16,351.00
Corporate guarantees given		
(v)	241.00	3,865.26
Other guarantees given		
(vi)	2,007.00	3,391.01
Standby letter of credit		
(vii)	256.76	-
Other demands related to claims made by certain ex-employees towards employee benefits due to them		
(viii)	-	107.61
Other commitments		
(ix)	780.00	1,400.00
Bills discounted with banks against letter of credit		
(x)	1,737.32	1,437.32
Demand for Income Tax		

The extent of probable cash outflow in respect of the above matters is not determinable at this stage

39 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard 18 on Related Party Disclosures are given below:

(i) Relationships :

- a) Associates of MBE Mineral Technologies Pte Limited :
MBE Coal & Minerals Technologies GmbH
- b) Key Management Personnel

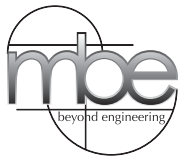
Mr. Deepak Khaitan *	- Executive Chairman (MBECL)
Mr. Prasanta Kumar Chandra	- Whole Time Director and COO (MBECL)
Mr. Prabir Ghosh	- Whole Time Director and Group CFO
Mr. Subir Chaki	- Whole Time Director (MSEL)
Mr. G Mustafi	- Director & Chief Executive Officer (CMT India)

* Expired on 9th March 2015

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
(ii) The following transactions were carried out with the related parties in the ordinary course of business:		
Remuneration Paid :		
Mr. Deepak Khaitan	336.16	415.29
Mr. Prasanta Kumar Chandra	109.65	128.41
Mr. Prabir Ghosh	114.19	128.73
Mr. Subir Chaki	93.00	96.00
Mr. G Mustafi	67.09	68.25
Dividend Paid	–	0.01
Balances Outstanding as at the year end :		
MBE Coal & Minerals Technologies GmbH :		
Outstanding Payables	117.39	–
Sundry Debtors (Net of advances)	1.30	–
Bonds issued	312.88	–
Advance outstanding from Mr. Subir Chaki	19.00	22.00
(iii) During the Financial year, the Company has paid a sum of Rs. 5.60 Crores towards managerial remuneration to its Executive Chairman and two Whole Time Directors, which exceeds the maximum amount permissible u/s 197 of the Companies Act, 2013 read with Schedule V of the said Act. The Board of Directors of Company has already approved for payment of such remuneration, pending the further approval from the shareholders of the company. The company is in process of taking necessary approval from its shareholders through a special resolution and applying to the Central Government/National Company Law Tribunal for waiver of such excess payment of remuneration to its managerial personnel, wherever required.		



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
40 EARNINGS PER SHARE :		
(a) Basic :		
Profit / (Loss) after Tax	(7,427.83)	(7,540.92)
Less: Dividend on Preference Shares (Including Dividend distribution Tax)	131.18	127.23
Adjusted net profit for the year	(A) (7,559.01)	(7,668.15)
Face Value of Each Equity Share (Rs.)	10.00	10.00
Number of Equity Shares at the beginning of the year.	31,093,818	31,093,818
Number of Equity Shares at the end of the year.	40,593,818	31,093,818
Weighted average number of equity shares outstanding during the year	(B) 31,718,476	31,093,818
Earnings Per Share - Basic (Rs.) -	(A/B) (23.83)	(24.66)
(b) Diluted :		
Weighted average number of equity shares outstanding during the year	(B) 31,718,476	31,093,818
Add : Weighted average number of potential equity shares on account of share warrant	(C) 39,041	-
Weighted average number of shares outstanding for diluted EPS	(D = B+C) 31,757,517	31,093,818
Earnings Per Share -Diluted (Rs.)	(A/ D) (23.80)	(24.66)

(All figures in Rs. Lacs, unless otherwise stated)

<u>Classified as Non Current</u>		<u>Classified as Current</u>	
As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014

41 LONG TERM BORROWINGS :

Secured :

Term Loan

From Banks	7,559.84	12,993.84	8,776.07	5,878.09
From Others	3.06	4.05	1.59	19.09

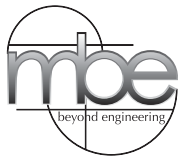
Unsecured :

From Others	1,327.59	1,485.00	6,484.23	6,014.85
	<u>8,890.49</u>	<u>14,482.89</u>	<u>15,261.89</u>	<u>11,912.03</u>

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(a) Repayment terms and nature of securities (wherever applicable) are as follows :

Name of Lender	Type	As at March 31, 2015	As at March 31, 2014	Nature of Security	Repayment Terms																
ICICI Bank Ltd.	Bank	3,972.58	4,234.83	First charge by way of hypothecation on moveable assets / equipments both present and future with minimum asset cover of 1.25 times on outstanding ECB facility	The Borrower shall repay the total drawn down amount in ten semi annual installments commencing from the end of 30 months from the date of first drawdown.																
ICICI Bank Ltd.	Bank	4,334.00	5,000.00	First pari passu charge (pari passu with Development Credit Bank) on moveable assets/equipments both present and future excluding those which are exclusively charged to other lenders with minimum asset cover of 1.10 times on the outstanding facility.	16 quarterly installments starting at the end of 15 months from the date of first disbursement i.e., 30th Sept. 2014.																
Tata Capital Ltd.	Non Bank	1.59	19.09	Secured by hypothecation of asset acquired out of the said loan	Repayable in 36 monthly equated installments.																
HDFC Bank Ltd.	Bank	15.33	21.10	Secured by hypothecation of asset acquired out of the said loan	Repayable in 36 monthly equated installments.																
Aditya Birla Finance Ltd	Non Bank	7,498.94	7,499.85	Unsecured	Loan will be repaid in following installments:- <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Due date</th> <th>Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>08.06.15</td> <td>741.94</td> </tr> <tr> <td>30.09.15</td> <td>1,015.00</td> </tr> <tr> <td>30.09.16</td> <td>3,966.00</td> </tr> <tr> <td>31.03.17</td> <td>762.00</td> </tr> <tr> <td>30.09.17</td> <td>810.00</td> </tr> <tr> <td>31.12.17</td> <td>204.00</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;">7,498.94</td> </tr> </tbody> </table>	Due date	Amount (Rs)	08.06.15	741.94	30.09.15	1,015.00	30.09.16	3,966.00	31.03.17	762.00	30.09.17	810.00	31.12.17	204.00		7,498.94
Due date	Amount (Rs)																				
08.06.15	741.94																				
30.09.15	1,015.00																				
30.09.16	3,966.00																				
31.03.17	762.00																				
30.09.17	810.00																				
31.12.17	204.00																				
	7,498.94																				
ICICI Bank Ltd.	Bank	1,502.00	1,503.00	Loan is secured by first pari passu charge over the immoveable and moveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future.	Loan is repayable in 10 equal half yearly installments, the first such installment being due on September 15, 2011 and at the end of every six months there after. Interest is payable at the rate of LIBOR + 2.50% p.a. on amount beginning April 6, 2009 and every half year thereafter. Interest rate is to be reset two business days before the start of each interest period.																
ICICI Bank Ltd.	Bank	3,912.00	4,507.00	Loan is secured by first pari passu charge on all moveable and immoveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future.	Loan is repayable in 8 equal half yearly installments, the first such installment being due on February 27, 2014 and at the end of every six months thereafter. Interest is payable at the rate of LIBOR + 4.40% p.a. on amount beginning February 28, 2011 and every half year thereafter. Interest rate is to be reset two business days before the start of each interest period.																
DBS Bank Ltd	Bank	2,600.00	3,606.00	Loan is secured by first pari passu charge on all moveable and immoveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future. This facility is also guaranteed by Holding Company.	Loan is repayable in 13 equal quarterly installments, the first such installment being due on May 14, 2014 and at the end of every quarter thereafter. Interest is payable at the rate of LIBOR+ 2.95% p.a. on amount beginning August 14, 2012 and quarterly thereafter.																
Kotak Mahindra Prime Limited	Non Bank	3.06	4.05	Loan is secured by hypothecation of motor vehicles acquired out of the loan.	Car Loans are repayable in 60 equal monthly installments. Interest is payable at the rate of 11.35% p.a.																
MBE Coal & Mineral Technology GMBH	Non Bank	312.88	-	Unsecured	Repayable in 5 years. Interest rate is 3.5% p.a.																
		24,152.38	26,394.92																		



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
42 SECURED SHORT-TERM BORROWINGS :		
Term Loan from Banks :		
Indian Rupee Loan	1,814.26	17,478.11
Foreign Currency Loan	2,764.61	1,989.72
Loan Repayable on demand :		
From Banks	107,771.36	68,478.59
	<u>112,350.23</u>	<u>87,946.42</u>
Particulars		
(a) Consortium of Banks: A first pari passu charge by way of hypothecation of the current assets viz., stocks of raw materials, semi-finished goods, finished goods, stores and spares, bills receivables including receivables from hire purchase/leasing, book debts and other movable assets, both present and future. A first pari passu charge in favour of the said banks by way of third party charge on the movable and fixed assets of the Kumardhubi Division owned by McNally Sayaji Engineering Limited, (a Subsidiary Company). A corporate guarantee from McNally Sayaji Engineering Limited in favour of the BOI Consortium equivalent to the value of the property to be mortgaged by McNally Bharat Engineering Company Limited.	94,992.86	62,928.10
(b) HDFC Bank Ltd: Hypothecation of current assets of the company by way of subservient charge.	-	5,000.00
(c) Karur Vysya Bank Ltd: Pari passu hypothecation charge on retention money of RINL project, SAIL IISCO Steel Plant, Burnpur and BHEL projects amounting to Rs 18400.00 lacs along with other lenders.	1,814.26	1,978.11
(d) Cash Credit facilities and Working Capital Demand Loans are secured by first pari passu charge on entire current assets of the Company. This facility is also secured by second pari passu charge over the immoveable and moveable fixed assets of the Kumardhubi plant - Unit II, Asansol Unit, baroda Unit and Bangalore Unit both present and future.	11,749.43	10,256.38
(e) ICICI Bank Limited : Secured by first charge by way of hypothecation of Company's entire stock of raw materials, work-in-progress, semi-finished and finished goods, consumable Stores and spares and other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating bank, if any. Interest is payable on such facility at I-Base + spread is 4.25% and its effective rate as on balance sheet date is 14.25% (Previous Year 14%). ING Vysya Bank Limited : Secured by first charge by way of hypothecation of Company's entire stock of raw materials, work-in-progress, semi-finished and finished goods, consumable Stores and spares and other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating bank, if any. Interest is payable on such facility at IVRS Plus 570 bps and its effective rate as on balance sheet date is 16.50%. (Previous Year 13.80%). Secured by Corporate Guarantee of McNally Bharat Engineering Company Limited (MBECL) in favour of ICICI Bank Limited and ING Vysya Bank Limited	1,761.46	1,018.34
(f) Secured by Corporate Guarantee of McNally Bharat Engineering Company Limited (MBECL) in favour of ICICI Bank Limited, Axis Bank's Standby Letter of Credit in favour of Commerzbank & Bayern LB and short current account credit by Commerzbank, Cologne, Germany.	2,032.22	6,765.49
	<u>112,350.23</u>	<u>87,946.42</u>

Notes to the Consolidated Financial Statements for the year ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
43 INVESTMENTS		
The following table includes the classification of investments in accordance with AS 13: Accounting for Investments		
Long Term Investments		
Quoted Equity Shares		
10,960 (March 31,2014 - 10,960) Equity Shares of Rs. 5 each fully paid up in Eveready Industries India Ltd.	2.28	2.28
10,960 (March 31,2014 - 10,960) Equity Shares of Rs. 5 each fully paid up in Mcleod Russel India Ltd.	2.28	2.28
Unquoted Equity Shares		
2500 shares of 1 Euro each fully paid-up of MBE Cologne Engineering Gmbh	-	-
Investment in Associate		
90,000 Equity shares in MBE Coal and Mineral Technologies Gmbh of Euro 1 each fully paid	2,671.42	-
100 shares of Rs25/- each of Co Operative Bank of Baroda Ltd	0.03	0.03
Total Long Term Investments	<u>2,676.01</u>	<u>4.59</u>
 Total Investments (Current and Long Term)	<u>2,676.01</u>	<u>4.59</u>
Disclosure under :		
Non Current Investments (Refer note 14)	2,676.01	4.59
Total	<u>2,676.01</u>	<u>4.59</u>

44 PROVISION FOR ONEROUS CONTRACTS :

The Company is engaged in the business of executing projects on turnkey basis. Progress in some such contracts had suffered for various reasons and mostly beyond the control of the Company. Against these contracts, the Company as a measure of abundant precaution decided to make an omnibus provision of Rs. 75 Crores in 2013-14 to take care of any future losses that may arise. During the year expenses amounting to Rs. 61 crores have been incurred on some of these projects. Consequently, the respective project costs have increased and provision on onerous contract written back to such extent.

45 EXCEPTIONAL ITEM :

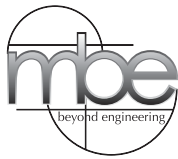
Leasehold rights with respect to a portion of land at Savli, Gujarat had been transferred for a net profit of Rs. Nil (Previous Year Rs. 531 lakhs) and has been treated as Exceptional item.

46 ANTICIPATED LOSSES :

The company has made provision, as required under Accounting Standards, for material foreseeable losses on long term contracts.

47 MONEY RECEIVED AGAINST SHARE WARRANT

During the year 30 lakh warrants were issued to existing promoters, against which Rs. 750 Lakh has been received as 25% upfront payment.



Notes to the Consolidated Financial Statements for the year ended 31.03.2015

Disclosures mandated by Schedule III of Companies Act 2013

48 NAME OF ENTITY

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated Net assets	Amount Rs. Lacs	As % of consolidated profit and loss	Amount Rs. Lacs
Parent :				
McNally Bharat Engineering Company Limited	84.19	30,322.67	112.87	(8,383.73)
Subsidiaries :				
Indian :				
McNally Sayaji Engineering Limited	(5.22)	(1,881.46)	85.24	(6,331.52)
McNally Bharat Equipments Limited	(0.01)	(2.47)	0.00	(0.27)
McNally Bharat Infrastructure Limited	(1.76)	(633.90)	4.33	(321.86)
MBE Coal & Mineral Technology India Pvt Ltd	1.41	508.00	(2.21)	164.32
Foreign :				
MBE Minerals Zambia Limited	(1.22)	(438.51)	(3.78)	281.11
MBE Mineral Technologies Pte Limited	22.58	8,133.42	(90.61)	6,730.18
McNally Bharat Engineering (SA) Proprietary Ltd	(0.09)	(33.21)	0.33	(24.23)
MBE EWB Kornyezetvedelmi Kft (Subsidiary of MBE Mineral Technologies Pte Limited)	0.12	42.14	(6.48)	481.07
Associates:				
MBE Coal & Mineral Technology Gmbh (Associate of MBE Mineral Technologies Pte Limited)			0.31	(22.90)
TOTAL	100	36,016.68	100.00	(7,427.83)
49 MINORITY INTEREST				
McNally Sayaji Engineering Limited	99.81	4,168.75	100.43	(716.83)
MBE EWB Kornyezetvedelmi Kft	0.19	8.06	(0.43)	3.08
TOTAL		4,176.81		(713.75)

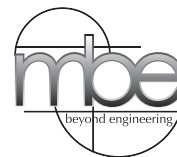
50 Previous year's figures have been rearranged and / or regrouped wherever necessary to make them comparable with that of current year.

Signatories to notes 1 to 50

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

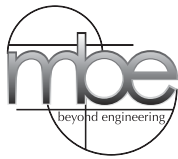
Aditya Khaitan - Chairman
Prasanta Kumar Chandra - Wholetime Director & COO
Prabir Ghosh - Wholetime Director & Group CFO
Sukanta Chattopadhyay - Sr. V.P. Commercial & Company Secretary



Consolidated Cash Flow Statement for the Year Ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	(7,752.17)	(7,391.80)
Adjustments for:		
Depreciation	4,620.93	4,013.32
Finance Cost	25,493.42	19,644.05
Interest Income	-	(340.90)
Dividend Income	(0.82)	(0.77)
Loss/(Profit) on Disposal of Fixed Assets (Net)	(293.88)	0.95
Loss/(Profit) on Sale of Investment (Net)	(8,245.39)	(1,791.02)
Bad Debts Written Off	2,798.74	425.95
Allowances for Bad and Doubtful Trade Receivables	314.62	-
Loans and Advances written off	1,479.16	-
Liabilities no longer required written back	(710.62)	(553.18)
Unrealised (gain)/ loss on Derivative Contracts	(46.18)	(262.63)
Provision for Future Foreseeable Losses in Construction Contracts	7.08	664.10
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	1,814.32	268.36
Provision for onerous contracts written back	(6,100.00)	-
Provision for onerous contracts	21,131.38	7,500.00
Operating profit/(loss) before working capital changes	13,379.21	22,176.43
Adjustments for Changes in Working Capital :		
(Increase) / Decrease in trade & Other Receivables	(56,219.58)	(48,408.53)
(Increase) / Decrease in Inventories	1,743.06	(3,972.57)
Increase / (Decrease) in trade payables & Other Payables	(1,491.87)	14,273.25
	(55,968.39)	(38,107.85)
Cash generated from/(used in) operations	(42,589.18)	(15,931.42)
Direct Taxes Paid (Net of Refund Received)	(3,156.50)	(2,464.97)
Net cash generated from/(used in) operating activities	(45,745.68)	(18,396.39)
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,767.99)	(5,816.81)
Sale of Fixed Assets	483.44	303.60
Adjustment for FA	5,215.17	-
Interest Received	-	340.90
Dividend Received	0.82	0.77
Sale of Current Investments	-	8.26
Profit on Sale of Non Current Investments	8,245.39	11,205.10
Investment in associate	2,671.43	-
(Increase) / Decrease in Fixed Deposit	(386.12)	678.52
	13,462.14	6,720.34
Net cash from/(used in) investing activities	13,462.14	6,720.34



Consolidated Cash Flow Statement for the Year Ended 31.03.2015

(All figures in Rs. Lacs, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
CASH FLOWS FROM FINANCING ACTIVITIES :		
Finance Cost Paid (Including Interest Paid)	(21,829.98)	(19,578.25)
Proceeds from issue of Share Warrants	750.00	
Proceeds from Issue of Shares	950.00	150.00
Security Premium on issue of Equity Shares (Net of expenses)	8,523.01	
Proceeds from Long Term Borrowings	-	12,525.25
Repayment of Long Term Borrowings	(2,095.09)	(16,373.23)
Proceeds from Short Term Borrowings	94,824.00	50,834.39
Repayment of Short Term Borrowings	(52,067.47)	(14,900.79)
Increase/(Decrease) in Book Overdraft in Current Account with Banks	4,016.52	(108.98)
Dividend paid (Including tax thereon)	(163.36)	(419.18)
	<u>32,907.63</u>	<u>12,129.21</u>
Net cash from/(used in) financing activities	32,907.63	12,129.21
Net increase/(decrease) in cash and cash equivalents	624.09	453.16
Cash and cash equivalents (Opening Balance) [Refer note 2 below]	5175.27	4,505.86
Cash and cash equivalents (Closing Balance) [Refer note 3 below]	5,799.36	4,959.02

Notes:

1) The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard- 3 on Cash Flow Statements.

2) Cash and Cash Equivalents comprise :

Cash on Hand	168.34	210.62
Cheques on Hand	-	230.05
Remittance in Transit	28.30	60.79
Bank Balances in Current Account	5,614.29	4,087.01
Demand Deposits (Less than 3 months maturity)	-	586.80
	<u>5,810.93</u>	<u>5,175.27</u>

3) Cash & Cash Equivalents :

Cash & Cash Equivalents as above	5,799.36	4,959.02
Effect of Exchange Rate Changes	11.57	216.25
Cash and Cash Equivalents (Refer note 2)	<u>5,810.93</u>	<u>5,175.27</u>

4) Previous year's figure have been rearranged and/or regrouped wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For **Lovelock & Lewes**
Firm Registration Number 301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No. 52340
Kolkata, 30th May, 2015

Aditya Khaitan - Chairman
Prasanta Kumar Chandra - Wholetime Director & COO
Prabir Ghosh - Wholetime Director & Group CFO
Sukanta Chattopadhyay - Sr. V.P. Commercial & Company Secretary

Form AOC-1

(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

(Information in respect of each subsidiary to be presented with amounts in Rs Lacs)

Sl. No.	1	2	3	4	5	6	7
Name of the subsidiary	MBE Minral Technologies Pte Ltd.	MBE Minerals Zambia Ltd.	McNally Bharat Engineering (SA) Proprietary Ltd.	McNally Sayaji Engineering Ltd.	McNally Bharat Infrastructure Ltd.	McNally Bharat Equipment Ltd.	MBE CMT India Ltd.
Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	31st March	31st March	31st March	31st March	31st March	31st March	31st March
Reporting currency	US Dollar USD	Zambian Kwacha ZMW	South African Rand ZAR	Indian Rupee INR	Indian Rupee INR	Indian Rupee INR	Indian Rupee INR
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	62.53	0.01173	5.1686				
Share Capital	3123.88	5.865	0.11	898.93	10.00	10.00	34.93
Reserves & surplus	6522.08	(450.28)	(32.71)	16402.41	(589.25)	(2.53)	2274.49
Total Assets	17627.51	751.89	0.49	50395.69	811.60	8.48	7396.28
Total Liabilities	17627.51	751.89	0.49	50395.69	811.60	8.48	7396.28
Investments	2671.43	-	-	0.03	-	-	-
Turnover	4918.46	1107.90	-	20641.26	287.73	-	4331.22
Profit before taxation	6188.33	474.74	(23.75)	(2,798.81)	(285.56)	(0.27)	217.81
Provision for taxation	57.23	204.22	-	53	(8.41)	-	60.48
Profit after taxation	6131.10	270.52	(23.75)	(2,851.81)	-277.15	(0.27)	157.33
Proposed Dividend	-	-	-	-	-	-	-
%of shareholding	100%	99.99%	100%	74.86%	99.40%	99.40%	99.99%

Part "B" : Associates & Joint Ventures

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

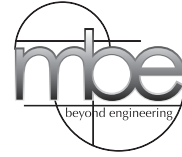
Not Applicable

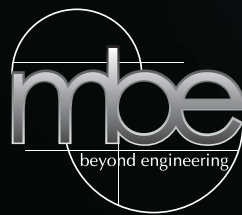
For and On behalf of the Board of Directors

Kolkata, August 13, 2015

Prasanta Kumar Chandra
Whole Time Director & COO

Prabir Ghosh
Whole Time Director & Group CFO





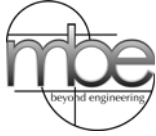
McNally Bharat Engineering Company Limited

Ecospace Business Park, Campus-2B, 11F/12

New Town, Rajarhat, North 24 Parganas, Kolkata 700 156

T +91 33 66281111 30141111 F +91 33 68282277 30142277

www.mcnallybharat.com



McNALLY BHARAT ENGINEERING COMPANY LIMITED

Corporate Identity Number (CIN): L45202WB1961PLC025181

Registered Office:

4 Mangoe Lane, Kolkata- 700 001, West Bengal, India

Tel: +9133-2213 8901, Fax No: +9133 2230 3519

E-mail: mbecal@mbecol.co.in | Website: <http://www.mcnallybharat.com>

NOTICE

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Members of McNally Bharat Engineering Company Limited will be held on Monday, September 28, 2015, at 02:30 p.m at The Williamson Magor Hall, The Palladian Lounge, The Bengal Chamber of Commerce & Industry 6, Netaji Subhas Road, Kolkata – 700001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015, the Profit and Loss account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To ratify the appointment of Statutory Auditors for holding office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the year ending March 31, 2016, and authorize the Board to fix their remuneration. M/s Lovelock & Lewes, Chartered Accountants (FRN: 301056E), retiring Auditors being eligible, offer themselves for reappointment.
3. To appoint a Director in place of Mr. Aditya Khaitan (DIN: 00023788) who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Amritanshu Khaitan (DIN: 00213413) who retires by rotation and, being eligible, offers himself for re-election

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. A. K. Barman, (holding DIN 02373956), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. V. K. Verma, (holding DIN 00766426), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. P. H. Ravikumar, (holding DIN 00280010), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. S.R. Dasgupta, (holding DIN 01401511), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT in terms of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditors namely, A. Bhattacharya & Associates, for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2016 as approved by the Board of Directors based on the recommendations of the Audit Committee, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified.”

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) made thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, Ms. Nandini Khaitan (DIN: 06941351), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2015, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, to propose Ms. Nandini Khaitan as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term up to March 29, 2020, and whose office shall not be liable to retire by rotation.”

11. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 42, 62(1)(c), 71 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) including the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and provisions of the Memorandum

and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges where the equity shares of the Company are listed and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR") (including any amendment thereto or re-enactment thereof, for the time being in force), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Securities and Exchange Board of India ("SEBI"), the Government of India ("GOI"), the Stock Exchanges, Department of Industrial Policy & Promotion, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities") and subject to such conditions as may be prescribed while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitutes to exercise its powers including the powers conferred by this Resolution), the Board be and is hereby authorized to issue, offer and allot equity shares/fully convertible debentures/partly convertible debentures / non-convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers ("QIBs") on private placement basis in accordance with Chapter VIII of the SEBI ICDR, whether or not such QIBs are Members of the Company, on the basis of placement document(s) and/or an offer document and / or private placement offer letter and/or such other documents/writings/ circulars / memoranda in such manner, at such time or times in one or more tranche or tranches by way of cash at par or at such price or prices subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR, and on such terms and conditions and in such manner as the Board may, in its absolute discretion, determine, considering the prevailing market conditions and other relevant factors, in consultation with the Book Running Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of QIP Securities as above shall not exceed a sum of Rs. 200 Crores.

"RESOLVED FURTHER THAT the relevant date for the determination of the applicable price for the issue of the QIP Securities shall be the date on which the Board decides to open the proposed issue, or the date on which the holder of the QIP Securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the equity shares, as the case may be ("Relevant Date").

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any QIP Securities referred to above or as may be necessary in accordance with the terms of the offering and that all such shares shall rank pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.

"RESOLVED FURTHER THAT the Board may at its absolute discretion, issue the QIP Securities at a discount of not more than 5% (five percent) on the price calculated for the QIP or such other discount as may be permitted under the applicable regulations to the QIP Floor Price as determined in accordance with the SEBI ICDR.

"RESOLVED FURTHER THAT the QIP Securities shall be issued and allotted within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR.

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of QIP Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of marketing and similar agreements and to remunerate the Book Running Lead Managers, and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of QIP Securities, finalization of the number of QIP Securities to be issued in each tranche thereof, form, terms and timing of the issue of QIP Securities including for each tranche of such issue of QIP Securities, identification of the investors to whom QIP Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, making such other applications to concerned statutory or regulatory authorities, and to have powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

"RESOLVED FURTHER THAT for the purpose of the aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of QIP Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage/hypothecation / charge on the Company's assets under Section 180(1) (a) of the said Act in respect of the aforesaid QIP Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

"RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the Government of India / Reserve Bank of India / Securities & Exchange Board of India / Stock Exchanges where the shares of the Company are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

12. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 ('the Act') read with the applicable provisions of Schedule V to the Act, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable and subject to such approvals, if any, as may be required, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive recovery of excess remuneration amounting to Rs. 21616007.87 paid to Late Deepak Khaitan as the Executive Chairman of the Company during the Financial Year ended 31st March, 2015, over and above the limit prescribed under the provisions of Section 197 of the Act which is within the limits approved by the Members through Special Resolution in their Extra Ordinary General Meeting held on 30th July, 2015, and that subject to the approval of the Central Government, the excess Managerial Remuneration of Rs. 21616007.87 paid to Late Deepak Khaitan, Executive Chairman during the financial year ended 31st March, 2015 be and is hereby approved.

“**FURTHER RESOLVED** that the Board of Directors, Nomination & Remuneration Committee of the Board and the Whole Time Director & Group CFO of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

By Order of the Board of Directors
For **McNally Bharat Engineering Company Limited**
Prabir Ghosh
Whole Time Director & Group CFO

Kolkata, August 13, 2015

NOTES

- The Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to special business set out in the Notice is annexed hereto.
- Members entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy to attend and vote thereat instead of himself. Proxy need not be a Member of the Company. Proxy forms, duly completed and stamped, must be received at the Company's Registered Office situated at 4 Mangoe Lane, Kolkata – 700001 at least forty-eight hours before the Meeting to be effective.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- The Company is providing the facility of remote electronic voting to the Members and the details are set out in the Annexure set herewith.
- The voting rights for the shares are one vote per equity share registered in the name of the shareholders/ beneficial owners as of cut-off date of September 21, 2015.
- The facility for voting through ballot will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.
- The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2015 to September 27, 2015 (both days inclusive).
- Pursuant to the provisions of Section 205A of the Companies Act, 1956, / Section 124 of the Companies Act, 2013, the amount of the Dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
- The Shareholders are requested to send directly all documents, transfer, demat requests and other communication in relation thereto to the Registrar at their following address:
M/S Maheshwari Datamatics Pvt. Ltd.
Unit : **McNally Bharat Engineering Co. Ltd.**
6 Mangoe Lane, 2nd Floor
Kolkata – 700001
- Members may also note that the Annual Report of the Company for the Financial Year 2014-15 and the Notice of the AGM to be held on September 28, 2015, will be available on the Company's portal <http://www.mcnallybharat.com/>
- The information as required to be provided in terms of the Listing Agreement with the Stock Exchanges regarding the Directors who are proposed to be appointed/re-appointed is annexed.
- Members desiring any information as regards the Accounts are requested to write to the Company at least seven days prior to the meeting so as to enable the Management to keep the information ready at the Meeting.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE MEETING:

ITEM NOS. 5 TO 8

The Company appointed Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta who, have been discharging the role and functions of Independent Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. The term of office of the aforesaid Directors was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 of the Companies Act, 2013 ('the Act'), the Company is required to appoint at least one-third of its total number of Directors as Independent Directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly in compliance of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Act each of Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting, whichever is earlier. Separate notices have been received from Members referring to Section 160 of the Act proposing each of them respectively for appointment as an Independent Director at the forthcoming annual General Meeting of the Company The aforesaid persons have the desired qualifications and in depth experience in their respective field and have held very high positions in different renowned organizations.

The particulars of the aforesaid Directors namely, age, qualification, past experience and other details are given below.

In the opinion of the Board, each of Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta fulfils the conditions specified in the Act and meets the criteria of independence specified in Section 149(6) of the Act and Rules made thereunder for appointment as an Independent Director. The Board considers that the continued association of the aforesaid persons would be of immense benefit to the Company and it is desirable to continue

to avail their services as Independent Directors. Accordingly, the Board recommends the resolutions set out at Item Nos. 5 to 8 of the convening Notice for approval by the Shareholders of the Company.

Mr. A.K. Barman, Mr. V.K. Verma, Mr. P.H Ravikumar and Mr. S.R Dasgupta and their relatives may be considered to be interested in the respective Resolution in so far as they relate to them individually. No other Director or the Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in respect of the said resolutions.

Name of Director	Mr. A. K. Barman
Date of Birth	06-11-1948
Qualification	B Sc. (Chemistry), IAS (Retired)
Expertise in specific functional areas	Administration, Power, Environment, Urban Governance, etc.
Brief Profile	Mr. Asim Kumar Barman, IAS, (Retired) is Non-Executive Independent Director of McNally Bharat Engineering Company Ltd. He retired as Chairman of DVC. Mr. Barman held posts like Principal Secretary Department of Environment and Department of Public Health Engineering (Water Supply and Sanitation, Government of West Bengal, Principal Secretary, Department of Health & Family Welfare.
Directorships held in other Companies (excluding foreign Companies)	Aquagreen Engineering Management Private Limited
Committee Membership, if any, with position in other Companies	Nil
Shareholding in the Company	Nil

Name of Director	Mr. P. H. Ravikumar
Date of Birth	20-07-1951
Qualification	B Com., CAIIB, AIB (London)
Expertise in specific functional areas	Banking and Financial Service Sector
Brief Profile	Mr. P. H. Ravi Kumar has over 37 years of experience in financial services sector including over 32 years as a commercial banker, spanning retail, corporate and treasury banking areas in India and abroad. He has a Bachelor's Degree in Commerce from Osmania University, Hyderabad and is an Associate of Indian Institute of Bankers, Mumbai and of Chartered Institute of Bankers London. He is also a fellow of Chartered Institute of Securities and Investment, London. He is currently the Managing Director and CEO of Invent Assets Securitisation & Reconstruction Private Limited. He was earlier the Managing Director & CEO of NCDEX Ltd. and was also the Senior General Manager & Head of Emerging Corporate (SMEs) & Agri Business at ICICI Limited.
Directorships held in other Companies (excluding foreign Companies)	i. SKS Microfinance Ltd. ii. Bharat Forge Limited iii. L&T Investment Management Limited iv. Escorts Limited v. I.G. Petrochemicals Limited vi. Vastu Housing Finance Company Limited vii. BOB Capital Markets Limited viii. Aditya Birla Capital Advisors Private Limited ix. Mya Health Credit Private Limited x. Ace Global Depository (India) Private Limited xi. Namu Eco Alternatives India Private Limited xii. LTC Commercial Company Private Limited xiii. UTPC Corporate Trustees Pvt. Ltd
Committee Membership, if any, with position	I. Chairman of Audit Committee and Stakeholders' Relationship Committee and Member of Nomination & Remuneration Committee of SKS Microfinance Ltd II. Member of Audit Committee of Bharat Forge Limited III. Member of Audit Committee of BOB Capital Markets Limited IV. Member of Audit Committee of Aditya Birla Capital Advisors Private Limited V. Member of Audit Committee and Nomination & Remuneration Committee of L&T Investment Management Limited VI. Chairman of Audit Committee of Vastu Housing Finance Company Limited VII. Chairman of Audit Committee of Ace Global Depository (India) Private Limited VIII. Member of Audit Committee of I.G. Petrochemicals Limited
Shareholding in the Company	Nil

Name of Director	Mr. V. K. Verma
Date of Birth	02-11-1931
Qualification	B Com (Hons.), DBM, FCA, FCS
Expertise in specific functional areas	Chartered Accountant, Business Executive
Brief Profile	Mr.V.K. Verma is a Chartered Accountant who has been in the profession for more than five decades and is actively associated with the Company in the areas of company law, other corporate laws and direct and indirect taxation.
Directorships held in other Companies (excluding foreign Companies)	Nil
Committee Membership, if any, with position in other Companies	Nil
Shareholding in the Company	700

Name of Director	Mr. S. R. Dasgupta
Date of Birth	10-10-1945
Qualification	B A (Eco.), Business executive
Expertise in specific functional areas	Business Executive
Brief Profile	Mr. S R Dasgupta has a vast experience in managing the business and affairs of large companies. He has held positions as Area Chairman of Eveready Battery Company for all Asia and Africa Operation (1999-99), the Vice President / Managing Director of Eveready Singapore Pte. Ltd. (1996-98) and
Directorships held in other Companies (excluding foreign Companies)	i. Kilburn Engineering Limited ii. McNally Sayaji Engineering Limited iii. China Town Properties (Pvt) Limited iv. Cairnhill Development (Pvt) Limited v. Cairnhill Stud Farm Private Limited vi. Cairnhill Infrastructure Private Limited vii. Calsin Overseas Private Limited viii. Space Olympia Properties Private Limited ix. Olympia Cairnhill Development Private Limited
Committee Membership, if any, with position	I. Member of Audit Committee and Nomination & Remuneration Committee of Kilburn Engineering Limited II. Member of Audit Committee and Nomination & Remuneration Committee of McNally Sayaji Engineering Limited
Shareholding in the Company	2500

Item No. 9

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of A. Bhattacharya & Associates, Cost Accountants, as Cost Auditors of the Company, subject to approval(s) as may be necessary, for auditing the cost accounts of the Company relating to the products as applicable for the financial year 2015-16 at a remuneration of Rs. 2,00,000/- and service tax at the applicable rate and reimbursement of out of pocket expenses at actual.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders of the Company.

The Board recommends the resolution set out at Item No. 9 for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

Item No. 10

Miss. Nandini Khaitan was appointed with effect from March 30, 2015, as an Additional Director to hold office up to the date of the forthcoming Annual General Meeting.

The particulars of Miss Nandini Khaitan namely, age, qualification, past experience and other details are as under:

Date of Birth	15-02-1980
Qualification	LLB, LLM (Columbia Law School, NY)
Expertise in specific functional areas	Legal Counsel
Directorships held in other Companies (excluding foreign Companies)	i. Dhunseri Tea & Industries limited ii. Williamson Financial Services Limited iii. International Conveyors Limited iv. Spencer's Retail Limited v. CESC Infrastructure Limited vi. GMMCO Limited vii. XPRO India Limited
Committee Membership, if any, with position	Nil
Shareholding in the Company	Nil

The Company has received a notice along with the requisite fee of Rs. One Lakh from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Miss. Nandini Khaitan as an Independent Director of the Company.

The Company has received from Miss. Nandini Khaitan a letter of consent to act as an Independent Director of the Company and intimation that she is not disqualified under Section 164(2) of the Companies Act, 2013.

The Company seeks the approval of the Members for the appointment of Miss. Nandini Khaitan to act as an independent director of the Company for a term upto March 29, 2020, and her office shall not be liable to retire by rotation.

Your Directors are of the opinion that Miss. Nandini Khaitan fulfils all the required conditions under the provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) made thereof, for the time being in force), for such appointment.

None of the Directors, other than Miss. Nandini Khaitan, are interested or concerned in the resolution.

Your Directors recommend the resolution for appointment of Miss. Nandini Khaitan for approval of the members

Item No. 11

In order to meet a part of its fund requirements for capital expenditure for ongoing and future expansion projects, working capital, repayment of loans and for general corporate purposes, the Company proposes to raise funds not exceeding a sum of Rs.200 Crores by new issue of securities in such form, subject to such terms and conditions in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to Qualified Institutional Buyers as defined in Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements), Regulations, 2009, as amended, as may be decided by the Board of Directors of the Company ("the Board") or any Committee constituted by the Board for the purpose in accordance with the applicable rules, regulations and guidelines.

The pricing of Securities as may be issued to the Qualified Institutional Buyers, pursuant to the SEBI ICDR, shall be not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR (QIP Floor Price) subject to applicable law, and a discount of not more than 5% (Five Percentage) or such percentage as permitted may be offered under applicable law on the QIP Floor Price, and further the relevant date for pricing shall be the date of the meeting in which the Board decides to open the proposed QIP issue.

The proposed issue and allotment of securities as aforesaid requires approval of the Members by way of a Special Resolution pursuant to the provisions of section 62(1) (c) and other applicable provisions, if any of the Companies Act, 2013 and the relevant provisions of the listing agreements executed by the Company with the Stock Exchanges.

The Board accordingly recommends the special resolution set out at Item No. 11 for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out in item No. 11 except they may be deemed to be concerned or interested in this item of business to the extent of the new securities that may be offered and allotted to any of the Companies or Institutions in which such persons may also be Directors / Members / Employees.

Item No. 12

Late Deepak Khaitan was appointed on September 23, 2011 as the Executive Chairman by the Members of the Company for a period of 5 years on the following terms and conditions and remuneration package as described hereunder:

Salary: Rs. 1,250,000/- per month currently, in the scale of Rs. 1,000,000 to Rs. 5,000,000, with authority to the Board of Directors to revise the same from time to time and give such annual increment/increase.

House Rent Allowance: Free furnished accommodation with the cost of gas, electricity, water, soft furnishings and telephone will be borne by the Company. In case no accommodation is provided to the Executive Chairman, he will be paid House Rent Allowance at the rate of 60% of his salary.

Performance Bonus: Payable annually, for each financial year, as may be determined by the Board.

Variable Pay and Other Benefits like Reimbursement of Expenses incurred for and on behalf of the Company and Medical Reimbursement: As may be determined by the Board of Directors from time to time.

All the perquisites shall be limited to the ceiling as laid down in Schedule V to the Companies Act, 2013.

Provided that -

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such Rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contributions to the Provident Fund Scheme and the Superannuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time, shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable, under Income Tax Act, 1961.

The Company's contributions to the Gratuity Fund in accordance with the Rules of the Company shall not be included in the computation of ceiling on perquisites.

Encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites/allowances aforesaid.

Provision for the use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance calls) shall not be included in the computation of ceiling of perquisites.

The total remuneration payable to the Executive Chairman by way of Salary, performance bonus and perquisites shall not exceed 5%, and along with other Whole Time Directors, if, any, 10% of the entire profit of the Company, calculated in accordance with Sections 197 and 198 of the Companies Act, 2013. In the event of absence or inadequacy of profit during the period, the Executive Chairman shall be paid the above remuneration as minimum remuneration.

The financial payouts made to Late Deepak Khaitan may be treated as his financial interest in the proposed resolution. Late Deepak Khaitan held no shares of the Company. Apart from Late Deepak Khaitan in his personal capacity and except with Mr. Aditya Khaitan and Mr. Amritanshu Khaitan, who are his brother and son respectively, no other director or relative of such director or any other key managerial personnel of the Company, are interested or concerned in the proposed resolution in any manner.

The Members of the Company at their Extra Ordinary General Meeting held on 30th July, 2015 had approved, through a special Resolution, the above remuneration to be paid to Late Deepak Khaitan, Executive Chairman even in case of absence/ inadequacy of profit during the financial year. As per the explanation given in Section II, Part II of Schedule V of the Companies Act, 2013, the limit specified in the said section shall be doubled on the basis of such special resolution. Under the revised limit, the excess remuneration paid is 21,616,007.87/- (Rupees Two Crores Sixteen Lakhs Sixteen Thousand and Seven, and Eighty Seven Paise only).

Information required to be given as per Part-II of Schedule-V to the Companies Act, 2013

INFORMATION ABOUT THE APPOINTEE:

Background Details :

Late Deepak Khaitan was the eldest son of Mr. B.M. Khaitan and a renowned industrialist. Late Deepak Khaitan's company Eveready Industries India Limited is one of the most renowned and enduring FMCG companies with the operations entrenched in the country for over 100 years. He had in-depth exposure to and over 30 years of experience in steering diverse business enterprises in India and had gained considerable experience and expertise in management of Tea, Batteries and Engineering Industries. Based on his leadership, your Company has grown from a small turnover of Rs 123 Crore (approx), during FY 1995-96, to the present level having Order backlog of more than Rs.5000 Crores.

Late Deepak Khaitan had been the Executive Chairman of McNally Bharat Engineering Co. Ltd and Non-Executive Vice-Chairman of Eveready Industries India Limited, Chairman of McNally Sayaji Engineering Limited and a Director of the Williamson Magor Group of Companies along with Directorship in many other companies. Late Deepak Khaitan secured First class in B.Com (Hons.) from St. Xaviers College and thereafter moved to Geneva to complete his MBA.

Mr. Khaitan passed away on March 9, 2015.

Past Remuneration :

(Figures in Rs.)

Period		Salary	Perquisites Allowances	Commission, & bonus and performance linked incentive	Others including retivals	Total
From	To					
August 12, 2011	March 31, 2012	14,143,548	2,316,480	–	1,185,000.00	17,645,028.00
April 1, 2012	March 31, 2013	20,200,215	2,250,000	–	8,178,269.85	30,628,484.85
April 1, 2013	March 31, 2014	18,500,000	20,897,819	–	2,131,250.00	41,529,069.00

Job profile and their suitability:

Late Deepak Khaitan, as the Executive Chairman, was responsible for overall management of the Company under the supervision of the Board of Directors of the Company. Considering his background, experience and qualification, Late Deepak Khaitan was most suitable to perform his duties.

Excess Remuneration to be approved:

As mentioned in the Resolution and Explanatory Statement.

Comparative Remuneration, Profile with respect to industry:

The remuneration is commensurate with the remuneration package of the senior management executive in the similar companies as well as industrial norms, function of the Executive Chairman, magnitude of the company, nature and extent of operation.

Pecuniary Relationship:

Late Deepak Khaitan was a Promoter Director of the Company. Apart from receiving remuneration as mentioned above, Late Deepak Khaitan had no other financial interests in the Company. Late Deepak Khaitan is not related to any other managerial personnel of the Company except with Mr. Aditya Khaitan and Mr. Amritanshu Khaitan, who are his brother and son respectively.

GENERAL INFORMATION:

Nature of Industry

Engineering, Procurement and Construction (EPC) line of activities.

Date of commencement of commercial production

This is an active Company and is in operation since 1961.

Financial Performance based on given indicators

For the financial year ended March 31, 2015 –

Turnover: Rs. 218,199.88 lacs

Expenses: Rs. 235,721.94 lacs

Loss Before Taxes: Rs. 11,422.06 lacs

Tax Expense: Nil

Loss After Taxes: Rs. 11,422.06 lacs

Earnings per Equity Share: Rs. 36.42 (Basic), Rs. 36.38(Diluted)

Foreign Investments or collaborations

The Company has the following major foreign subsidiaries:

MBE Mineral Technologies Pte Ltd: Invested amount is US\$ 5,011,373 (649,459 Equity Shares of S'pore Dollar 10 each)

MBE Minerals Zambia Ltd: Invested amount is US\$ 10,000 (49,999,996 Equity Shares of ZMK 1 each)

McNally Bharat Engineering (SA) Proprietary Limited: Investment in 100 Equity Shares of ZAR 20.37 each fully paid.

Other Information:

Reasons for Loss or inadequacy of profits

The volatile financial and commodity markets resulting in high raw material prices, severe financial crunch in the market along with high interest cost of borrowings and the general inflationary pressure combined to exert intense pressure on the financial performance of the Company thus causing inadequacy of profits.

Steps taken or proposed to be taken for improvement

The Company has signed an Investment agreement with a strategic Partner namely EMC Limited, who will contribute substantially to the Equity of the Company. Further, the business knowledge, experience of EMC limited and synergies of business between the two companies will not only help the Company to bring business, but at the same time will help the Company to execute the project more successfully and cost efficiently. This will also help the company to have a better operating cash flow and paying out some high interest bearing debts including bank borrowings. By this process, the Company expects to reduce its current levels of credit availed thus generating savings due to lower levels of servicing fixed-interest bearing financial obligations. To broad base its target market; the Company has successfully started its entry into construction into Oil & Gas sector, overseas projects, EPC projects in Cement sector and large infrastructure projects.

Expected increase in productivity and profits in measureable terms

The Company has a large Order Book (approx Rs.5,300 crores) in spite of slowdown in the industrial sector. It has received several high value orders from reputed clients (both Government and Private Sector). With the reduction of finance cost, there will be a sharp improvement of working capital condition of the Company as well as availability of funds for the project execution. This will enable the Company to increase its productivity and project execution, which in turn will support the higher growth in its turnover for the financial year 2015-16 compared to the previous financial year. This will be evidenced from the growth of turnover from the 2nd quarter onwards, once the present capital raising program are completed. The Company maintains 7% to 8% EBIDTA on an average for its projects and it expects a similar margin in the future. Combining it with day to day support that will be available from our newly introduced strategic partner and in-house expertise in Engineering, Procurement and construction for timely execution of projects and efficient Contract and Financial Management, the Company expects to increase both its cash flows and profitability.

Venue Location Map



McNally Bharat Engineering Company Limited

Corporate Identity Number (CIN): L45202WB1961PLC025181
Registered Office: Four Mangoe Lane, Kolkata 700001, West Bengal, India.
T: +9133-2213 8901-05 F: 91-33-2230-3519
E: mbecal@mbecl.co.in | W: <http://www.mcnallybharat.com/>

1. Name and Registered Address of the Sole/First named Member :
2. Name of the Joint Holder(s), if any :
3. Registered Folio No./ DP ID & Client ID No. :
4. No. of Equity share(s) held :

Dear Member,

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, McNally Bharat Engineering Company Limited ("MBE" or "the Company") is offering e-voting facility to its Members in respect of the businesses to be transacted at the Annual General Meeting scheduled to be held on Monday, September 28, 2015, at 02.30 p.m.

The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities. The e-voting particulars are set out below:

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	USER ID (16 Digit Demat Account/Folio No. of members holding shares in physical mode)	PERMANENT ACCOUNT NUMBER (PAN) (Original PAN / as per point no. 1 - (vii) of e-voting procedure of Instructions)

The Remote E-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
From Wednesday, September 23, 2015, at 09:00 hrs	Up to Sunday, September 27, 2015, at 17:00 hrs

The e-voting facility will be available during the following voting period:

Please read the instructions printed overleaf before exercising the vote. This Communication forms an integral part of the Notice dated August 13, 2015, for the Annual General Meeting scheduled to be held on Monday, September 28, 2015, at 02.30 p.m. A copy of the said Notice is sent herewith. Attention is invited to the statement on the accompanying Notice that the businesses of the Meeting may be transaction through electronic voting system and that the Company is providing facility for voting by electronic means.

The Notice of the Annual General Meeting and this Communication are also available on the website of the Company at <http://www.mcnallybharat.com/>

Yours Faithfully
For McNally Bharat Engineering Company Limited

Prabir Ghosh
Whole Time Director & Group CFO

Place: Kolkata
Date: August 13, 2015



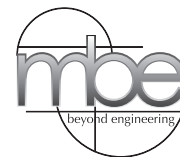
Instruction and other information relating to e-voting are as under:

- (I) The voting period begins on Wednesday, September 23, 2015, at 09:00 hrs and ends on Sunday, September 27, 2015, at 17:00 hrs
During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
Members acquiring shares after August 13, 2015, and before the cut-off date mentioned above may contact the RTA to obtain a copy of the Notice to this Extraordinary General Meeting and the e-voting details.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant < McNally Bharat Engineering Company Limited > on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.





Form No. MGT-11
Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L45202WB1961PLC025181
Name of the company : McNally Bharat Engineering Company Limited
Registered office : 4 Mangoe Lane, Kolkata - 700001, West Bengal, India
Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id :
DP ID :

I/We, being the member (s) ofhares of the above named company, hereby appoint

1 Name :
Address :
E-Mail ID :
Signature :

or failing him

2 Name :
Address :
E-Mail ID :
Signature :

or failing him

3 Name :
Address :
E-Mail ID :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the Monday, September 28, 2015, at 02:30 p.m. at The Williamson Magor Hall, The Palladian Lounge, The Bengal Chambers of Commerce & Industry, 6 Netaji Subhas Road, Kolkata - 700001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 To receive, consider & adopt the financial statements for the period ended March 31, 2015
2 To ratify the appointment of the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company for the year ending March 31, 2016
3 To appoint a Director in place of Mr. Aditya Khaitan (DIN: 00023788) who retires by rotation and, being eligible, offers himself for re-election
4 To appoint a Director in place of Mr. Amritanshu Khaitan (DIN: 00213413) who retires by rotation and, being eligible, offers himself for re-election
5 To appoint Mr. A. K. Barman, (holding DIN 02373956), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting
6 To appoint Mr. V. K. Verma, (holding DIN 00766426), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting
7 To appoint Mr. P. H. Ravikumar, (holding DIN 00280010), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting
8 To appoint Mr. S.R. Dasgupta, (holding DIN 01401511), a non-executive Director of the Company who retires by rotation at this Annual General Meeting, as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of five consecutive years or the date of the 57th Annual General Meeting
9 To ratify the appointment and remuneration of A Bhattacharya & Associates for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2016
10 To appoint Ms. Nandini Khaitan (DIN: 06941351) as an Independent Director of the Company for a term up to March 29, 2020, and whose office shall not be liable to retire by rotation
11 To issue, offer and allot equity shares/fully convertible debentures/ partly convertible debentures / non-convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment to the Qualified Institutional Buyers ("QIBs") on private placement basis
12. To waive recovery of excess remuneration amounting to Rs. 21,6,16,007.87 paid to Late Deepak Khaitan as the Executive Chairman of the Company during the Financial Year ended 31st March, 2015, over and above the limit prescribed under the provisions of Section 197 of the Companies Act, 2013

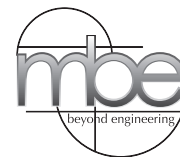
Signed this day of 2015



Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



McNally Bharat Engineering Company Limited

Corporate Identity Number (CIN) : L45202WB1961PLC025181

Registered Office :

Four Mangoe Lane, Kolkata – 700001, West Bengal, India

Tel : +9133-2213 8901-05, Fax : +9133-2230 3519

E-mail : mbecl@mbecl.co.in | Website : <http://www.mcnallybharat.com>

Attendance Slip FIFTY SECOND ANNUAL GENERAL MEETING

DP ID
Regd. Folio No. *

Client ID
No. of Shares

Name of Member : _____

Name of Proxy : _____

Address as registered with the Company : _____

I/We hereby record my/our presence at the Annual General Meeting of the Company, to be held on the Monday, September 28, 2015, at 02:30 p.m. at The Williamson Magor Hall, The Palladian Lounge, The Bengal Chambers of Commerce & Industry, 6 Netaji Subhas Road, Kolkata - 700001.

Please (✓) in the box.

Member Proxy

Member's Signature

Proxy's Signature

*Applicable for investor holding shares in physical form