Mukand Ltd.
Regd. Office : Bajaj Bhawan, 3rd Floor
Jamnalal Bajaj Marg
226 Nariman Point, Mumbai, India 400 021
Tel : 91 22 6121 6666 Fax : 91 22 2202 1174
www.mukand.com

Kalwe Works : Thane-Belapur Road
Post office Kalwe, Thane, Maharashtra
India 400 605
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179
CIN : L99999MH1937PLC002726

SEC/SE /AGM-79

28th July, 2017

1.	Department of Corporate Services **BSE Limited**, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 021. ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code : 500460	2.	Listing Department **National Stock Exchange of India Ltd.**, Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400051 ISIN CODE : INE304A01026 INE304A04012 NSE Scrip Name : MUKAND LTD.

Dear Sir(s),

Re : Submission of Annual Report pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (`SEBI Listing Regulations, 2015').

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, 2015, we submit herewith a soft copy of the Annual Report for the Financial Year 2016-17, including other reports and documents as stated under Regulation 34 (2) and 34(3) of the above referred Regulations.

Kindly acknowledge the receipt and take the same on record.

Yours faithfully,
For Mukand Limited

K.J. Mallya
Company Secretary
(kjmallya@mukand.com)

Encl : As above

MUKAND
Infinite resolve



MUKAND

Infinite resolve

BOARD OF DIRECTORS AND THE MANAGEMENT TEAM

BOARD OF DIRECTORS

Niraj Bajaj	Chairman & Managing Director
Rajesh V Shah	Co-Chairman & Managing Director
Dhirajlal S Mehta	
Suketu V Shah	Joint Managing Director
Vinod S Shah	
Narendra J Shah	
N C Sharma	
Prakash V Mehta	
Amit Yadav	
Bharti R Gandhi	

Auditors

Haribhakti & Co. LLP, Chartered Accountants

ANNUAL GENERAL MEETING

Monday, July 24, 2017 at 4:00 p.m. at

Walchand Hirachand Hall, Indian Merchants' Chamber,
IMC Building, IMC Marg, Churchgate
Mumbai 400 020

Registered Office

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

Works

Dighe, Thane, Maharashtra 400 605
Ginigera, Karnataka 583 228

Branch Offices

Bengaluru, Chennai, Delhi, Kolkata, Visakhapatnam

CIN : L99999MH1937PLC002726

E-mail : investors@mukand.com

Website: www.mukand.com

A Request

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are kindly requested to bring their copy to the meeting.

THE MANAGEMENT TEAM

Corporate

Managing Directors

Niraj Bajaj	Chairman & Managing Director
Rajesh V Shah	Co-Chairman & Managing Director
Suketu V Shah	Joint Managing Director

Key Managerial Personnel

S B Jhaveri	Chief Financial Officer
A M Kulkarni	Chief Executive Officer
K J Mallya	Company Secretary

Steel Division

B K Tiwari	Chief Operating Officer (Steel Plant, Ginigera)
V M Mashruwala	Chief of Marketing
Virendra K Mital	Business Development Director

Industrial Machinery Division

R Jagannathan	Chief Executive

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Notice

MUKAND LIMITED

(CIN No.: L99999MH1937PLC002726)
Registered Office: Bajaj Bhawan, Jamnalal Bajaj Marg, 226,
Nariman Point, Mumbai - 400021Tel: 022–61216666, Fax: 022-22021174,
E-mail: investors@mukand.com, Website: www.mukand.com

To

The Members,

NOTICE is hereby given that the 79th ANNUAL GENERAL MEETING of the Members of MUKAND LIMITED will be held on Monday, 24th July, 2017 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended 31st March, 2017, together with the Report/s of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Vinod S. Shah (DIN : 00033327), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.
3. To appoint a director in the place of Narendra J. Shah (DIN : 00047403), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.
4. To ratify the re-appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants (Registration No. 103523W), as Statutory Auditors of the Company for the financial year ending on 31st March, 2018 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company.

SPECIAL BUSINESS

5. Approval of Cost Auditor's remuneration

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and as per the recommendation of the Audit Committee of the Board of Directors, the remuneration of Rs.1,80,000/- and reimbursement of travelling and other out of pocket expenses plus service tax as applicable to be paid to CMA Sangita Kulkarni, Cost Accountant (Firm Registration No. 102365) for conducting the audit of cost records of the Steel Plants at Kalwe and Hospet and Engineering Contracts and Industrial Machinery Division at Kalwe for the financial year ending 31st March, 2018 as approved by the Board of Directors of the Company, subject to the approval of the Central Government, be and is hereby ratified."

6. Approval of Related Party Transactions

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 the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/transaction(s) with Mukand Sumi Metal Processing Limited ("MSMPL"), a subsidiary and hence a related party within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of FY: 2016-17; having the following details and as detailed in the Explanatory Statement annexed hereto

Description of Contract	Period of Contract	Total cumulative contract value with Related Party (Rs.Crore)
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-work and hire of facilities, availing / rendering of marketing/ business transfer and other services, leasing of factory /office premises/ facilities or any other transactions.	April 1, 2017 to March 31, 2018	622

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

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

7. Borrowing powers of the Board

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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment, statutory modification or re-enactment thereof), in supersession of the Special Resolution passed under Section 180(1)(c) of the Companies Act, 2013, vide Postal Ballot dated 8th August, 2014, consent of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any Committee thereof) for borrowing from time to time, at its discretion, on such terms and conditions as to repayment, interest or otherwise, any sum or sums of monies which, together with the money already borrowed by the Company, apart

from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business exceeding the aggregate of the paid-up share capital and free reserves, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the limit of Rs. 3,000 Crore (Rupees Three Thousand Crore only) at any one time.

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

8. Re-appointment and approval of remuneration of Niraj Bajaj (DIN: 00028261), Chairman & Managing Director

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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Schedule V thereto and Rules made thereunder ("the Rules") (including any amendment, statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and/ or modifications as may be imposed/stipulated/ suggested by such authorities while granting such approvals, permissions and sanctions, the Company hereby approves the re-appointment of Niraj Bajaj as Chairman & Managing Director of the Company for a period of three years with effect from 5th July, 2017 on the remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this Resolution with liberty and powers to the Board of Directors (which term shall be deemed to include any Committee thereof) to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Niraj Bajaj within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances, etc. within such prescribed ceiling limits and the Agreement between the Company and Niraj Bajaj be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Members of the Company in General Meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or expedient and to take such steps as may be necessary to give effect to this Resolution."

9. Re-appointment and approval of remuneration of Rajesh V. Shah (DIN: 00033371), Co-Chairman & Managing Director

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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Schedule V thereto and Rules made thereunder ("the Rules") (including any amendment, statutory modification or re-enactment thereof for the time being in force) such other approvals, permissions and sanctions as may be necessary and subject to such conditions and/or modifications as may be imposed/stipulated/ suggested by such authorities while granting such approvals, permissions and sanctions, the Company hereby approves the re-appointment of Rajesh V. Shah as Co-Chairman & Managing Director of the Company for a period of three years with effect from 5th July, 2017 on the remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this Resolution with liberty and powers to the Board of Directors (which term shall be deemed to include any Committee thereof) to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Rajesh V. Shah within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances, etc. within such prescribed ceiling limits and the Agreement between the Company and Rajesh V. Shah be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Members of the Company in General Meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or expedient and to take such steps as may be necessary to give effect to this Resolution."

10. Re-appointment and approval of remuneration of Suketu V. Shah (DIN: 00033407), Joint Managing Director

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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Schedule V thereto and Rules made thereunder ("the Rules") (including any amendment, statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and/ or modifications as may be imposed/stipulated/ suggested by such authorities while granting such approvals, permissions and sanctions, the Company hereby approves the re-appointment of Suketu V. Shah as Joint Managing Director of the Company for a period of three years with effect from 5th July, 2017 on the remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this Resolution with liberty and powers to the Board of Directors (which term shall be deemed to include any Committee thereof) to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Suketu V. Shah within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances, etc. within such prescribed ceiling limits and the Agreement between the Company and Suketu V. Shah be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Members of the Company in General Meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or expedient and to take such steps as may be necessary to give effect to this Resolution."

NOTES:

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and a proxy need not be a Member of the Company. The Instrument of Proxy must be lodged with the Company not less than 48 hours before the Meeting.

   A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 per cent of the total Share Capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.

   Proxies submitted on behalf of companies must be supported by an appropriate Resolution/Authority, as applicable. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on poll.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.

3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) forms part of this Notice.

4. The Notice of Meeting will also be available on the Company's website www.mukand.com and the website of Karvy Computershare Pvt. Ltd. ("Karvy") at https://evoting.karvy.com.

5. As regards the re-appointment of retiring directors viz. Vinod S. Shah and Narendra J. Shah referred to in item No. 2 & 3 of the Notice, their brief resumes, as per the requirements of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR, 2015") and paragraph 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in "Details of Directors seeking Appointment/ Reappointment at the Annual General Meeting" annexed herewith as **Annexure I**.

6. Pursuant to the provisions of Section 139 of the Act and the Rules made there under, and in terms of the approval given by the members at the Annual general meeting of the Company held on 13th August, 2014, the current auditors of the Company, M/s. Haribhakti & Co. LLP, Chartered Accountants (Registration No. 103523W) are eligible to hold the office for a period of five years, upto the 81st Annual General Meeting of 2019, subject to ratification by members at every subsequent Annual General Meeting. The ratification of appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants as auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting along with their remuneration has been put up for the approval of members.

7. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, the 15th July, 2017 to Monday, the 24th July, 2017** (both days inclusive).

8. Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the Annual General Meeting.

9. Members desirous of getting any information about the accounts and operations of the Company are requested to address their query to the Secretary at the Registered Office well in advance so that the same may reach him at least 7 days before the date of the meeting to enable the Management to keep the required information readily available at the meeting.

10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

11. With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

12. Members, who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

13. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent (STA) of the Company i.e. Karvy. Members are requested to keep the same updated.

14. (a) Members who have neither received nor encashed their dividend warrant(s) for any of the financial years from 2009-10 upto 2013-14, are requested to write to the STAs of the Company mentioning the relevant Folio Number(s)/ DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s). It may be noted that the unclaimed dividend for financial year 2009-10 can be claimed by shareholders by 2nd September, 2017.

    (b) Pursuant to the Provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 8th August, 2016 (the date of the last Annual General Meeting) on the website of the Company www.mukand.com and also on the website of the Ministry of Corporate Affairs.

    (c) The members/claimants whose shares, unclaimed dividend, etc. have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on iepf.gov.in) along with requisite fees. The member/claimant can file only one consolidated claim in a financial year as per IEPF Rules.

    (d) Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till settlement of such claim, as per Para E in Schedule VI of SEBI LODR, 2015 voting rights on such shares shall remain frozen.

15. The Company has designated an exclusive e-mail ID viz. investors@mukand.com to enable the investors to post their grievance, if any, and monitor its redressal.

16. Members / Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the Meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.

17. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore, members holding shares in physical form are requested to furnish their PAN along with self-attested photocopy of PAN Card to the STA. Members holding shares in demat form are requested to register the details of their PAN with their DPs.

18. In view of the non-payment of dividend on 0.01% Cumulative Redeemable Preference shares, in terms of section 47 of the Act, the holders of such preference shares have right to vote on all the resolutions to be passed in respect of businesses to be transacted at the above meeting.

19. As per the provisions of the Act, the facility for making /varying/cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the Share Department of the Company/Registrar and Share Transfer Agent or from the Website of the Ministry of Corporate Affairs at www.mca.gov.in.

20. In terms of Section 101 and 136 of the Act, read together with the Rules made thereunder, the Listed Companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding copies of the above referred documents to all those members who have registered their email ids with their respective DPs or with the STA by electronic mode.

21. To receive shareholders' communications from the Company through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with the STA at mohsin.mohd@karvy.com.

22. Documents referred to in the Notice and the Explanatory Statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.

23. The Company has been maintaining, inter alia, the following statutory registers at its registered office which are open for inspection in terms of the applicable provisions of the Act by members and others as specified below:

    i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act, on all working days during business hours. The said Registers shall also be produced at the commencement of the Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.

    ii) Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Act, on all working

days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person having right to attend the meeting.

24. Please note that for security reasons, no article/ baggage will be allowed at the venue of the meeting.

25. Route map for directions to the venue of the meeting is provided in the Annual Report.

26. For more details on shareholders' matters, please refer to the section on Shareholders' Information, included in the Report on Corporate Governance forming part of the Directors' Report.

27. **Voting through electronic means(E-voting) :**

In terms of the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of SEBI LODR, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 17th July, 2017 (End of Day) being the cut-off date for the purpose of Rule 20(4)(vii) of the Rules fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Karvy or to vote at the Annual General Meeting.

Person who is not a member as on the cut-off date should treat this Notice for information purpose only.

The instructions for e-voting are as under:

A. For members who receive notice of annual general meeting through e-mail:

i. Use the following URL for e-voting: **https://evoting.karvy.com**

ii. Enter the login credentials i.e., user id and password mentioned in your email. Your Folio No./DP ID – Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.

iii. After entering the details appropriately, click on "LOGIN".

iv. You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

v. You need to login again with the new password/credentials.

vi. On successful login, the system will prompt you to select the EVENT i.e. **Mukand Ltd..**

vii. On the voting page, the number of shares (which represents the number of votes) as held by you as on the cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm or else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to **khamankar@gmail.com** with a copy marked to **evoting@karvy.com.** They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."

xi. Remote e-voting facility where members can cast their vote online shall remain open for voting from: 20th July, 2017 (9.00 a.m.) till 23rd July, 2017 (5.00 p.m.)

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "download" Section of **https://evoting.karvy.com** or contact Karvy on telephone no. 1800 345 4001 (toll free).

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

i. Members may opt for e-voting, for which the **USER ID and initial password** are provided on the attendance slip. Please follow steps from Sl. No.(i) to (xii) under heading A above to vote through e-voting platform.

Any person who acquires shares of the Company and becomes a member of the Company after the cut-off date fixed for the purpose of dispatch of Notice of AGM and holding shares as of cut-off date for E-voting i.e., 17th July, 2017 may obtain login ID and password by following the procedure and instructions for remote E-voting as stated above.

C. Voting facility at Annual General Meeting

i. In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the annual general meeting, through polling paper as provided in Section 107 of the Act read with Rule 20 of the Rules and members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting.

ii. Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

D. General instructions:

i. The Board of Directors has appointed Anant Khamankar, Practising Company Secretary (FCS No. 3198 CP No.1860) as the scrutiniser to the e-voting process and voting at the venue of the annual general meeting.

ii. The scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company/ meeting, who shall countersign the same.

iii. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared alongwith the scrutiniser's report shall be placed on the Company's website: **www.mukand.com** and on the website of Karvy - **https://evoting.karvy.com**, and shall also be communicated to the stock exchanges. The resolution then shall be deemed to have been passed at the Annual General Meeting of the Company Scheduled to be held on Monday, 24th July, 2017.

By Order of the Board of Directors
For MUKAND LIMITED

Mumbai
Dated : May 24, 2017

K.J. MALLYA
Company Secretary

ANNEXURE TO THE NOTICE

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

Item No.5 of the Notice

The Board at its meeting held on 24th May, 2017, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors CMA Sangita Kulkarni, Cost Accountant (Firm Registration No. 102365) to audit the cost records of the Steel Plants at Kalwe and Hospet and Engineering Contracts and Industrial Machinery Division at Kalwe for the financial year ending March 31, 2018, on a remuneration of Rs.1,80,000/- plus reimbursement of travelling and other out of pocket expenses plus service tax as applicable, subject to the approval of the Central Government.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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

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

Item No. 6 of the Notice

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

However, pursuant to regulation 23(4) of SEBI LODR, 2015, approval of the shareholders through Ordinary Resolution is required for all 'material' Related Party Transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with Mukand Sumi Metal Processing Ltd. ("MSMPL"), a subsidiary company and therefore a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2017:-

Sl. No.	Nature of Transaction	FY: 2017-18 Estimated Annual Value of Contracts & Services [in Rs. crore]
Sale of Goods & rendering of Services by the Company to MSMPL		
1.	Sale of Black Bars & Rods and Bright Bars & Rods	**520.00**
2.	Job Work Income	**60.00**
3.	Marketing Income	**2.50**
4.	Fees for Services	**0.50**
5.	Rent of Factory / Office	**1.00**
6.	Electricity Charges	**1.00**
	Total Income	**585.00**
Purchase of Goods & receiving of Services by the Company from MSMPL		
1.	Purchase of Scrap	**25.00**
2.	Job Work Charges / Hire Charges	**9.00**
3.	Interest on Advances	**3.00**
	Total Expenditure	**37.00**
	Total Transaction Value	**622.00**

The other particulars of above transactions are as under:-

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

* a subsidiary company with 60.07% equity shareholding.

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

In view the above, it is proposed to seek approval of the members of the Company through an Ordinary Resolution for the above transactions and the related parties are abstained from voting on the resolution as set out at Item No. 6.

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

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

Item No. 7 of the Notice

The Shareholders of the Company vide Postal Ballot dated 8th August, 2014 had passed Special Resolution under Section 180(1)(c) of the Companies Act, 2013 enabling the Company to borrow money for the purposes of business of the Company not exceeding the limit of Rs.25 Billion i.e. Rs.2,500 Crore.

In view of the expected increase in future in the amount of borrowings by way of working capital & term loans, your Company proposes to authorize the Board of Directors to borrow to the extent of Rs.3,000 Crore (Rupees Three Thousand Crore) together with moneys already borrowed, as against existing limit of Rs.2,500 Crore.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said resolution except for their holding in the shares of the Company.

The Board recommends the Resolution at Item No.7 of the Notice for approval of the Members.

Item Nos. 8, 9 & 10 of the Notice

The Shareholders of the Company vide Postal Ballot dated 8th August, 2014 had approved re-appointment of Niraj Bajaj as Chairman and Managing Director, Rajesh V. Shah as Co-Chairman & Managing Director and Suketu V. Shah as Joint Managing Director for a period of 3 (three) years with effect from 5th July, 2014.

Further, extending their appointments, the Board of Directors of the Company at the meeting held on 24th May, 2017 has, subject to the approval of the Members, re-appointed Niraj Bajaj as Chairman & Managing Director, Rajesh V. Shah as Co-Chairman & Managing Director and Suketu V. Shah as Joint Managing Director for a further period of 3 (three) years with effect from 5th July, 2017 to 4th July, 2020 on the terms as to remuneration recommended by the Nomination and Remuneration Committee as set out herein.

Niraj Bajaj, Chairman & Managing Director, Rajesh V. Shah, Co-Chairman & Managing Director and Suketu V. Shah, Joint Managing Director, subject to the supervision and control of Board of Directors, shall carry out such duties and perform such other functions and services as shall, from time to time, be assigned / entrusted to them by the Board of Directors.

The draft agreements to be entered into by the Company with the Managing Directors, inter-alia, contain the following terms and conditions.

1. Term of Office :

Name	Designation	Period
Niraj Bajaj	Chairman & Managing Director	5th July, 2017 to 4th July, 2020
Rajesh V. Shah	Co-Chairman & Managing Director	5th July, 2017 to 4th July, 2020
Suketu V. Shah	Joint Managing Director	5th July, 2017 to 4th July, 2020

The Managing Directors shall be liable to retire by rotation. The retirement by rotation and re-appointment of the Managing Director/s at the Annual General Meetings of the Company during the tenure of their service shall not be considered as cessation of their respective office as Managing Director.

2. Remuneration

(a) Salary

Niraj Bajaj	Rs.8,00,000/- in the scale of Rs.8,00,000/- – Rs.10,00,000/- (per month)
Rajesh V. Shah	Rs.8,00,000/- in the scale of Rs.8,00,000/- – Rs.10,00,000/- (per month)
Suketu V. Shah	Rs.7,60,000/- in the scale of Rs.7,60,000/- – 9,60,000/- (per month)

The annual revision of salary in the above range, provided the same is within the limits specified under Schedule V to the Companies Act, 2013, will be subject to the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company.

(b) Perquisites

i. Free furnished residential accommodation or house rent allowance as may be agreed upon between the Company and the concerned appointee.

The value of furniture provided shall not exceed Rs.20,00,000/- for each appointee.

ii. Reimbursement of gas, electricity, water charges and furnishings.

iii. Reimbursement of entertainment expenses in the course of business of the Company.

iv. Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place and return therefrom in respect of self and family in accordance with the rules specified by the Company from time to time.

v. Medical insurance in accordance with the Scheme applicable to Senior Executives and reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad including hospitalization, nursing home and surgical charges and in case of medical treatment abroad the air fare, boarding, lodging for patient and attendant.

vi. Reimbursement of servants' salary.

vii. Reimbursement of membership fee for clubs in India or abroad, including any admission / life membership fee.

viii. Personal Accident Insurance Policy in accordance with the scheme applicable to senior executives.

ix. Cost of insurance cover against risk of any financial liability or loss because of any error of judgement as may be approved by the Board of Directors from time to time.

x. Free use of Company's car along with driver, running and maintenance expenses.

xi. Telephones, telefax and other Communication facilities at the residence.

xii. Subject to statutory ceiling/s, the Managing Directors and Joint Managing Director may be given any other allowance/s, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

The remuneration mentioned above will be inclusive of the perquisites / allowances valued as per Income-tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost, subject to a limit of 25% of salary as per (a) above.

(c) Other Perquisites

i. Company's contribution to Provident Fund, Superannuation Fund / Annuity Fund to the extent these are singly or put together are not taxable under the Income Tax Act, 1961 (43 of 1961);

ii. Gratuity at the rate of half a month's salary for each completed year of service; and

iii. encashment of leave at the end of the tenure.

The other perquisites mentioned at (c) above shall not be included in the computation of perquisites for the purpose of ceiling on remuneration.

The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the board as it may, in its discretion, deem fit, including but not limited to the remuneration payable to Niraj Bajaj, Rajesh V. Shah, Managing Directors and Suketu V. Shah, Joint Managing Director in accordance with the provisions of the Companies Act, 2013, rules thereunder or any amendments made therein.

MINIMUM REMUNERATION:

In the absence or inadequacy of profits in any financial year, Niraj Bajaj, Chairman & Managing Director, Rajesh V. Shah, Co-Chairman & Managing Director and Suketu V. Shah, Joint Managing Director may be paid aforesaid remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the limits specified in item A of Section II of Part II of Schedule V to Companies Act, 2013. The perquisites mentioned in para 2 (c) of this statement shall not be included in the computation of the ceiling on minimum remuneration.

In the absence or inadequacy of profits in any financial year, the Company has to pay to the directors remuneration within the ceiling limit prescribed in Schedule V to the Companies Act, 2013. Therefore, approval of the Shareholders is sought for payment of remuneration to Managing Directors not exceeding the limits specified in item A of Section II of Part II of Schedule V to Companies Act, 2013 w.e.f. 5th July, 2017 for a period of 3 years.

Information pursuant to clause (iv) of the second proviso to Section II, Part II of Schedule V to the Companies Act, 2013 is furnished hereunder.

I. GENERAL INFORMATION

Nature of industry

Manufacture of special alloy steel / stainless steel, billets, bars, rods, wire rods, EOT cranes, material handling equipment and other industrial machinery and comprehensive engineering services.

Commencement of commercial production

Date of commencement of business: 9th February, 1938

The Company's plant for manufacture of steel and industrial machinery are already in commercial production.

Financial performance based on given indicators

The financial performance of the Company as reflected by total income, profit, earning per share and dividend recommended for the financial year ended 31st March, 2017 is as under:-

a.	Total Revenue (Rs. in crore)	**2,725.47**
b.	Loss after tax (Rs. in crore)	**41.81**
c.	Earnings per share (Loss) (in Rs.)	**(2.96)**
d.	Rate of Dividend (Equity Share) (in Rs. per share)	**Nil**

Foreign investments or collaborations

The Company has invested in 1,000 ordinary shares Stg. Pound (£) 1 each of Mukand International Ltd., a wholly owned subsidiary of the Company, the aggregate equivalent of Rs.50,000/- and in 5 ordinary shares of UAE Dirhams 1,000,000 each of Mukand International FZE, a wholly owned subsidiary of the Company, the aggregate equivalent of Rs. 6,25,24,000/-. The Company has entered into with a Master Agreement with Sumitomo Corporation, Japan and formed a JV Subsidiary viz. Mukand Sumi Metal Processing Ltd.. The Company has also signed Joint Venture Agreement with Sumitomo Corporation, Japan for carrying on alloy steel rolling and finishing business through a subsidiary company Mukand Alloy Steels Pvt. Ltd.

<table>
<tr><th colspan="7">Information about the appointees</th></tr>
<tr><th>Nature of Information</th><th colspan="2">Niraj Bajaj</th><th colspan="2">Rajesh V. Shah</th><th colspan="2">Suketu V. Shah</th></tr>
<tr><td>Background details</td><td colspan="2">Niraj Bajaj, 62, is a Commerce Graduate and MBA from Harvard Business School, U.S.A.. He joined the services of the Company in March 1983 as Senior Marketing manager and since then held positions of General Manager (Marketing), Deputy Chief Executive, Executive Director. He was appointed as Managing Director of the Company on 10th August, 1994 and as Chairman & Managing Director w.e.f. July 14, 2007.</td><td colspan="2">Rajesh V. Shah, 65, is M.A. in Mathematics from Cambridge University, U. K. and MBA from University of California at Berkeley, U.S.A.. He has completed Programme for Management Development at Harvard Business School, USA. He joined the services of the Company in 1977 as Sales Manager (Rolled products) and since then held positions as Chief Marketing Manager, Deputy Chief executive, Chief Executive and Executive Director. He was appointed Managing Director of the Company on 10th August, 1994, as Vice-Chairman and Managing Director on 22nd May, 2007 and as Co-Chairman & Managing Director w.e.f. July 14, 2007.</td><td colspan="2">Suketu V. Shah, 62, is B.Com. (Hons.) and MBA from Harvard Business School, U.S.A.. He joined the services of the Company in December 1984 as Senior Manager and since then held position of General Manager (Commercial), Senior Vice- President. He was appointed President & Director on 10th August 1994 and as Jt. Managing Director w.e.f. July 14, 2007.</td></tr>
<tr><td rowspan="5">Past remuneration</td><td colspan="6">The gross remuneration drawn by the appointees during the past 3 years is as under</td></tr>
<tr><td colspan="2">Niraj Bajaj</td><td colspan="2">Rajesh V. Shah</td><td colspan="2">Suketu V. Shah</td></tr>
<tr><td>Year</td><td>Rs. In lacs</td><td>Year</td><td>Rs. In lacs</td><td>Year</td><td>Rs. In lacs</td></tr>
<tr><td>2014-15</td><td>97.99</td><td>2014-15</td><td>88.07</td><td>2014-15</td><td>90.53</td></tr>
<tr><td>2015-16</td><td>96.79</td><td>2015-16</td><td>92.72</td><td>2015-16</td><td>93.00</td></tr>
<tr><td>2016-17</td><td>98.61</td><td>2016-17</td><td>98.63</td><td>2016-17</td><td>92.99</td></tr>
<tr><td>Recognition or awards</td><td colspan="2">Recipient of Arjuna Award, Shiv Chhatrpati Award and Maharashtra Gaurav Puraskar:
Selected by World Economic Forum as one of the "Global Leaders for Tomorrow" in 1993;
President of Indian Merchants' Chamber during centenary year – 2007-08. He has been the President of the Alloy Steel Producers' Association of India, Indian Steel Development Assn., Chairman of the Indo Russian Federation – Joint Business Councils</td><td colspan="2">President of Confederation of Indian Industries (CII) for the year 1998-99. He has been a member of the International Young Presidents' Organization (YPO). He was on the International Board of Directors of YPO in 1996. He was an independent Director on the Board of Oil and Natural Gas Corporation Ltd., and Hindustan Petroleum Corporation Ltd.</td><td colspan="2">Chairman - Association of Alloy Steel Producers Association of India;
Past Chairman-
(i) Confederation of Indian Industry (CII) – Western Region; and
(ii) Young Presidents' Organisation (YPO) – Mumbai Chapter</td></tr>
</table>

Job profile and suitability	He is responsible for Strategic Planning, Direction, finance and Corporate Affairs. Sound knowledge of the steel industry, national & international finance & marketing and contemporary management techniques.	He is responsible for Strategic Planning, Direction, Production & Marketing. Sound knowledge of the steel industry, national & international markets, business process re-engineering / restructuring for diversification, expansion and new business forays.	He is responsibe for Strategic Planning, Direction & Overseeing the operations of Ginigera Steel Plant and implementation of projects. Sound knowledge of the steel industry, technical processes & new economy areas.
Remuneration proposed	As mentioned above in the Explanatory Statement u/s. 102 of the Companies Act, 2013.		
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed takes into consideration nature and size of business operations; the qualifications, experience and contribution of appointees to continued operations of the Company in difficult times; present trends and norms observed in the steel industry for payment of managerial remuneration by companies of comparable size and nature of business. The proposed remuneration is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.		
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Does not have any pecuniary relationship with the Company except for remuneration drawn as Managing Director / Joint Managing Director and as a shareholder to the extent of their respective shareholdings in the Company.		
	Rajesh V. Shah and Suketu V. Shah are related to each other.		
Other information			
1. Reasons of loss or inadequate profits	Eventhough the Company had inadequate profits and/or incurred losses during financial years 2011-12 to 2013-14, mainly due to external factors viz., ban on mining of iron ore as per the order of Hon'ble Supreme Court of India during FY 2011-12 and depression in market demand, it has made small profits before tax provisions in last 3 financial years as per the computation prescribed under Section 198 of the Companies Act, 2013 (the Act). However, the same may not be adequate to pay remuneration to the Managing Directors within the overall limits laid down under Section 197 of the Act.		
2. Steps taken or proposed to be taken for improvement	Several steps have been taken to reduce costs by substituting some of the costly inputs and changing some of the process and taking measures to reduce cost of production and achieve higher productivity while maintaining the superior quality standards of the end products. Equipment installed by investing Rs.400 Crore in previous years for reduction of costs and improvement in productivity have started yielding results and Company has achieved 10% reduction in costs. Utilisation of capacity at Ginigera, Karnataka has improved to 86% from 50% in Financial Year 2012-13 and at Kalwe it improved by 52%. The steel industry relies majorly on energy for all its processes. 40% of power requirements at Ginigera are met through renewable sources such as utilization of flue gases emanating from the Mini Blast Furnaces. Similarly at Kalwe, wind energy is used in place of thermal power.		
3. Expected increase in productivity and profits in measurable terms.	Total net revenue of the Company for FY 2016-17 was Rs. 2,725 crore. Barring unforeseen circumstances, it is expected to increase to Rs. 3,200 crore in FY 2017-18 (without considering the effect of transfer of alloy steel rolling and finishing business and industrial machinery business). The margins too are expected to show improvement with reduction in operating costs and finance costs.		

The draft agreements between the Company and Niraj Bajaj, Rajesh V. Shah and Suketu V. Shah are available for inspection at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days upto and including the day of the Meeting.

The above may be treated as an abstract of the respective draft agreements between the Company and Niraj Bajaj, Rajesh V. Shah and Suketu V. Shah pursuant to Section 190 of the Companies Act, 2013.

Memorandum of Interest

Niraj Bajaj, Rajesh V. Shah and Suketu V. Shah may be deemed to be concerned or interested in the Resolutions which pertain to their respective appointments and remuneration payable to them.

Rajesh V. Shah and Suketu V. Shah are related to each other. Hence, they may be deemed to be concerned or interested in Resolutions Nos. 9 and 10.

None of the other Directors of the Company is, in any way, concerned or interested in these Resolutions.

The Board recommends the Resolution at Item No.8, 9 and 10 of the Notice for approval of the Members.

By Order of the Board of Directors
For **MUKAND LIMITED**

K.J. MALLYA
Company Secretary

Mumbai
Dated : May 24, 2017

ANNEXURE - I

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE ANNUAL GENERAL MEETING

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

1	2	3	4	5	6
Name of the Director	**Vinod S. Shah**	**Narendra J. Shah**	**Niraj Bajaj**	**Rajesh V. Shah**	**Suketu V. Shah**
DIN	00033327	00047403	00028261	00033371	00033407
Date of Birth and (Age)	7th November, 1930 (86)	17th November, 1928 (88)	10th October, 1954 (62)	1st October, 1951 (65)	4th December, 1954 (62)
Date of appointment on the Board	3rd July, 1989	16th January, 1990	3rd July, 1989	3rd July, 1989	3rd July, 1989
Qualifications	Commerce Graduate	Arts Graduate	Commerce Graduate and MBA from Harvard Business School, U.S.A.	M.A. in Mathematics from Cambridge University, U. K. and MBA from University of California at Berkeley, U.S.A. , Management Development Programme at Harvard Business School, U.S.A.	B.Com. (Hons.) and MBA from Harvard Business School, U.S.A
Experience and Expertise	He joined the services of the Company in the year 1953. He was Vice Chairman of Association of Indian Mini-Blast Furnace (AIMBF), New Delhi, President of Steel Furnace Association of India (SFAI), New Delhi and Captive Power Producers Association (CPPA) and is at present a member of the Executive Committee of CPPA. He has held various positions in the Company, including that of General Manager, Dy. Chief Executive, Sr. Vice President, Jt. President, Advisor (Special Projects) and presently is a non-executive Director of the Company. He has been on the Board of the Company since 1989.	He joined the services of the Company in the year 1948 as a Management Trainee and has held different managerial positions at different times. He was initially posted in Batala as Chief Executive of Batala Engineering Co. Ltd., which was transferred to Mukand Ltd. during the financial year 1949-50. He was Assistant Chief Executive when he left the Company in 1969. He has been on the Board of our Company since January 16, 1990.	Refer Explanatory Statement for items 8,9 and 10 of Notice (Background details).	Refer Explanatory Statement for items 8,9 and 10 of Notice (Background details).	Refer Explanatory Statement for items 8,9 and 10 of Notice (Background details).
Number of Meetings of the Board attended during the year.	6 out of 6	4 out of 6	6 out of 6	6 out of 6	5 out of 6

1	2	3	4	5	6
List of Directorship/ Membership / Chairmanship of Committees of other Board.	**DIRECTORSHIPS:** **Public Companies** Jeewan Ltd. Sidya Investments Ltd. Hospet Steels Ltd.* **Membership/ Chairmanship of Committees:** <u>Jeewan Ltd.</u> Nomination and Remuneration Committee member <u>Sidya Investments Ltd.</u> Nomination and Remuneration Committee-Chairman *Resigned w.e.f. April 28, 2017	**DIRECTORSHIPS:** **Public Companies** Nil **Private Companies** Suyojit Investment and Engineering Pvt. Ltd. Safalya Investments and Traders Pvt. Ltd. **Membership/ Chairmanship of Committees:** <u>Nil</u>	**DIRECTORSHIPS:** **Public Companies** Bajaj Auto Ltd. Bajaj Allianz Life Insurance Company Ltd. Bajaj Allianz General Insurance Company Ltd. Mukand Engineers Ltd. Jeewan Ltd. Kalyani Mukand Ltd. **Private Companies** Bajaj Sevashram Pvt.Ltd. Sanraj Nayan Investments Pvt.Ltd. Kamalnayan Investment and Trading Pvt. Ltd. Niraj Holdings Pvt. Ltd. Jamnalal Sons Pvt.Ltd. Baroda Industries Pvt.Ltd. Bachhraj and Company Pvt.Ltd. **Membership/ Chairmanship of Committees:** <u>Jeewan Ltd.</u> Audit Committee-Chairman	**DIRECTORSHIPS:** **Public Companies** Mukand Sumi Metal Processing Ltd. Mukand Engineers Ltd. Jeewan Ltd. Kalyani Mukand Ltd. **Private Companies** KVS Energy & Sports Pvt.Ltd. Rajpriya Agro Co. Pvt. Ltd. Kulpi Port Holding Pvt. Ltd. Eastern Gateway Terminals Pvt.Ltd. Bengal Port Pvt.Ltd. Anant Jeewan Agro Co Pvt. Ltd Sunnydays Agrocompany Pvt.Ltd. Amivir Agro Co Pvt. Ltd. Amar Jyoti Agro Co Pvt. Ltd. Jyoti Shah Premises and Investments Pvt. Ltd. Kshitij Holdings and Engineering Pvt. Ltd. Akhil Investments & Trades Pvt.Ltd. Rajvi Engineering and Investments Pvt Ltd **Membership/ Chairmanship of Committees:** <u>Mukand Engineers Ltd.</u> Shareholders Grievance Committee -Member <u>Jeewan Ltd.</u> Audit Committee -Member Nomination and Remuneration Committee -Member	**DIRECTORSHIPS:** **Public Companies** Hospet Steels Ltd. Jeewan Ltd. Bharat Serums and Vaccines Ltd. **Private Companies** Jyoti Shah Premises and Investments Pvt. Ltd. Kshitij Holdings and Engineering Pvt. Ltd. Akhil Investments & Trades Pvt.Ltd. Rajvi Engineering and Investments Pvt. Ltd. JLS Realty Pvt.Ltd. Adonis Laboratories Pvt. Ltd. Shahvir Agro Pvt.Ltd. Akshay Developers (Sion) Pvt.Ltd. Shajas Developers Pvt. Ltd. **Membership/ Chairmanship of Committees:** <u>Jeewan Ltd.</u> Audit Committee Member Nomination and Remuneration Committee Member <u>Bharat Serums and Vaccines Ltd.</u> Audit Committee Member
Shareholding in Mukand Ltd. (Equity - No.s)	6,032	99,605	1,17,86,730	72,00,842	10,15,381
Relationship with other directors, manager and other Key Managerial Personnel of the Company	NIL	NIL	NIL	Brother of Suketu V. Shah	Brother of Rajesh V. Shah

Directors' Report

1. The Directors present the 79th Annual Report and audited statements of accounts of the Company for the year ended March 31, 2017.

2. Financial Results:

Financial Highlights:

Description	2016-17	2015-16	% increase/ (decrease)
	(Rs. in Crores)		
Revenue from operations and other income	**2,725.46**	2,752.55	**(1.01)**
Profit/(loss) before tax	**6.43**	2.14	
Less : Tax Expense – Deferred Tax charge / (credit)	**(0.97)**	0.52	
Profit/(Loss) for the period before Tax adjustments pertaining to earlier years	**7.40**	1.62	
Less: Tax adjustments due to reversal of MAT Entitlement / Deferred Tax credits taken in earlier years			
i) MAT Entitlement lapsing	**15.53**	-	
ii) Deferred Tax charge due to lapsing of business loss	**33.68**	-	
Profit/(loss) for the period	**(41.81)**	1.62	
Net worth (excluding revaluation reserve)	**424.88**	466.70	

Ratios:			
Earnings per Share	Rs. **(2.96)**	Rs. 0.11	

3. Performance:

3.1 The turnover was marginally lower by 1% at Rs.2,725 Cr. as compared to Rs.2,753 Cr in the previous year on account of effect of demonetization in the month of November 2016 and fierce competition arising from surplus capacity in the Steel Sector. The steep hike in raw material prices was partly compensated by raising sale price of steel products during part of the year under review. Various productivity improvement and cost reduction measures helped the Company to maintain its margin on sale of steel products. The turnover of Industrial Machinery Division was however higher at Rs.169 Cr as compared to Rs.133 Cr in the previous year on account of execution of available orders on hand at the commencement of the year. Interest cost however went up on account of requirement of additional working capital.

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

4. Dividend:

The Directors do not recommend any dividend on equity/ preference shares in view of the net loss for the year under report.

5. Transfers to Reserves:

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

6. Transfer of Alloy Steel business:

6.1 As reported in the previous years, Company had signed a Business Transfer Agreement on March 14, 2015 for transfer of its alloy steel business to Mukand Alloy Steels Pvt. Ltd., a subsidiary of the Company. This agreement did not come into effect for want of certain consents / approvals. Your Board has reviewed the proposal and has considered the restructuring in a meeting held on 12th January, 2017. It has approved, a scheme of arrangement and amalgamation amongst the Company, Mukand Vijayanagar Steel Limited (MVSL) and Mukand Alloy Steels Private Limited (MASPL) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of its Alloy Steel Rolling & Finishing business. The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of shareholders, creditors and other competent statutory/regulatory authorities. An application for seeking approval to the scheme has been filed with National Company Law Tribunal (NCLT).

6.2 On receipt of requisite approvals and implementation of the above Scheme, Company proposes to induct Sumitomo Corporation, Japan (SC) as a Joint Venture Partner for the alloy steel rolling and finishing business. Upon such investment, Company shall hold 51% and Sumitomo shall hold 49% in MASPL. In this regard Company, Sumitomo and MASPL have executed a Share Subscription and Shareholders' Agreement (SSHA) on March 30, 2017. The closing under the SSHA is subject to the necessary approvals from the relevant statutory and regulatory authorities and subject to the fulfilment of various conditions precedent.

6.3 The Scheme and the Joint Venture agreement are expected to provide focused attention on the Alloy Steel Rolling & Finishing business resulting in improved efficiency in operations, retirement of Company's debt, improved cash flows and enhanced value for the Company and its Stakeholders.

7. Transfer of Industrial Machinery Division:

Your Board at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company, Whiteleaf Heavy Machinery Pvt. Ltd., and Technosys Industrial Machinery Pvt. Ltd. and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of Industrial Machinery Division. The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.

8. Joint Venture with Sumitomo Corporation, Japan:

Mukand Sumi Metal Processing Limited (MSMPL) is a subsidiary formed under joint venture with Sumitomo Corporation, Japan to carry on the business of cold finished bars and wires. During the year under review revenue from operations was Rs.477.37 Cr as compared to Rs. 541.77 Cr in the previous year due to sluggish

demand in the seamless pipe sector and lower exports to Turkey. However, profit after tax was at Rs.8.77 Cr as compared to Rs.4.18 Cr in the previous year due to lower input prices.

9. Finance:

9.1 Share Capital:

The paid up equity share capital as on March 31, 2017 was Rs. 141.41 Cr. During the year under review, the Company has neither issued shares with differential voting rights nor has granted stock options/ sweat equity.

9.2 Material Changes & Commitments:

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

9.3 Fixed Deposits:

The Company can accept Fixed Deposits upto 35% of aggregate of the paid up share capital, free reserves and securities premium account in terms of Companies (Acceptance of Deposits) Rules, 2014 only from its members. Deposits accepted during the year amounted to Rs.69.67 Cr, re-paid during the year amounted to Rs.41.93 Cr and matured & unclaimed deposits as at the end of the year were Rs.1.34 Cr. There has been no default in repayment of deposits or payment of interest thereon during the year. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

10. Corporate Social Responsibility (CSR)

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

10.2 By the Company:

At Steel Plant, Ginigera:

The Company participates in the celebrations held in the local schools on Republic Day, Children's Day and Independence Day. The Company supports the Schools around the Plant by providing full time teachers. During the year it also supported a Government College by providing benches for students. The Company also ensures regular supply of drinking water to the Ginigera village and conducts free health/eye check-up camps for the benefit of the villagers in and around the Company's plant. During the year it contributed towards procurement of drinking water pipeline and pipe welding works for a length of about 8 KMs. It contributes towards cultural/festivals/flag day celebrations and other developmental works at Villages in and around Company's Plant. It also sponsored a Sports person for participation in the Vth Asian Beach Games at Vietnam.

At Steel Plant, Dighe, Thane:

The Company with active support from Janakidevi Bajaj Gram Vikas Sanstha (JBGVS) continues its effort in promoting education of the girl child in Shahapur Taluka of Thane district as part of its CSR programme. The villagers, school authorities, children and parents have acknowledged Company's and JBGVS's contribution through letters and words over the last 2 years. During the year the material and academic support was given to around 10,000 girls and boys studying in 44 schools in the form of text books, notebooks, footwear, compass box and sports items. The Company also conducted extra coaching classes in mathematics for girl students studying in classes 7, 8 and 9. Currently, the Company conducts 30 coaching classes across the taluka. The Company also provided benches and fans to several schools and built a toilet facility for boys and girls. The Company also started vocational training in the basics of tailoring and trains girls who have passed Class 10 to become financially independent by setting up their own tailoring units.

10.3 By the Bajaj Group:

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

11. Statutory disclosures:

The statutory disclosures in accordance with section 134 read with Rule 8 of Companies (Accounts) Rules, 2014, Section 178, Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015).

11.1 Management Discussion and Analysis:

As required under Regulation 34(2) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015), the Management Discussion and Analysis is enclosed as a part of this report - **Annexure-1**.

11.2 Corporate Governance Report:

The Company has taken necessary steps to adhere to all the requirements of SEBI LODR 2015. A report on Corporate Governance together with the certificate of the statutory auditors confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI LODR 2015 is included as a part of this report. – **Annexure-2**.

11.3 Extract of Annual Return:

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

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

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

11.5 Directors' Responsibility statement:

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

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

ii. Appropriate accounting policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as on

March 31, 2017, and of the Loss of the Company for the year ended March 31, 2017;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

v. Internal financial controls have been laid down and followed by the Company and that such controls are adequate and are operating effectively.

vi. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

11.6 Statement on declaration given by Independent Directors:

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

11.7 Familiarization programme for Independent Directors:

The Company has held familiarization programme for the Independent Directors by way of presentations on various aspects of business and deliberations held on major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 7 of SEBI LODR 2015. The website link on this is http://www.mukand.com/images/Familiarisation_Programme.pdf.

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

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

11.9 Particulars of Loans, Guarantees and Investments:

The particulars of loans, guarantee or investments given or made by the Company under Section 186 of the Act are disclosed at Note No.34 of the financial statements.

11.10 Related Parties Transactions:

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

During the year 2016-17, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI LODR 2015, all RPTs were placed before Audit Committee for its prior / omnibus approval. The requisite disclosure in Form AOC-2 is furnished in **Annexure-5.**

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

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

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

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

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

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

During the year, no significant and material orders were passed by any of the Regulators or Courts.

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

Narendra J. Shah, Director and Vinod S. Shah, Director retire by rotation and are eligible for re-appointment.

Pursuant to Section 149(4) of the Companies Act, 2013 read with Regulation 17(1) of SEBI LODR 2015, the Board has one half of its directors in the category of independent directors in terms of aforesaid Regulation.

11.15 Performance evaluation of the Board:

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration, Stakeholders' Relationship and Corporate Social Responsibility Committees of the Board. The Independent Directors met separately on 13th February, 2017 to discuss the following:

i) review the performance of non-independent directors and the Board as a whole;

ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

11.16 Details in respect of Internal Financial Controls with reference to financial statements:

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

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

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

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

11.18 Safety, Health and Environment:

The Company pays utmost importance towards safety and health of employees by implementing policies, procedures and conducting various awareness programmes among the employees. It conducts many promotional activities among its work force on safety adherence and developing the community on national and international events related to Health, Safety and Environment. All functional Departments work in cohesion to a common goal that includes efficiency in energy and in utilizing natural resources with minimal or no damage to the environment.

11.19 Consolidated Financial Statements (CFS):

The CFS is prepared by the Company pursuant to Section 129(3) of the Companies Act, 2013 in accordance with the requirements of Accounting Standard AS-21 read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures. Segment-wise disclosure of revenues, results, assets and liabilities on the basis of segments are separately given in a tabular form in the Consolidated Financial Statements (Refer Page No. 89).

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

12. Auditors:

12.1 Messrs Haribhakti & Co. LLP, Chartered Accountants, Mumbai, (Firm Registration No.103523W) were appointed as Auditors of the Company from the conclusion of 76th Annual General Meeting held on August 13, 2014 until the conclusion of 81st Annual General Meeting to be held in Calendar Year 2019. This appointment is subject to ratification by the Members at each Annual General Meeting. Messrs Haribhakti & Co. LLP are eligible for re-appointment for Financial Year 2017-18.

12.2 The Company has appointed Ms. Sangita Kulkarni as Cost Auditor to carry out the audit of cost records relating to Steel Plants and Industrial Machinery Division of the Company for the Financial Year 2016-17. The Cost Audit Report for the Financial Year 2015-16 was filed with the Ministry of Corporate Affairs on 3rd September 2016 before the due date.

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

13. Auditors' Report:

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

14. Acknowledgement:

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

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

Rajesh V. Shah
Co-Chairman & Managing Director
DIN: 00033371

Mumbai, May 24, 2017

Annexure to the Directors' Report

Annexure-1

Putting India on the Global Map

When "Make in India" translates into making steel in India

Economic growth is the fruit of informed planning and stringent execution of this plan across every spoke in the wheel of an economy. The manufacturing sector is an important spoke in this wheel with the steel industry at its core.

Thus it is pertinent that the growth potential of the steel sector should be unleashed. For this it is essential that adequate backward and forward linkages, excellent infrastructure, affordable finance, political stability, qualified and committed manpower are all part of the spectrum. This will be possible only if industry stakeholders, policy makers and the government all share responsibilities, work together to solve common challenges, and act with a common sense of purpose.

At Mukand, we take our role in Nation building seriously. Mukand, is one of the oldest Indian steel companies in the private sector today. The company's history has been entwined with the history of the nation in many ways. Today as the nation stands on the threshold of becoming a global leader in manufacturing, the company in its own small way continues to contribute to this vision.

With this in mind, the company has consistently focused on producing steel of superior quality, modernizing its steel making facilities, introducing energy efficient processes, developing import substitutes, training its manpower, etc.. The emphasis has always been on long term growth built on a sound foundation.

1. Global economy

1.1 The global economic activity has begun to pick up with slow but steady recovery in investment, manufacturing and trade. World growth is expected to rise from 3.1% in 2016 to 3.5% in 2017 and further move up to 3.6% in 2018 according to the the world economic output report by IMF, released in April 2017.

1.2 According to the IMF, emerging markets and developing economies now account for more than 75% of global growth in output and consumption, almost double the share of what it was just two decades ago. As these economies have integrated into the global economy, terms of trade, external demand, and, in particular, external financial conditions have become increasingly influential determinants of their medium term growth.

2. Indian economy

2.1 The Indian economy has recorded a remarkable growth in recent years, helped by positive policy actions by the Government, normal monsoon, low oil prices, robust consumer and investor confidence all that helped improve external current account and fiscal positions.

2.2 The Government has made significant progress on important economic reforms which will support strong and sustainable growth, going forward. The GST, once fully implemented, is expected to help raise India's medium term growth to above 8% as it will enhance the efficiency of the supply chain.

2.3 The Dollar remained strong against the Rupee during most of part of the year there by making input prices more expensive until the last quarter of FY 2017, when the Dollar weakened a bit.

2.4 India's overall outlook looks positive although the GDP Growth is estimated to come down to 6.6% in FY 2016/17 due to the temporary disruptions primarily in private consumption caused by cash shortages arising out of demonetization but it is expected to rebound to 7.2% in FY 2017/18.

3. Steel economy

3.1 The steel industry, as mentioned earlier, is an important constituent in the manufacturing sector. India is the 3rd largest producer of steel in the world with a production of 95.8 million tons in 2016. The largest producer, China alone has an output of 800 million tons per year, which is almost 50% of the total global output of steel.

3.2 India's per capita steel consumption of 61 kg is far below the global consumption average of 208 kg. The Government of India plans to embark on an ambitious plan to increase the per capita steel consumption to 160 kg by the year 2030. To achieve this ambitious target the Government will have to increase its expenditure in a variety of steel consuming sectors such as infrastructure, railways, defence, shipbuilding, and automobile thereby resulting in a significant increase in demand for steel in the country.

4. Specialty Steel Division

4.1 The sales of the steel Division was marginally lower at Rs. 2,528 crores for the year under review as compared to Rs. 2,598 crore in the previous year despite the fact that the production of rolled steel products of the Company marked an increase of 3% in the year under review at 3,92,790 MT as against 3,80,973 MT in the previous year. The sales in volume of special steel products too increased by 8%. The drop in selling prices has adversely affected the sales value. The segment profit of the division has marginally improved despite lowering of selling prices.

4.2 The automobile industry was on a growth trajectory from April to November 2016 but was negatively affected due to demonetization from December 2016. The industry is slowly picking up although not with the same acceleration as seen from April to November 2016. This affected sale of steel products which are consumed mainly by the automobile sector with the net revenue of the steel division marginally reduced to Rs. 2,528 crore from Rs. 2,598 crore in the previous year.

4.3 The Indian auto industry is one of the largest in the world accounting for 7.1% of the country's GDP. Several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two and four wheeler market in the world by 2020. The positive outlook for the automobile industry coupled with the Government's initiatives to encourage the production of value added steel holds promise for the future of this division.

4.4 The Government policy of permitting 100% FDA under the automatic route will increase investments in the auto sector. International and domestic manufacturers, are planning additional investments in their Indian facilities to meet the growing market.

4.5 Gearing up to meet the current and estimated future demand, the Company along with its Strategic Alliance Partner, over the previous three years, invested Rs. 400 crore in modernising the steel making facilities, enhancing backward integration, installing balancing and process equipment, all of which will improve the productivity of the division. All these facilities are now operating at its full capacity thus fructifying into cost reduction. Through sustained and focused efforts, the company also reduced its water consumption by 30% and electricity consumption by 10% over the last three years. The company recovers metal from the slag generated in the energy optimizing furnace. To mitigate the negative impact from rising prices and scarce availability of inputs such as iron ore and coke, the company adopted several process changes thereby keeping the negative impact to the bare minimum.

4.6 Prices of key raw materials namely iron ore, coke, fuel oil moved up sharply during the year while Nickel prices remained stable and are expected to remain so in the coming year. Prices of shredded steel scrap too increased in the beginning of the year and then declined during the year.

4.7 The Ministry of Steel, in conjunction with the Ministry of Mines, in its steel policy 2017 has envisioned the creation of a uniform country-wide sales platform for bringing transparency and predictability in the process of the sale of iron ore which is a major input for steel making. This will provide for a level playing field amongst the steel companies within the country as and when implemented.

4.8 Steel is an energy intensive industry. The power required by the industry is estimated to increase to 27,717 MW / annum by 2030-31. The Maharashtra State Electricity Distribution Company Limited has offered a 25% concession in maximum demand charges to steel manufacturers using the electric arc furnace route which has been a relief for your Company.

4.9 Further, the Government of India has also directed the power industry to make available alternative sources of power accessible at an attractive price of Rs. 3.5 / KWH. Currently the company purchases wind power at the rate of Rs. 6 / KWH. This will go a long way in reducing production costs. Forty percent of the Company's power requirements are met though renewable sources such as wind energy and waste gases emanating from the Mini Blast Furnaces.

4.10 Domestic road transportation costs continue to be on the higher side. The implementation of GST will reduce the time taken and perhaps even the cost per km.

5. Mukand Sumi Metal Processing Ltd. (MSMPL)

5.1 The profit after tax of the Joint Venture Company, MSMPL increased to Rs. 8.77 crore compared to Rs. 4.18 crore in the previous year. The Company's Board has proposed a maiden dividend of Rs. 1/- per share for FY 2016-17.

5.2 The company has commissioned, during the year, a state of the art Wire Drawing Machine fitted with online Eddy Current Tester and a Combined Drawing line. These machines have widened the product range in Bright Bars and Wires, reduced manufacturing costs and also helped in developing import substitute products for automobile companies.

6. Mukand Alloy Steels Private Limited (MASPL)

6.1 The company and Sumitomo Corporation of Japan have signed an agreement to form a Joint Venture Company called Mukand Alloy Steels Private Limited - MASPL (Mukand 51% and Sumitomo 49% respectively). The new company, MASPL, will be engaged in the rolling and finishing of Mukand Ltd's principal business of alloy steel long products. It will exclusively procure the required alloy steel billets and blooms from Mukand's steel making facility based in Ginigera, Karnataka.

6.2 This Joint Venture company, MASPL, will initially set up state of the art steel rolling mills in Ginigera with an initial capacity of 3,75,000 tons / year.

7. Industrial Machinery Division

7.1 The net revenue of the Industrial Machinery division stood at Rs. 169 crore for the year under review as compared to Rs.133 crore in the previous year. However, the division recorded a loss of Rs. 12.37 crore as compared to a loss of Rs. 1.83 crore in the previous year.

7.2 The performance of the division continues to be affected due to lack of demand and fierce competition in the market. There were no major booking of orders during the first three quarters of the year, however, in the fourth quarter the division was successful in procuring major orders for supply of cranes to Oman and for a project for the Indian Navy.

7.3 The division successfully commissioned a large crane of 250 MT single failure proof for ISRO, and Electric Level Luffing Cranes at various Ports in the country during the year. The company also completed various cranes for SAIL which includes an 100 MT capacity Trolley Crane being the largest capacity for such a crane manufactured in India till date. The company also exported six cranes to Bangladesh.

7.4 The year in running has begun on a positive note with an increase in the number of tenders being floated for EOT cranes, Port cranes and process equipment which is a sign that there is an increase in demand. The division hopes that the order booking will improve in the first and second quarter of the year in running. However, the pressure on prices will continue till such time that there are enough orders in the market to meet the supply capacity.

7.5 The division is negotiating a possibility of a Joint Venture to get a foreign partner to complement its technical skills and infuse funds for expansion and widening its product offering for the domestic and export markets.

8. Exports

Exports during the year was Rs.150.97 crores against Rs. 105.24 crores in the previous year.

9. Company's financial performance

9.1 The gross revenue from operations in the year under review has marginally declined as compared to the previous year mainly due to the reduction in selling prices as there was an increase in sales volume by approximately 10%.

9.2 The EBITDA for the year has been maintained inspite of decrease in selling prices and low demand as Company achieved reduction in cost. The Industrial Machinery Division also did not perform better during the year due to lower margin resulting from lack of demand and fierece competition due to excess capacity.

9.3 The Profit for the period was affected adversely due to Tax adjustments for lapsing of MAT entitlement credit and lapsing of carried-forward business losses, for which, the credit was taken in the earlier years.

10. Awards

10.1 The Ginigera Plant was awarded the Ispat Suraksha Puraskar 2017 for no fatal accidents in the last two years. This award is instituted by a joint committee on Safety, Health and Environment and managed by SAIL.

10.2 Company wide TPM activities are in full swing. The Kaizen teams from the Dighe Plant won three gold and one silver award at the Quality Competition 2016 organized by Quality Circle Forum of India – Mumbai chapter. At the annual convention of National Council of Quality Circles, Mukand Kaizen teams won Par Excellence and Excellence awards.

11. Human Resources Management

The company puts its trust in all its stakeholders, especially the employees who motivate one another, summon the spirit of determination and optimism that has always defined the company over the years and that will take it forward. Over the decades, the company has inspired tremendous loyalty from its people. In 1983, a long service award was instituted and since then 2,120 employees have been awarded a gold medal for their 30 years' of continuous service.

12. Corporate Social Responsibility

It is common knowledge that the future belongs to the nation that best educates its citizens. The Company, along with financial support from Janakidevi Bajaj Gram Vikas Sanstha, continues its CSR activity in the field of education. 10,000 economically disadvantaged students studying across 44 high schools in Shahapur, which is the largest taluka in Thane district, are provided with uniforms, notebooks, textbooks. Special free training in mathematics is also held during weekends in 30 schools under the CSR activity. The Company also provided fans and benches to several schools and has embarked on a programme to build toilets and provide drinking water to those schools that lack these basic facilities in Shahapur.

13. Cautionary Statement

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

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 24, 2017

Corporate Governance Report

Annexure to the Directors' Report

Annexure-2

Corporate Philosophy: Mukand continues to uphold its commitment to adhere to high standards of Corporate Governance. The Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations. Emphasis therefore, is on adding value to its shareholders, investors, employees, suppliers, customers and the community. Your Company is in full compliance with the norms and disclosures that have to be made from time to time with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR, 2015].

1. THE BOARD OF DIRECTORS:

1.1 Composition and size of the Board:

The Board at present consists of 10 (ten) directors, including the Executive Chairman. Out of these 10 (ten) Directors, 7 (seven) are Non-Executive Directors, which include 5 (five) Independent Directors (including one woman director). The Company has had no pecuniary relations or transactions with the Non-Executive Directors.

1.2 Board Meetings:

During the year under review, 6 (Six) Board Meetings were held on May 23, 2016; August 08, 2016; November 09, 2016, January 12, 2017, February 13, 2017 and March 27, 2017. The Board was presented with relevant, statutory and necessary information at these meetings. The attendance of each Director at the Board Meetings during the year and at the last Annual General Meeting along with details of number of other public limited companies and committees where he/she is a director and member/chairman respectively is tabulated below:

Sr. No.	Name	Category	Attendance Particulars		Number of positions held in other Public Limited Companies		
			Board Meetings	Last AGM	Directorships	*Committee Memberships	*Committee Chairmanships
1.	Niraj Bajaj (DIN: 00028261)	P.CMD	6	Yes	5	-	1
2.	Rajesh V. Shah (DIN: 00033371)	P.CCMD	6	Yes	4@	3	-
3.	Dhirajlal S. Mehta (DIN: 00038366)	I.NED	6	Yes	2	2	-
4.	Suketu V. Shah (DIN: 00033407)	P.Jt.MD	5	Yes	3	2	-
5.	Vinod S. Shah (DIN: 00033327)	NED	6	Yes	3	-	-
6.	Narendra J. Shah (DIN: 00047403)	P.NED	4	Yes	-	-	-
7.	N.C. Sharma (DIN: 00054922)	I.NED	6	Yes	4	6	-
8.	Prakash V. Mehta (DIN: 00001366)	I.NED	5	Yes	6	5	3
9.	Amit Yadav (DIN: 02768784)	I.NED	6	Yes	-	-	-
10.	Bharti R Gandhi (DIN: 00306004)	I.NED	6	Yes	1	-	-

* Includes only Audit and Stakeholders' Relationship Committee.

@ Excludes Directorship in Foreign Companies.

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

Rajesh V. Shah and Suketu V. Shah are related to each other as brothers.

None of the directors is a member of more than ten committees or acting as Chairman of more than five committees across all companies in which he/she is a Director. As per declarations received, none of the directors serves as an independent director in more than seven listed companies.

Brief profiles of each of the above Directors is available on the Company's website: www.mukand.com

1.3 Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to officers of the Company. In addition to items which are required to be placed before the Board for its noting and /or approval, information is provided on various significant items. The information supplied by management to the Board of the Company is in accordance with SEBI LODR, 2015.

1.4 Orderly succession to Board and Senior Management

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

1.5 Review of legal compliance reports

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

1.6 Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and regulation 25 of SEBI LODR, 2015.

1.7 Formal Letter of Appointment to independent directors

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

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

Vinod S. Shah and Narendra J. Shah retire by rotation and are eligible for re-appointment. Their brief resumes are as under: -

Vinod S. Shah (DIN: 00033327)

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

Narendra J. Shah (DIN: 00047403)

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

1.9 Familiarisation Programme:

The Company familiarizes not only the Independent Directors but every new appointee on the Board, with a brief background of the Company,

their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, operations of the Company, etc. They are also informed of the important policies of the Company, including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading in securities by Insiders, etc. The particulars of familiarization programme for Independent Directors can be accessed through the weblink: http://www.mukand.com/wp-content/uploads/2015/08/4.-Familiarization-Programme-for-Independent-Directors.pdf

2. AUDIT COMMITTEE:

The Committee at present comprises of Dhirajlal S. Mehta (Chairman), N.C. Sharma and Prakash V. Mehta all of whom are Independent Directors. Terms of Reference of the Audit Committee have been broadened by the Board and are as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 and other regulations of SEBI LODR, 2015.

During the year under review, 6 (six) meetings of the Audit Committee were held on May 23, 2016; August 08, 2016; November 09, 2016; January 12, 2017; February 13, 2017 and March 27, 2017.

Name of the Member	Nature of Membership	Meeting details	
		Held	Attended
Dhirajlal S. Mehta	Chairman	6	6
N.C. Sharma	Member	6	6
Prakash V. Mehta	Member	6	5

The Chairman of the Audit Committee was present at the last AGM held on August 08, 2016.

In addition to Statutory Auditors, Chairman & Managing Director, Co-Chairman & Managing Director, Joint Managing Director, Chief Financial Officer, who being permanent invitees attend Audit Committee Meetings. The cost auditors are invited where Cost Audit Report is considered at such Committee meetings. The Internal Auditors are invited where internal audit matters are discussed. K. J. Mallya - Company Secretary acts as Ex-officio Secretary to the Audit Committee.

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

3. NOMINATION AND REMUNERATION COMMITTEE:

Terms of Reference:

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

Performance Evaluation:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees constituted as required by the provisions of the Companies Act, 2013 and SEBI LODR, 2015. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

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

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

A. Non-Executive Directors (NEDs)

NEDs shall be paid –

(i) a sitting fee of Rs.50,000/- for every meeting of the Board or Audit Committee thereof attended by them as a member; and

(ii) a sitting fee of Rs.20,000/- for attending every meeting of Committee of the Board other than that of Audit Committee Meeting.

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

B. Managing Directors & Key Managerial Personnel & Other Employees

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

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

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

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

The Committee at present comprises of Prakash V. Mehta (Chairman), Dhirajlal S. Mehta and N. C. Sharma, all of whom are Independent Directors. During the year under review, only one meeting of the Nomination & Remuneration Committee of the Company was held on 23rd May, 2016 and it was attended by all the members of Committee.

The details of remuneration of Niraj Bajaj - Chairman & Managing Director, Rajesh V. Shah - Co-Chairman & Managing Director and Suketu V. Shah - Joint Managing Director for FY 2016-17 are given below:

(Rs. in lacs)

Remuneration Package	Niraj Bajaj	Rajesh V. Shah	Suketu V. Shah
Salary and allowances	72.00	72.00	67.20
Contribution to Provident Fund and Other funds	8.64	8.64	9.06
Perquisites	17.97	17.99	16.73
TOTAL	**98.61**	**98.63**	**92.99**

The Chairman & Managing Director, the Co-Chairman & Managing Director and the Joint Managing Director have agreements with the Company for a period of 3 years w.e.f. July 5, 2014; which can be terminated by giving 6 months' notice in writing. There is no provision for severance fees in the employment contracts of the Managing Directors.

The Company does not pay any remuneration to the Non-executive Directors of the Company except for the payment of sitting fees for attending Board /

Committee meetings and meeting of Independent Directors. The Company has not issued stock options to any of its Directors.

Details of sitting fees paid to the Non-executive Directors during the year ended March 31, 2017 and the shares in the Company held by them as on March 31, 2017 are as under: -

Sl. No.	Name of the Director	Sitting Fees (Rs.)	Shareholding	
			Equity Shares	0.01% Cumulative Redeemable Preference Shares
1	Dhirajlal S. Mehta	6,80,000	277	69
2	Vinod S. Shah	4,20,000	6,032	464
3	Narendra J. Shah	2,00,000	99,605	8,245
4	N.C. Sharma	6,60,000	36	-
5	Prakash V. Mehta	5,60,000	-	-
6	Amit Yadav	3,40,000	200	-
7	Bharti R Gandhi	3,20,000	-	-

The sitting fees paid to the Non Executive Directors include sitting fees paid to Independent Directors for attending the meeting of the Independent Directors held on 13th February, 2017.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The Stakeholders Relationship Committee consists of N. C. Sharma (Chairman), Dhirajlal S. Mehta and Amit Yadav all of whom are Independent Directors. The meeting of the Committee was held on May 23, 2016, which was attended by all the committee members. As on March 31, 2017, no request for transfer of shares and for dematerialization/ rematerialisation of shares was pending for approval.

K. J. Mallya, Company Secretary is the Compliance Officer.

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

5. GENERAL BODY MEETINGS:

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

AGM	Date & Time	Venue
76th	August 13, 2014 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021.
77th	August 12, 2015 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021.
78th	August 8, 2016 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021.

The Company has passed a Special Resolution in the 77th Annual General Meeting for approval of Material Related Party Transactions.

Postal Ballot

There were no resolutions passed through Postal Ballot during the year ended 31st March, 2017.

6. DISCLOSURES:

6.1. Related Party Transactions:

There were no materially significant related party transactions made by the Company with its promoters, directors or their relatives during the year, which may have potential conflict with the interests of the Company at large. The details of transactions with related parties are disclosed in the Accounts. The Policy on Materiality of Related Party Transactions in terms of provisions of regulation 53 and SCHEDULE V of SEBI LODR, 2015 is uploaded on the website of the Company and can be accessed through the following link: http://www.mukand.com/wp-content/uploads/2015/08/3.-Policy-on-Materiality-of-RPTs-11-Feb-2016.pdf

6.2. Compliance with Regulations:

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

6.3. Risk Management:

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

6.4. Commodity price risk or foreign exchange risk and hedging activities:

Commodity prices:

The Company's profitability depends on the following commodities, viz., iron ore, coke, nickel, chrome and scrap. The prices of these commodities are highly volatile. In case of iron ore which is obtained locally, the Company takes various steps to substitute use of cheaper iron ore by processing and replacing the costly iron ore. In case of Coke and Coal which are imported, the purchase contracts are scheduled for the long or short period, depending on the expectation of rise or fall in the prices. In case of other imported items, nickel, chrome, molybdenum and shredded scrap, back to back contracts are executed with suppliers and customers. The Company has no hedging activities for commodities.

Foreign Exchange Risk:

The Company's net foreign exchange exposure during the year under review was Rs.610.53 crore. The Company makes efforts to reduce its imports and increase its exports to bring down the net foreign exchange exposure. The Rupee Dollar rate has been volatile during the year to the extent of 6.28% and appreciated at the end by 2.18% compared to the opening rate. The Company keeps a close watch on the Dollar Rupee movement and the Forward cover transactions are made based on the future risks expectation.

6.5. OTHER DISCLOSURES:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities relating to the above. Company's policies for determining Material Subsidiaries, on dealing with related party transactions and details of establishment of Vigil Mechanism along with details of web link (in cases where it is prescribed) are given in Annexure-4.

7. Code Of Conduct:

All directors and senior management personnel have affirmed compliance with the code of conduct for 2016-17 as required under regulation 26(3) of SEBI LODR, 2015. A declaration to this effect signed by the Managing Directors is given in this Annual Report.

8. Code For Prevention Of Insider Trading:

The Company has instituted a Code of Conduct for prevention of Insider Trading in the securities of the Company for its Directors and designated persons as required by SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

9. CEO And CFO Certification:

In accordance with the requirement of Regulation 17 (8) of the SEBI LODR, 2015, the CEOs i.e., Chairman & Managing Director, Co-Chairman & Managing Director and CFO i.e., Chief Financial Officer have furnished the requisite certificates to the Board of Directors of the Company.

10. Means Of Communication:

The quarterly un-audited and yearly audited financial results are published in English and regional language newspapers. The financial results, shareholding pattern and other corporate communication to stock exchanges

are filed in compliance with Regulation 30, 31 and 33 of SEBI LODR, 2015 and also available on the corporate website of the Company www.mukand.com. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal. The Company has complied with filing submissions through BSE's BSE Online Portal. The Management Discussion and Analysis is a part of the Annual Report. All financial and other vital information is promptly communicated to the Stock Exchanges where the Company's shares are listed.

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

11. SHAREHOLDERS' INFORMATION:

11.1 Annual General Meeting:

Date	Monday, July 24, 2017
Time	4.00 p.m.
Venue	Walchand Hirachand Hall, Indian Merchants Chamber, 4th Floor, IMC Marg, Churchgate, Mumbai - 400020

11.2 Tentative Financial calendar:

Financial Year: April 1, 2017 to March 31, 2018

Consideration of Financial Results:

i.	Approval of audited annual results for the year ending 31st March	May
ii.	Annual General Meeting	July
iii.	Unaudited first quarter financial results	August/ September
iv.	Unaudited second quarter financial results	November / December
v.	Unaudited third quarter financial results	February

11.3 Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 15th July, 2017 to Monday, the 24th July, 2017 (both days inclusive).

11.4 Stock Exchange Listing:

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

11.5 Stock Code:

Sl. No	Particulars	Equity	CRPS
1.	BSE	500460	700087
2.	NSE	MUKANDLTD	MUKANDCRPS
3.	ISIN	INE 304A01026	INE 304A04012

BSE: Address: P.J. Towers, Dalal Street, Mumbai – 400 001

NSE: Address: Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

11.6 Stock Price Data:

Monthly highs and lows of the Company's Equity Share prices on the BSE and NSE in the year 2016-17 are given hereunder:

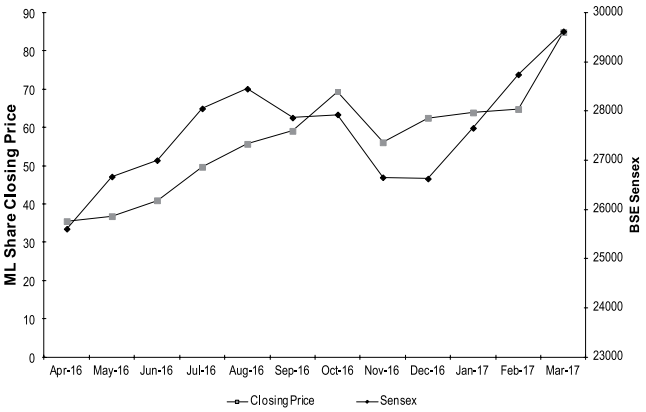
Rs. per share

Months	BSE		NSE	
	High	Low	High	Low
Year 2016				
April	38.25	32.10	39.00	31.70
May	40.40	31.30	41.40	31.15
June	42.25	34.80	43.50	34.50
July	53.50	40.00	53.50	39.70
August	60.60	45.70	60.55	45.65
September	69.90	55.00	70.20	54.60
October	75.70	59.45	75.70	59.10
November	71.50	45.55	71.50	45.55
December	66.40	47.50	66.50	47.60
Year 2017				
January	76.00	62.60	76.40	62.50
February	71.90	63.15	72.40	54.60
March	87.95	64.80	88.00	64.50

During the year, CRPS were traded on BSE at prices which ranged between Rs.3.80 and Rs. 16.80 per share and on NSE at prices which ranged between Rs. 2.10 and Rs.6.60 per share.

11.7 Comparative Stock Price Performance:

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



11.8 Share Transfer Agents:

The Company has appointed Karvy Computershare Pvt. Ltd. (Karvy), Hyderabad as its share transfer agent for carrying out the work relating to share transfer / dematerialization / rematerialisation of shares and allied activities.

All physical transfers, transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants etc. as well as requests for dematerialization / rematerialisation are being processed periodically at Karvy. The work relating to dematerialization / rematerialisation is handled by Karvy through connectivity with National Securities Depository Ltd.(NSDL) and Central Depository Services India Ltd.(CDSL).

Unclaimed Dividend:

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years:

Details of Unclaimed Equity Dividend and due dates for transfer are as follows as on March 31, 2017:

Sl. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
1	2009-10	July 29, 2010	5,36,250	August 3, 2017
2.	2010-11	July 28, 2011	5,58,272	August 2, 2018
3.	2011-12	No Dividend Declared	N.A.	N.A.
4.	2012-13	No Dividend Declared	N.A.	N.A.
5.	2013-14	No Dividend Declared	N.A.	N.A.
6.	2014-15	No Dividend Declared	N.A.	N.A.
7.	2015-16	No Dividend Declared	N.A.	N.A.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF following the procedure prescribed in the IEPF Rules. No claim could me made in respect thereof with the Company.

11.9 Share Transfer System:

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. During the year, 290,119 Equity Shares and 64,780 CRPS were transferred in physical (non-dematerialized) form.

11.10 Distribution of Shareholding:

The Company had 41,726 Equity Shareholders and 41,206 CRPS holders as on March 31, 2017. Distribution of shareholding is given in the table hereunder:

Equity Shares:

Distribution of Shareholding	No. of Equity Shares	% of Equity Shares	No. of Equity Shareholders	% of Equity Shareholders
Upto - 50	4,59,099	0.33	21,390	51.26
51 - 100	6,28,040	0.44	7,399	17.73
101 - 500	23,00,298	1.63	8,744	20.96
501 - 1,000	15,69,386	1.11	1,936	4.64
1,001 - 5,000	38,36,969	2.71	1,669	4.00
5,001 - 10,000	18,55,991	1.31	254	0.61
10,001 and above	13,07,56,078	92.47	334	0.80
Total	**14,14,05,861**	**100.00**	**41,726**	**100.00**

0.01% Cumulative Redeemable Preference Shares:

Distribution of Shareholding	No. of CRPS	% of CRPS	No. of CRPS holders	% of CRPS holders
Upto - 50	3,91,672	6.96	37,313	90.55
51 - 100	1,42,468	2.53	1,844	4.48
101 - 500	3,47,756	6.18	1,639	3.98
501 - 1,000	1,35,307	2.41	181	0.44
1,001 - 5,000	3,48,949	6.20	161	0.39
5,001 - 10,000	1,68,647	3.00	23	0.05
10,001 and above	40,91,521	72.72	45	0.11
Total :	56,26,320	100.00	41,206	100.00

The shareholding pattern of Equity Shares as on March 31, 2017 is given in the table as under:

Sl. No.	Category of Shareholders	No. of Shares	% of Total Shareholding
1	Promoter and Promoter Group	10,13,63,994	71.68
2	Mutual Funds and UTI	1,925	-
3	Financial Institutions and Banks	150,145	0.11
4	Insurance Companies	72,44,583	5.12
5	Other Bodies Corporate	1,06,89,328	7.56
6	Foreign Institutional Investors	30,963	0.02
7	Non-Resident Indians/OCBs	443,634	0.32
8	Public and Others	2,14,81,289	15.19
	Total	14,14,05,861	100.00

11.11 Dematerialization of Shares and liquidity:

The Company's Shares are dealt with at both the depositories viz. NSDL and CDSL. The Company for the benefit of the Shareholders has made one time payment to NSDL towards custodial charges. During the year, 19,377 Equity Shares and 3,225 CRPS were dematerialised in respect of 206 and 131 requests respectively. The dematerialisation level as on March 31, 2017 stood at 98.81% of total paid-up Equity Share capital and 92.59% of the total paid-up 0.01% Cumulative Redeemable Preference Share Capital. As on March 31, 2017, 25,689 Shareholders held 13,97,22,205 Equity Shares and 17,507 Shareholders held 52,09,438 CRPS in demat form.

11.12 Plant Locations:

Dighe, Thane, Maharashtra- 400 605.

Ginigera, Karnataka- 583 228.

11.13 Address for Correspondence:

(i) Physical Shares (Equity and Preference):

Share Transfer Agents:

M/s. Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32

Gachibowli Financial District,

Nanakramguda, Hyderabad 500032

Tel: (040) 6716 2222

Fax: (040) 2300 1153

E-mail : mohsin.mohd@karvy.com

Website : www.karvycomputershare.com

(ii) Demat Shares (Equity & Preference):

Respective Depository Participants of Shareholders

(iii) Shares & Fixed Deposits:

Bajaj Bhawan, Jamnalal Bajaj Marg,

226, Nariman Point, Mumbai 400021

Tel: Shares: 022- 6121 6666 Fixed Deposits: 022 -6121 6629

Fax: 022-2202 1174

E-mail: Shares: investors@mukand.com
Fixed Deposits: fixeddeposit@mukand.com

12. ADOPTION OF MANDATORY & NON-MANDATORY REQUIREMENTS

Mandatory

The Company has fully adopted the mandatory requirements of all Regulations of SEBI LODR, 2015.

Non-mandatory

i) Shareholder rights :

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

ii) Audit Qualifications :

The auditors' report does not contain any qualification.

iii) Separate post of Chairman and CEO :

The Company has same person as Chairman & Managing Director.

iv) Reporting of Internal Auditor :

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

13. Certificate on Corporate Governance:

The Company has obtained a certificate from M/s. Haribhakti & Co. LLP, Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the SEBI LODR, 2015. This is annexed to the Directors' Report. The certificate will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 24, 2017

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

Mukand Limited

We have examined the compliance of conditions of Corporate Governance by Mukand Limited, for the year ended on March 31, 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For and on behalf of
Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No.: 034828

Place: Mumbai
Date: May 24, 2017

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

(As per Part D of Schedule V r/w Regulation 34(3) of the SEBI (LO&DR)

We, hereby declare that all the Members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct as laid down by the Company for the year ended March 31, 2017.

Mumbai : May 24, 2017

Rajesh V. Shah
Co-Chairman & Managing Director

Niraj Bajaj
Chairman & Managing Director

CEO / CFO CERTIFICATION

(As per Schedule II, Part B r/w Regulation 17(8) of the SEBI (LO&DR)

We, the undersigned, certify that :

(A) We have reviewed the Financial Statements and the Cash Flow Statement of MUKAND LIMITED for the financial year ended 31st March, 2017 and to the best of our knowledge and belief state that :

i. these statements do not contain any materially untrue statement or omit material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We have indicated to the Auditors and the Audit Committee

i. that there were no significant changes in internal control over financial reporting during the year;

ii. that there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	S. B. Jhaveri	Rajesh V. Shah	Niraj Bajaj .
Mumbai, May 24, 2017	Chief Financial Officer	Co–Chairman & Managing Director	Chairman & Managing Director

Form No. MGT-9

Annexure to the Directors' Report **Annexure-3**

Mukand Limited

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHERS DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of Main Products/ Services	NIC Code of the Product /Service	% to total turnover of the Company
1	Manufacture of Alloy Steel bars, rods, structurals, rails	27151	59.11
2	Manufacture of Stainless Steel bars, rods, structurals, rails	27153	28.64

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Mukand Global Finance Ltd.	U67120MH1979PLC021418	Subsidiary	100.00	2(87)
2	Vidyavihar Containers Ltd.	U27200MH1971PLC015205	Subsidiary	100.00	2(87)
3	Mukand Vijayanagar Steel Ltd	U85110MH1995PLC235609	Subsidiary	100.00	2(87)
4	Mukand Alloy Steels Pvt. Ltd.	U27310MH2015PTC260936	Subsidiary	100.00	2(87)
5	Whiteleaf Heavy Machinery Pvt. Ltd.	U29100MH2016PTC283691	Subsidiary	100.00	2(87)
6	Technosys Industrial Machinery Pvt. Ltd.	U29100MH2016PTC286029	Subsidiary	100.00	2(87)
7	Mukand International FZE	Foreign Company	Subsidiary	100.00	2(87)
8	Mukand International Ltd.	Foreign Company	Subsidiary	100.00	2(87)
9	Mukand Sumi Metal Processing Ltd.	U27300MH2012PLC234000	Subsidiary	60.07	2(87)
10	Mukand Vini Mineral Ltd.	U14200MH2008PLC187216	Associate	49.02	2(6)
11	Stainless India Ltd.	U27107RJ1995PLC010920	Associate	44.09	2(6)
12	Mukand Engineers Ltd.	L45200MH1987PLC042378	Associate	36.05	2(6)
13	Bombay Forgings Ltd.	U28910MH1966PLC013399	Associate	24.00	2(6)

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

i) Category-wise Shareholding

Category of Shareholders	No. of shares held of the beginning of the year (1st April, 2016)				No. of shares held of the end of the year (31st March, 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	3,47,97,853	-	3,47,97,853	24.61	3,40,59,043	-	3,40,59,043	24.09	-0.52
b. Central Govt.									-
c. State Govt.									-
d. Bodies Corp.	6,37,17,305	-	6,37,17,305	45.06	6,46,06,115	-	6,46,06,115	45.69	0.63
e. Bank/ FI									-
f. Any Other	28,48,836		28,48,836	2.01	26,98,836		26,98,836	1.91	-0.11
Sub-Total (A)(1)	**10,13,63,994**	**-**	**10,13,63,994**	**71.68**	**10,13,63,994**	**-**	**10,13,63,994**	**71.68**	**-**
2. Foreign									**-**
a. NRI- Individuals									-
b. Other Individuals									-
c. Bodies Corporate									-
d. Banks/FI									-
e. Any Other									-
Sub-Total (A)(2)	**-**	**-**	**-**						**-**
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**10,13,63,994**	**-**	**10,13,63,994**	**71.68**	**10,13,63,994**	**-**	**10,13,63,994**	**71.68**	**-**
B. Public Shareholding									**-**
1. Institutions									**-**
a. Mutual Funds	1,124	1,001	2,125	0.00	924	1,001	1,925		-0.00
b. Bank/ FI	96,950	3,344	1,00,294	0.07	1,46,801	3,344	1,50,145		-0.07
c. Central Govt.									-
d. State Govt(s)									-
e. Venture Capital Funds									-
f. Insurance Companies	72,44,583	-	72,44,583	5.12	72,44,583	-	72,44,583	5.12	-
g. FIIs	-	30,963	30,963	0.02	-	30,963	30,963	0.02	-
h. Foreign Venture Capital									-
i. Others (specify)									-
Sub-Total (B)(1)	**73,42,657**	**35,308**	**73,77,965**	**5.22**	**73,92,308**	**35,308**	**74,27,616**	**5.25**	**0.04**
2. Non- Institutions									**-**
a. Body Corporate									-
i. Indian	90,15,926	4,42,940	94,58,866	6.69	1,02,46,412	4,42,916	1,06,89,328	7.56	0.87
ii. Overseas									-
b. Individuals									-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	93,41,213	11,18,477	1,04,59,690	7.40	80,66,167	9,35,221	90,01,388	6.37	-1.03
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	98,08,609	10,068	98,18,677	6.94	1,96,68,286	7,03,299	2,03,71,585	14.41	7.46
c. Others (specify)									-
i. Clearing members	19,585	-	19,585	0.01	5,37,492	-	5,37,492	0.38	0.37
ii. NRIs	5,30,480	9,590	5,40,070	0.38	4,33,806	9,828	4,43,634	0.31	-0.07
iii. Trusts (Employee Welfare Funds)	23,67,014	-	23,67,014	1.67	22,60,152	-	22,60,152	1.60	-0.08
Sub-Total -B-(2)	3,10,82,827	15,81,075	3,26,63,902	23.10	3,09,65,903	16,48,348	3,26,14,251	23.06	-0.04
Total Public Shareholding (B) = (B)(1) + (B)(2)	**3,84,25,484**	**16,16,383**	**4,00,41,867**	**28.32**	**3,83,58,211**	**16,83,656**	**4,00,41,867**	**28.32**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**-**
Grand Total (A+B+C)	**13,97,89,478**	**16,16,383**	**14,14,05,861**	**100.00**	**13,97,22,205**	**16,83,656**	**14,14,05,861**	**100.00**	**-**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of shares held of the beginning of the year (1st April, 2016)			No. of shares held of the end of the year (31st March, 2017)			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Rahul Bajaj	7,12,044	0.50	0.00	7,12,044	0.50	0.00	0.00
2	Niraj Bajaj	1,17,75,797	8.33	0.00	1,17,86,730	8.34	0.00	0.01
3	Rajesh V Shah	72,00,842	5.09	3.72	72,00,842	5.09	3.72	0.00
4	Suketu V Shah	44,97,382	3.18	3.16	10,15,381	0.72	0.69	-2.46
5	Sanjivnayan Bajaj	1,787	0.00	0.00	1,787	0.00	0.00	0.00
6	Shekhar Bajaj	7,33,000	0.52	0.00	7,11,134	0.50	0.00	-0.02
7	Madhur Bajaj	7,06,200	0.50	0.00	7,17,133	0.51	0.00	0.01
8	Anant Bajaj	86,400	0.06	0.00	86,400	0.06	0.00	0.00
9	Sunaina Kejriwal	1,363	0.00	0.00	1,363	0.00	0.00	0.00
10	Suman Jain	3,744	0.00	0.00	3,744	0.00	0.00	0.00
11	Anjana Viren Shah (Nee Anjana Munsif)	30,634	0.02	0.00	30,634	0.02	0.00	0.00
12	Narendrakumar J Shah	99,605	0.07	0.00	99,605	0.07	0.00	0.00
13	Jyoti Shah	21,117	0.01	0.00	19,768	0.01	0.00	0.00
14	Bansri Rajesh Shah	34,31,542	2.43	2.38	34,31,542	2.43	2.38	0.00
15	Czaee Suketu Shah	40,57,212	2.87	2.48	49,75,352	3.52	3.52	0.65
16	Priyaradhika Rajesh Shah	9,60,046	0.68	0.68	9,60,046	0.68	0.68	0.00
17	Kaustubh Rajesh Shah	96,000	0.07	0.07	96,000	0.07	0.07	0.00
18	Rishabh Sukumar Vir	1,91,138	0.14	0.00	20,17,538	1.43	1.29	1.29
19	Minal Bajaj	1,92,000	0.14	0.00	1,92,000	0.14	0.00	0.00
20	Neelakantan K. Iyer (A/c Jadavdevi Suketu Trust)	28,21,636	2.00	0.00	26,71,636	1.89	0.00	-0.11
21	Niraj Bajaj (A/c Niravnayan Trust)	27,200	0.02	0.00	27,200	0.02	0.00	0.00
22	Bachhraj & Co Pvt. Ltd.	33,50,692	2.37	0.00	33,50,692	2.37	0.00	0.00
23	Bachhraj Factories Pvt. Ltd.	13,78,168	0.97	0.00	13,78,168	0.97	0.00	0.00
24	Bajaj Holdings & Investment Ltd.	81,13,564	5.74	0.00	81,13,564	5.74	0.00	0.00
25	Bajaj Sevashram Pvt. Ltd.	25,00,160	1.77	0.00	25,00,160	1.77	0.00	0.00
26	Baroda Industries Pvt. Ltd.	1,57,26,616	11.12	0.00	1,57,26,616	11.12	0.00	0.00
27	Jamnalal Sons Pvt. Ltd.	2,62,93,322	18.59	0.00	2,62,93,322	18.59	0.00	0.00
28	Jeewan Limited	47,85,369	3.38	2.26	47,85,369	3.38	0.00	0.00
29	Mukand Engineers Ltd.	13,62,400	0.96	0.48	13,62,400	0.96	0.48	0.00
30	Niraj Holdings Pvt. Ltd.	8,000	0.01	0.00	8,000	0.01	0.00	0.00
31	Sidya Investments Ltd	1,60,000	0.11	0.00	1,60,000	0.11	0.00	0.00
32	Valiant Investments & Trades Pvt. Ltd.	260	0.00	0.00	260	0.00	0.00	0.00
33	Akhil Investments & Traders Pvt. Ltd.	260	0.00	0.00	260	0.00	0.00	0.00
34	Kamalnayan Investment & Trading Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
35	Madhur Securities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
36	Rahul Securities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
37	Rupa Equities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
38	Sanraj Nayan Investments Pvt. Ltd.	3,494	0.00	0.00	3,494	0.00	0.00	0.00
39	Shekhar Holdings Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
40	Isarnan Steel and Minerals Pvt. Ltd.	0	0.00	0.00	8,88,810	0.63	0.00	0.63
	TOTAL	**10,13,63,994**	**71.68**	**15.23**	**10,13,63,994**	**71.68**	**12.83**	**0.00**

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

Sr. No.	Name	Shareholding at the beginning of the year (1st April, 2016) / at the end of the year (31st March, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the begining of the year	10,13,63,994	71.68		
	Date-wise increase/(decrease)				
1	Niraj Bajaj				
	20-12-2016 - (Off Market Acquisition) -Gift	10,933	0.01	10,13,74,927	71.69
2	Madhur Bajaj				
	20-12-2016 - (Off Market Acquisition) -Gift	10,933	0.01	10,13,85,860	71.70
3	Shekhar Bajaj				
	20-12-2016 - (Off Market Transfer) -Gift	(21,866)	(0.02)	10,13,63,994	71.68
4	Suketu V Shah				
	27-06-2016 - Inter se transfer	1,349	0.00	10,13,65,343	71.68
	20-09-2016 -Inter se transfer	(34,83,350)	(2.46)	9,78,81,993	69.22
5	Czaee Suketu Shah				
	20-09-2016 -Inter se transfer	9,18,140	0.65	9,88,00,133	69.87
6	Shri Rishabh Sukumar Vir				
	20-09-2016 -Inter se transfer	18,26,400	1.29	10,06,26,533	71.16
7	Isarnan Steel and Minerals Pvt. Ltd.				
	20-09-2016 - Inter se transfer	7,38,810	0.52	10,13,65,343	71.68
	31-03-2017 - Inter se transfer	1,50,000	0.11	10,15,15,343	71.79
8	Jyoti Shah				
	27-06-2016 - Inter se transfer	(1,349)	(0.00)	10,15,13,994	71.79
9	Neelakantan K. Iyer (A/c Jadavdevi Suketu Trust)				
	31-03-2017 - Inter se transfer	(1,50,000)	(0.11)	10,13,63,994	71.68
	At the end of the year	10,13,63,994	71.68		

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

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2016)	% of total shares of the Company	Date	Increase/ Decrease on Shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
1	Life Insurance Corporation of India	72,28,076	5.11	No Change			72,28,076	5.11
2	Shinano Retail Pvt. Ltd.	35,79,056	2.53	No Change			35,79,056	2.53
3	Rakesh S Gupta	21,52,136	1.52	No Change			21,52,136	1.52
4	Fusion Investments and Financial Services Pvt. Ltd..	8,06,180	0.57	No Change			8,06,180	0.57
5	Dilipkumar Lakhi	6,14,880	0.43	No Change			6,14,880	0.43
6	Jyoti R Gupta	5,36,254	0.38	No Change			5,36,254	0.38
7	Lineage Investments Pvt. Ltd.	4,27,880	0.30	No Change			4,27,880	0.30
8	Sikkim Janseva Pratishthan Pvt. Ltd..	3,90,000	0.28	No Change			3,90,000	0.28
9	Econium Investments and Finance Pvt. Ltd.	3,45,760	0.24	No Change			3,45,760	0.24
10	Deven M Doshi	3,10,000	0.22	17-03-2017	50,000	Sale	2,60,000	0.18

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

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (1st April, 2016) / at the end of the year (31st March, 2017)		Date	increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Directors							
1	**Niraj Bajaj**	1,17,75,797	8.33	01-04-2016			1,17,75,797	8.33
	Chairman & Managing Director			20-12-2016	10,933	(Off Market Acquisition) -Gift	1,17,86,730	8.34
		1,17,86,730	8.34	31-03-2017			1,17,86,730	8.34
2	**Rajesh V Shah**	72,00,842	5.09	01-04-2016				
	Co-Chairman & Managing Director				Nil movement during the year			
		72,00,842	5.09	31-03-2017			72,00,842	5.09
3	**Suketu V Shah**	44,97,382	3.18	01-04-2016			44,97,382	3.18
	Jt. Managing Director			27-06-2016	1,349	Inter-se-transfer	44,98,731	3.18
				20-09-2016	(34,83,350)	Inter-se-transfer	10,15,381	0.72
		10,15,381	0.72	31-03-2017			10,15,381	0.72
4	**Dhirajlal S. Mehta**	277	0.00	01-04-2016			277	0.00
	Director				Nil movement during the year			
		277	0.00	31-03-2017			277	0.00
5	**Narendra J Shah**	99,605	0.07	01-04-2016			99,605	0.07
	Director				Nil movement during the year			
		99,605	0.07	31-03-2017			99,605	0.07
6	**Vinod S Shah**	6,032	0.00	01-04-2016			6,032	0.00
	Director				Nil movement during the year			
		6,032	0.00	31-03-2017			6,032	0.00
7	**Amit Yadav**	200	0.00	01-04-2016			200	0.00
	Director				Nil movement during the year			
		200	0.00	31-03-2017			200	0.00
8	**N.C. Sharma**	-	0.00	01-04-2016			-	0.00
	Director			19-08-2016	36	Market Purchase	36	0.00
		36	0.00	31-03-2017			36	0.00
	Key Managerial Personnel							
1	**S B Jhaveri**	3,680	0.00	01-04-2016			3,680	0.00
	Chief Financial Officer				Nil movement during the year			
		3,680	0.00	31-03-2017			3,680	0.00
2	**A M Kulkarni**	3,520	0.00	01-04-2016			3,520	0.00
	Chief Executive Officer				Nil movement during the year			
		3,520	0.00	31-03-2017			3,520	0.00
3	**K J Mallya**	400	0.00	01-04-2016			400	0.00
	Company Secretary				Nil movement during the year			
		400	0.00	31-03-2017			400	0.00

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
				(Rs. in Crore)
INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR				
i. Principal Amount	1,270.29	1,391.96	73.27	2,735.52
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2.49	39.40	3.77	45.66
Total (i+ii+iii)	**1,272.78**	**1,431.36**	**77.04**	**2,781.18**
Changes in indebtedness during the financial year				
• Addition	218.62	134.51	-	353.13
• Reduction	(193.36)	-	27.74	(165.62)
Net Change	25.26	134.51	27.74	187.51
INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR				
i. Principal Amount	1,253.32	1,526.48	101.01	2,880.81
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2.48	43.19	2.45	48.12
Total (i+ii+iii)	**1,255.80**	**1,569.67**	**103.46**	**2,928.93**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars Of Remuneration	Name of MD/WTD/Manager			Total Amount
		Niraj Bajaj, Chairman & Managing Director	Rajesh V Shah, Co-Chairman & Managing Director	Suketu V Shah, Jt. Managing Director	
					(Rs. in Crore)
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	0.87	0.72	0.67	2.26
	(b) Value of perquisites u/s.17(2) of Income tax Act, 1961	0.03	0.18	0.17	0.38
	(c) Profits in liue of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	**Stock Option**	**-**	**-**	**-**	**-**
3	**Sweat Equity**	**-**	**-**	**-**	**-**
4	**Commission**	-	-	-	-
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	**Others, please specify**	**-**	**-**	**-**	**-**
	TOTAL (A)	**0.90**	**0.90**	**0.84**	**2.64**
	ceiling as per the Act	1.42	1.42	1.42	4.26

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Dhirajlal S Mehta	N C Sharma	Prakash V Mehta	Amit Yadav	Bharti R Gandhi	Vinod Shah	N J Shah	
									(Rs. in Crore)
1	**Independent Directors**								
	Fee for attending board / committee meetings	0.07	0.07	0.06	0.03	0.03			**0.26**
	Commission								
	Others, please specify								
	TOTAL (1)	0.07	0.07	0.06	0.03	0.03	-	-	**0.26**
2	**Other Non-Executive Directors**								
	Fee for attending board / committee meetings						0.04	0.02	**0.06**
	Commission								
	Others, please specify								
	TOTAL (2)	0	0	0	0	0	0.04	0.02	**0.06**
	TOTAL (B) = (1+2)	0.07	0.07	0.06	0.03	0.03	0.04	0.02	**0.32**
	Total Managerial Remuneration								
	Overall Ceiling as per the Act	0.16	0.15	0.13	0.08	0.07	0.12	0.04	**0.75**

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

Sr. No.	Particulars Of Remuneration	Key Managerial Personnel			Total
		S B Jhaveri CFO	A M Kulkarni CEO	K J Mallya Company Secretary	
					(Rs. in Crore)
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	0.74	0.69	0.32	1.75
	(b)Value of perquisites u/s.17(2) of Income tax Act, 1961	0.01	0.01	0.01	0.03
	(c) Profits in liue of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	**Stock Option**	-	-	-	-
3	**Sweat Equity**	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	**Others, please specify**	-	-	-	-
	TOTAL	0.75	0.70	0.33	1.78

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

On behalf of the Board of Directors,

Niraj Bajaj — **Chairman & Managing Director**

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

Mumbai, May 24, 2017.

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

I) Company's policy on Directors appointment and Remuneration, determining criteria for qualification/independence, etc.

i) The 'Policy on the Board Diversity' is formulated by the Nomination & Remuneration Committee of the Board of Directors of the Company,

ii) The Committee, while recommending the appointment of Directors, is required to keep in view that the persons being recommended are persons of eminence having diverse experience and skills in areas such as profession, business, industry, finance, law, administration, research etc., add value to the strategic needs of the Company and serve the governance.

iii) Independence of Independent Directors:

An independent director to meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) concerning independence of directors.

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

i) Non Executive Directors (NEDs)

NEDs are paid –

a) a sitting fee of Rs. 50,000 for every meeting of the Board or Audit Committee thereof attended by them as a member; and

b) a sitting fee of Rs. 20,000 for attending every meeting of Committee of the Board other than that of Audit Committee Meeting.

ii) Managing Directors, Key Managerial Personnel & Other Employees

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

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

Remuneration to Managing Directors, Key Managerial Personnel and Senior Management 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.

The remuneration structure for other employees has compensation policy so as to reward and retain talent.

III) Performance Evaluation

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

For Board & Committees of the Board

a. The Board will have requisite number of Independent Directors including a woman director as required under Companies Act, 2013;

b. Frequency of Meetings and attendance thereat;

c. Discharge of the key functions and responsibility prescribed under Law;

d. Monitoring the effectiveness of corporate governance practices;

e. Ensuring the integrity of the company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (for Board and Audit Committee);

For Directors

a. Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition;

b. Acting in good faith and in the interests of the Company as whole;

c. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

IV) Policy on Materiality of Related Party transactions

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

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

a. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules framed thereunder or the SEBI LODR, 2015 as may be applicable; or

b. Where the transactions are entered into by the Company in its ordinary course of business and are on an arms' length basis; or

c. Where the transactions to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules thereunder, SEBI LODR, 2015 and other applicable provisions for the time being in force. The weblink for the policy is http://www.mukand.com/wp-content/uploads/2015/08/3.-Policy-on-Materiality-of-RPTs-11-Feb-2016.pdf

V) Risk Management Policy of the Company.

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

VI) Policy for determining Material Subsidiaries

"Material non listed Indian subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. The weblink for the policy is http://www.mukand.com/wp-content/uploads/2015/ 08 /2.-Policy-on-Determining-MATERIAL-subsidiaries-11-Feb-16.pdf

VII) Whistle Blower Policy/Vigil Mechanism

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

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

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

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

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

On behalf of the Board of Directors,

Niraj Bajaj **Rajesh V. Shah**

Chairman & Managing Director **Co-Chairman & Managing Director**

Mumbai, May 24, 2017.

Form No. AOC-2

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

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

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

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

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

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

On behalf of the Board of Directors,

Niraj Bajaj **Rajesh V. Shah**

Chairman & Managing Director **Co-Chairman & Managing Director**

Mumbai, May 24, 2017

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

Annexure to the Directors' Report **Annexure-6**

A. Conservation of Energy

i) Energy Conservation Measures taken:

Steel Plant:

(a) For reduction in consumption of electrical energy:

- Demand charges of electrical energy payable to GESCOM reduced by redistribution of load and improvement in power factor.
- Automation done in Blast furnace hydraulic power pack.
- VVVF drive installed in Sinter de-dusting and Sinter Cooler motor.
- * Optimizing ladle circulation time.
- * Introduced energy management and control system
- Upgradation of Energy Efficient Pump.
- Drive for Blooming Mill main motor replaced with higher capacity drive.

(b) Fuel

Steps taken to reduce Fuel Consumption:

- Changes made in the process of steel making from Triplex to Duplex.
- Introduction of AOD Process at Converter
- Increasing the sequence factor at Bloom Caster.
- Replacement of underground Recuperator with Overhead Recuperator thereby increasing the combustion air temperature.
- Installation of pneumatic control valve for air, fuel control system in Blooming Mill BRF.
- Installation of PID Auto Temperature Control System in Heat Treatment Furnace to reduce temperature variation and stabilize fuel consumption.
- Capacity of 20 T Heat Treatment Furnace increased to 28 T.

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

- Additional purchase of wind energy so as to increase the share of wind energy in total consumption and use of flue gasses of the Mini Blast Furnace by 10% to 39% as compared to 29% in the previous year.
- Use of steam from power plant for VD operation in place of oil fired boiler.

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

- Installed overhead Recuperator for Bar Mill Furnace at a cost of Rs.0.46 Cr.

B. Technology, absorption, adoption and innovation

i) Efforts made towards technology absorption, adaptation and innovation:

- Process modification to achieve lower oxygen and lower hydrogen levels in specific grades of steel.
- LPG injection in reheating furnace to minimize decarburization.
- Studies were undertaken for heat treatment for steering component application.
- Standardization of processing parameters to manufacturing special low carbon steel for automotive shaft application.
- Studies were undertaken for improving machinability of super duplex and austentic grade stainless steel.

ii) Benefits derived as a result of the above efforts:

- Development of special products for a variety of applications for automotive industry and thereby increased market share.
- Duplex variety of stainless steel has opened new markets for both domestic and export of such products.

iii) Imported technology:

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

iv) Expenditure on R&D:

Description	2016-17 (Rs. Crore)	2015-16 (Rs. Crore)
a) Capital	**0.04**	--
b) Recurring	**1.01**	1.08
Total	**1.05**	1.08
R&D expenditure as a % of total turnover	**0.04%**	0.04%

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

- Bearing steel development from 200mm X 200 mm blooms as cast for SKF application (ultra clean steel)
- Ultra clean steel for Wheel bearing
- Development of steel (S53C) for cold forging, for commercial vehicle joint application
- Development of Banitic steel
- Steel for Hex Bright Bars
- Steel for connecting rod
- Steel for pinion
- Steel for crank shaft
- Steel for brake flange
- Sulphur and Moly bearing Ferritic Stainless grades in Wire rods for solenoid valve application for export market.
- Steel for Fuel Injection Nozzles
- Steel for Transmission Gear
- Steel for springs
- Steel for Roller bearing wires application.

C. Foreign Exchange Earnings and Outgo:

Sr. No.	Description	2016-17 (Rs. Crore)
i.	Foreign Exchange Earnings	**155.10**
ii.	CIF value of imports	**761.61**
iii.	Expenditure in Foreign Currency	**5.48**

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 24, 2017

Salient features of Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

Annexure to the Directors' Report **Annexure-7**

Form AOC-I
Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts), Rules 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part - "A" : Subsidiaries

Rs.Crore

Sr. No.	Description	Indian Subsidiaries							Foreign Subsidiaries	
		Mukand Global Finance Ltd.	Vidyavihar Containers Ltd.	Mukand Alloy Steels Pvt Ltd.	Mukand Sumi Metal Processing Ltd.	Mukand Vijayanagar Steel Ltd.	Whiteleaf Heavy Machinery Pvt Ltd	Technosys Industrial Machinery Pvt. Ltd.	Mukand International Ltd.	Mukand International FZE
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1.4.2016 to 31.3.2017	1.4.2016 to 31.3.2017	1.4.2016 to 31.3.2017	1.4.2016 to 31.3.2017	1.4.2016 to 31.3.2017	For period ending 31.3.2017	For period ending 31.3.2017	1.4.2016 to 31.3.2017	1.4.2016 to 31.3.2017
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries								USD (USD 1 = Rs.64.85)	USD (USD 1 = Rs.64.85)
3.	Share Capital	11.75	119.77	0.01	27.30	7.07	0.01	0.01	0.01	8.84
4.	Reserves and Surplus.	16.69	(255.89)	(0.06)	262.08	(7.07)				4.74
5.	Total Assets	156.43	57.49	0.01	326.87	0.02	0.01	0.01	0.01	28.65
6.	Total Liabilities	127.99	193.61	0.06	37.49	0.02			-	15.07
7.	Investments	3.31							-	
8.	Turnover *	13.29	1.62	-	477.37				-	182.78
9.	Profit before taxation *	(2.22)	(10.33)	(0.02)	12.27	(0.08)				1.14
10.	Provision for taxation *	(0.12)		-	3.50	-				-
11.	Profit after taxation *	(2.34)	(10.33)	(0.02)	8.77	(0.08)				1.14
12.	Proposed Dividend / Dividend paid	-	-	-	2.73					0.87
13.	% of shareholding	100	100	100	60.07	100	100	100	100	100
	* In case of foreign subsidiaries, translated at average Exchange Rate of USD 1 = Rs.67.16									

Notes:

1. Names of subsidiaries which are yet to commence operations
   - Mukand Alloy Steels Pvt. Ltd.
   - Mukand Vijayanagar Steel Ltd.
   - Whiteleaf Heavy Machinery Pvt. Ltd.
   - Technosys Industrial Machinery Pvt. Ltd.

2. Names of subsidiaries which have been liquidated or sold during the year - Not Applicable.

Form AOC-I

Part "B": Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures	Mukand Vini Mineral Ltd. (MVML)	Mukand Engineers Ltd. (MEL)	Bombay Forgings Ltd. (BFL)	Stainless India Ltd. (SIL)	Hospet Steels Ltd. (HSL)
		Joint Venture	Associate	Associate	Associate	Associate
1.	Latest Auditied Balance Sheet date	31.3.2017	31.3.2017	31.3.2016	31.3.2016	31.3.2017
2.	Shares of Associates/Joint Ventures held by the Company on the year end					
	Number	852,800	4,539,781	28,800	6,097,200	70,004
	Amount of Investment in Associates/Joint Ventures- Rs.Cr.	0.85	19.78	0.19	13.09	0.07
	Extent of Holding %	49.01	36.11	24.00	44.09	28.00
3.	Description of how there is significant influence	Extent of share holding	Extent of share holding	Extent of share holding	Extent of share holding	Extent of share holding
4.	Reason why the associate/joint venture is not consolidated	Not applicable as these Companies are included in the consolidated financial statements.				
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	(0.63)	18.29	0.48	Nil*	Nil*
6.	Profit / (Loss) for the year	-	(1.55)	(0.96)	10.04	(0.10) *
i.	Considered in Consolidation	Nil	(0.56)	(0.23)	--	--
ii.	Not Considered in Consolidation	Nil	--	--	4.43 *	--
	* As provision for diminution in value of investment has been considered while consolidating the financial statements.					
	1. Names of associates or joint ventures which are yet to commence operations - Mukand Vini Mineral Limited					
	2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil.					

Report on performance and financial position of each subsidiary, joint ventures, associates

1. Mukand Global Finance Ltd. (MGFL):

Revenue from Operations and other income is at Rs.13.29 Cr as compared to Rs.13.24 Cr in the previous year. Loss after tax is at Rs.2.34 Cr as compared to Rs. 7.20 Cr in the previous year. It had written off an amount of Rs.10.63 Cr due from an investment Company during the previous year which has been the main reason for the loss for that year.

2. Vidyavihar Containers Ltd. (VCL):

During the year under review, income from operations is Rs.1.62 Cr as compared to Rs.4.13 Cr in the previous year. Loss after tax is at Rs.10.33 Cr as compared to Rs.13.71 Cr in the previous year. VCL has entered into a development agreement for its land at Vidyavihar, Mumbai. As per the accounting policy for recognition of income, revenue would be recognised in the year in which the sale of land is completed. It has written off an amount of Rs.9.13 Cr due from a Company during the year under review which has been the main reason for the loss for the year.

3. Mukand Alloy Steels Pvt. Ltd. (MASPL):

During the year MASPL has become a wholly owned subsidiary of Mukand Ltd. Board of MASPL has approved, a scheme of arrangement and amalgamation amongst the Company, Mukand Ltd., and Mukand Vijayanagar Steel Limited (MVSL) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of shareholders, creditors and other competent statutory/regulatory authorities. An application for seeking approval to the scheme has been filed with NCLT.

4. Mukand Vijayanagar Steel Ltd. (MVSL):

During the year MVSL has become a wholly owned subsidiary of Mukand Ltd. Board of MVSL has approved, a scheme of arrangement and amalgamation amongst the Company, Mukand Ltd., and Mukand Alloy Steels Pvt. Ltd. and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of shareholders, creditors and other competent statutory/regulatory authorities. An application for seeking approval to the scheme has been filed with NCLT.

5. Mukand Sumi Metal Processing Ltd. (MSMPL):

MSMPL is a subsidiary formed under joint venture with Sumitomo Corporation, Japan to carry on the business of cold finished bars and wires. During the year under review, revenue from operations is Rs.477.37 Cr as compared to Rs.541.77 Cr in the previous year. Profit after tax is at Rs.8.77 Cr as compared to Rs.4.18 Cr in the previous year.

6. Mukand International Ltd. (MIL):

MIL, UK has ceased trading operations with effect from April 1, 2010.

7. Mukand International FZE (MIFZE):

MIFZE trades in steel products and inputs for manufacture of steel world wide. Turnover during the year is USD 2.72 Cr as compared to USD 2.91 Cr in the previous year. Net profit for the year is USD 0.02 Cr as compared to USD 0.02 Cr in the previous year. Its Board has proposed and paid a dividend of USD 1,30,000 for the year under review.

8. Whiteleaf Heavy Machinery Pvt. Ltd. (WHMPL):

During the year, WHMPL has become a wholly owned subsidiay of Mukand Ltd. Board of WHMPL at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company, Mukand Ltd., and Technosys Industrial Machinery Pvt. Ltd.., and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.

9. Technosys Industrial Machinery Pvt. Ltd. (TIMPL):

During the year, TIMPL has become a wholly owned subsidiay of Mukand Ltd. Board of TIMPL at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company, Mukand Ltd., and Whiteleaf Heavy Machinery Pvt. Ltd. , and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.

10. Mukand Vini Mineral Ltd. (MVML):

Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India cancelled allotment of all coal blocks in the Writ Petitions before it, including the allotment received by Joint Venture Company, M/s. Mukand Vini Mineral Ltd. In view of the de-allocation it has written off Rs.3.02 Cr towards pre-operative expenses and preliminary expenses during the year under review.

11. Mukand Engineers Ltd. (MEL):

Mukand Engineers Ltd is engaged in the business of supply and erection of equipment for power plants, integrated steel/aluminium plants and hydro-carbon plants. It also undertakes engineering and project management services for steel and power plants. During the year under review revenue from operations is Rs.115.47 Cr as compared to Rs.111.12 Cr in the previous year. Loss after Tax is Rs.1.55 Cr as compared to Rs.6.68 Cr in the previous year on account of lower turnover resulting in shortfall in the absorption of overheads.

12. Bombay Forgings Ltd. (BFL):

Revenue from operations is at Rs.38.22 Cr as compard to Rs.49.85 Cr in the previous year. Loss for the year was marginally lower at Rs. 0.96 Cr from that of Rs.0.08 Cr in the previous year. This was mainly on account of slump in the market for forgings.

13. Stainless India Ltd. (SIL):

SIL has ceased operation with effect from 27.10.2008. Building, Plant & Machinery and other assets have been disposed in the earlier years. MOU has been concluded with a buyer for transfer of free hold and lease hold land. State Government's permission for transfer of lease hold industrial land has been obtained and part of the said lease hold land has been transferred.

14. Hospet Steels Ltd. (HSL):

HSL is an outcome of a strategical alliance between Kalyani Steels Limited and Mukand Ltd to manage and operate the composite manufacturing facility at Ginigera, Karnataka. Actual expenses incurred by HSL for carrying out its objectives are reimbursed by alliance constituents. In view of the same, no service charges are recovered by HSL. During the year it claimed reimbursement of Rs.124.01 Cr from the constituents and its loss for the year after tax was Rs.0.10 Cr.

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN: 00033371

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 24, 2017

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

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

Based on our verification ofthe Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding theCompanies Act and dealing with client;

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

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

OTHER APPLICABLE LAWS:

(i) The Indian Highways Act, 1956

(ii) The Legal Metrology Act, 2009

(iii) The Environment (Protection) Act, 1986

(iv) The Water (Prevention and Control of Pollution) Act, 1974

(v) The Air (Prevention and Control of Pollution) Act, 1981

(vi) Hazardous Wastes (Management & Handling) Rules, 2008

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the audit period:

1. The Board of directors of the Company in its meeting held on 12th January, 2017,have approved a Scheme of Arrangement and Amalgamation amongst Mukand Limited, Mukand Vijayanagar Steel Limited and Mukand Alloy Steels Private Limited subject to the approval of Stock Exchanges, National Company Law Tribunal, shareholders, creditors and such other competent statutory and regulatory authority(ies) as may be required under applicable law.
2. The company intends to transfer its alloy steel rolling & finishing business to Mukand Vijayanagar Steel Limited by way of Slump sale on going concern basis.
3. The Company and Sumitomo Corporation, Japan have agreed in principle to enter into a joint ventureto engage in business of rolling and finishing of alloy steel, subject to approval of members and various regulatory authorities.
4. The Board of directors of the Company in its meeting held on 27th of March, 2017, have approved a Scheme of Arrangement and Amalgamation amongst Mukand Limited, Whiteleaf Multiventures Private Limited and Avista Diam & Gold Private Limited, subject to the approval of Stock Exchanges, National Company Law Tribunal, shareholders, creditors and such other competent statutory and regulatory authority(ies) as may be required under applicable law.

FOR ANANT B KHAMANKAR & CO.

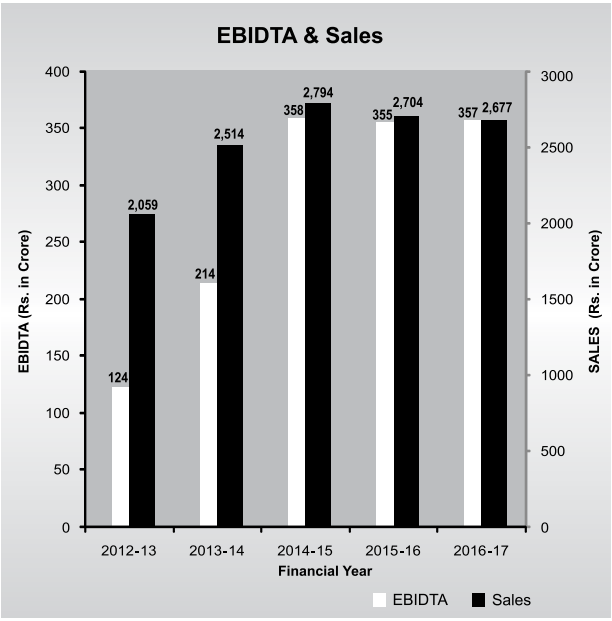
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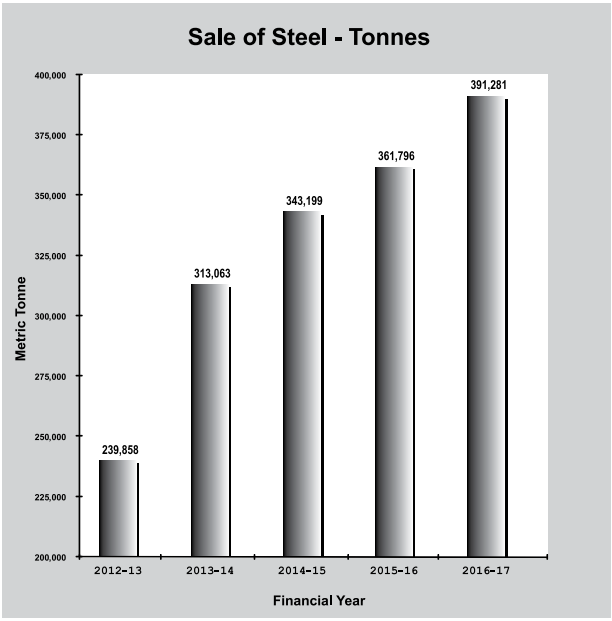
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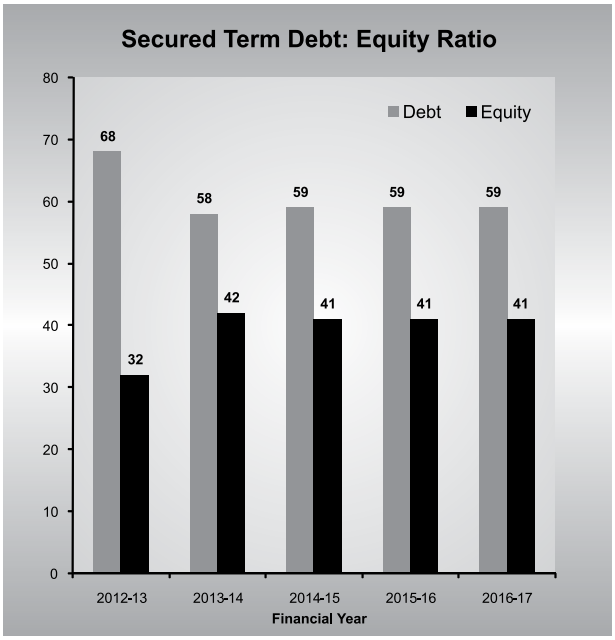
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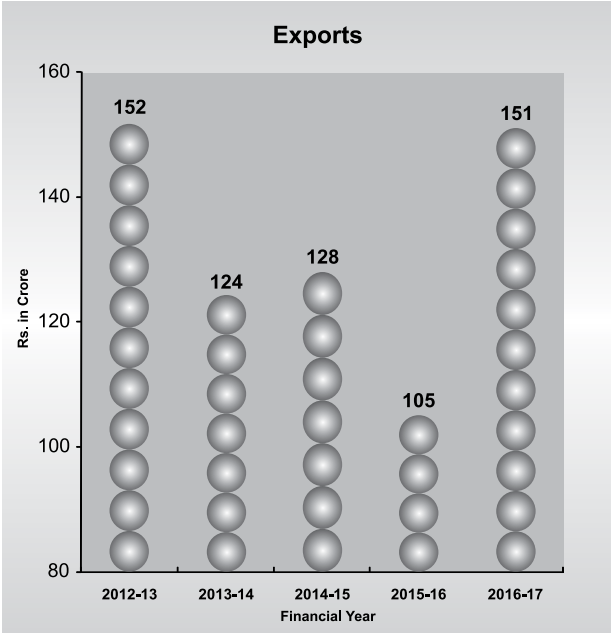
DATE: 19th May, 2017

PLACE: Mumbai


EBIDTA & Sales
EBIDTA (Rs. in Crore)
SALES (Rs. in Crore)
400
350
300
250
200
150
100
50
0
3000
2500
2000
1500
1000
500
0
124
2,059
214
2,514
358
2,794
355
2,704
357
2,677
2012-13
2013-14
2014-15
2015-16
2016-17
Financial Year
EBIDTA
Sales


Sale of Steel - Tonnes
Metric Tonne
400,000
375,000
350,000
325,000
300,000
275,000
250,000
225,000
200,000
239,858
313,063
343,199
361,796
391,281
2012-13
2013-14
2014-15
2015-16
2016-17
Financial Year


Secured Term Debt: Equity Ratio
Debt
Equity
80
70
60
50
40
30
20
10
0
68
32
58
42
59
41
59
41
59
41
2012-13
2013-14
2014-15
2015-16
2016-17
Financial Year


Exports
Rs. in Crore
160
140
120
100
80
152
124
128
105
151
2012-13
2013-14
2014-15
2015-16
2016-17
Financial Year

Independent Auditor's Report

To the Members of Mukand Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mukand Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

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

a) Note 18 (a) to the Statement, relating to the exposures in Bombay Forgings Limited (BFL) aggregating Rs. 82.01 Crores as at March 31, 2017 (Rs. 78.28 crores as at March 31, 2016), where the management has, barring any significant uncertainties in future, relied upon the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.

b) Note 18 (b) to the Statement, relating to the exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 47.13 Crores (net) as at March 31, 2017 (Rs. 47.13 Crores (net) as at March 31, 2016), where the management has, barring any significant uncertainties in future, relied upon the future realizable values of financial assets of VCL to recover its exposures.

c) Note 21 (b) to the Statement, relating to the exposures aggregating Rs. 113.54 Crores as at March 31, 2017 (Rs. 120.00 crores as at March 31, 2016), in respect of road construction activity and our reliance on the management's expectation of its realisibility.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".

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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 20 on Contingent Liabilities ;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts ;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management - Refer Note No. 17 to the financial statements.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 24, 2017

Annexure 1 to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Mukand Limited on the standalone financial statements for the year ended March 31, 2017]

(i)

(a) The Company has maintained the fixed asset register showing quantitative details and situation of fixed assets. However, it is in the process of updating the same for accumulated depreciation and net block of the assets

(b) During the year, all the fixed assets have not been physically verified by the management. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

(ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, in current year the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. However there is outstanding loan from earlier years given to one of the subsidiaries of the Company.

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

(b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated

(c) According to information and explanations given to us in respect of the aforesaid loans, there is no overdue amount of loans outstanding as on balance sheet date.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, as informed, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

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

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it. However, there have been delays in payment of tax deducted at source, excise duty, service tax, value added tax and LBT which have not been regularly deposited and there have been delays in many cases.

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

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

Name of the statute	Nature of dues	Amount (Rs. in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act	Income Tax	0.682	1992-93	High Court	
Income Tax Act	Income Tax	0.313	1997-98	High Court	
Wealth Tax Act	Wealth Tax	0.352	1998-99	High Court	
Income Tax Act	Income Tax	0.640	1998-99	High Court	
Income Tax Act	Income Tax	0.346	2008-09	High Court	
Income Tax Act	Income Tax	0.251	2009-10	High Court	
Income Tax Act	Income Tax	0.220	2010-11	High Court	
Income Tax Act	Income Tax	0.594	1996-97		
Trade tax & Entry Tax	UP Trade Tax, Entry Tax	0.125	2001-02	High Court	
Sales tax	Local Sales Tax, Central Sales Tax	0.018	1988-89, 1989-90	Tribunal	
Sales tax	Local Sales Tax, Central Sales Tax	0.021	1989-90, 1990-91, 1991-92, 1996-97, 1998-99	Deputy Commissioner - Appeals	
Entry Tax	Entry Tax	0.109	2002-03	Commissioner (Appeals)	
Trade Tax	UP Trade Tax	3.305	2002-03, 2003-04,	Tribunal	
Sales tax	Local Sales Tax, Central Sales Tax	0.033	2012-13	Commissioner (Appeals)	

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of public issue offer or further public offer (including debt instruments) during the year. The Company has utilised the money raised by way of term loan for the purposes for which they were raised.

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

(xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 24, 2017

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Mukand Limited on the standalone financial statements for the year ended March 31, 2017]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mukand Limited Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 24, 2017

Balance Sheet as at 31st March, 2017

	Note No.		31-Mar-17 Rs in crore	31-Mar-16 Rs in crore
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	1	147.05		147.05
(b) Reserves and surplus	2	277.83		1,971.02
			424.88	2,118.07
(2) Non Current Liabilities				
(a) Long-term borrowings	3	1,647.41		1,581.87
(b) Deferred tax liabilities (net)	4			
(c) Other long term liabilities	5	4.00		4.00
(d) Long-term provisions	6	39.46		43.40
			1,690.87	1,629.27
(3) Current Liabilities				
(a) Short-term borrowings	7	948.70		882.06
(b) Trade payables : due to	8			
Micro Enterprises and Small Enterprises		0.70		1.95
Other than Micro Enterprises and Small Enterprises		863.50		835.84
Total		864.20		837.79
(c) Other current liabilities	9	531.65		483.82
(d) Short-term provisions	10	6.88		5.64
			2,351.43	2,209.31
Total			4,467.18	5,956.65
II. ASSETS				
(1) Non Current Assets				
(a) Fixed Assets	11			
(i) Tangible assets		712.70		2,406.73
(ii) Intangible assets		0.16		0.10
(iii) Capital work-in-progress		33.13		29.20
			745.99	2,436.03
(b) Non-current investments	12	250.21		250.87
(c) Deferred tax assets (net)	4	12.10		44.80
(d) Long-term loans and advances	13	118.84		116.39
(e) Other non-current assets	14	32.38		47.90
			413.53	459.96
(2) Current Assets				
(a) Inventories	15	1,618.42		1,462.25
(b) Trade receivables	16	1,072.60		1,116.18
(c) Cash and Bank Balances	17	74.26		65.26
(d) Short-term loans and advances	18	196.57		204.69
(e) Other Current Assets	19	345.81		212.28
			3,307.66	3,060.66
Total			4,467.18	5,956.65
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	1 to 38			

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI FR No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 24, 2017

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN: 00033371

S B Jhaveri
Chief Financial Officer

Suketu V Shah
Joint Managing Director
DIN: 00033407

K J Mallya
Company Secretary

Mumbai, May 24, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

		Note No.		2016-17 Rs in crore	2015-16 Rs in crore
I)	**Gross Revenue from Operations**			**3,025.97**	3,068.03
	Less Excise Duty			**328.56**	337.05
	Net Revenue from Operations	**21**		**2,697.41**	2,730.98
II)	**Other Income**	**22**		**28.05**	21.57
III)	**Total Revenue (I) + (II)**			**2,725.46**	2,752.55
IV)	**Expenses**				
	a) Cost of Materials Consumed	**23**		**1,153.45**	1,203.92
	b) Purchase of Stock in Trade				0.88
	c) Changes in inventories of Finished Goods and Work-in-Progress / Contracts in Progress & Stock-in Trade	**24**		**(77.97)**	(71.08)
	d) Employee benefits expense	**25**		**171.42**	171.26
	e) Finance costs	**26**		**279.95**	278.91
	f) Depreciation and amortization expense			**70.96**	73.99
	g) Other expenses	**27**		**1,123.94**	1,094.88
	Expenditure transferred to Capital Accounts / Capital Work-in-Progress			**(2.72)**	(2.35)
	Total Expenses			**2,719.03**	2,750.41
V)	**Profit before tax (III) - (IV)**			**6.43**	2.14
VI)	**Tax Expense:**				
	Deferred Tax (charge)/credit			**0.97**	(0.52)
	Profit/(Loss) for the period before tax adjustments pertaining to earlier years			**7.40**	1.62
	Less : Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years				
	MAT Entitlement Lapsing		**(15.53)**		-
	Deferred Tax Charge due to lapsing of business loss		**(33.68)**		**-**
				(49.21)	**-**
VII)	**Profit/ (Loss) for the period (V) - (VI)**			**(41.81)**	1.62
Weighted average number of Equity Shares outstanding during the year				**141,405,861**	141,405,861
Basic and diluted earnings per share (in Rs.)		**30**		**(2.96)**	0.11
Nominal value of share (in Rs.)				**10.00**	10.00
Statement of Significant Accounting					
Policies adopted by the Company and					
Notes forming part of the Financial Statements		**1 to 38**			

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI FR No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 24, 2017

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN: 00033371

S B Jhaveri
Chief Financial Officer

Suketu V Shah
Joint Managing Director
DIN: 00033407

K J Mallya
Company Secretary

Mumbai, May 24, 2017

Cash Flow Statement for the year ended 31st March, 2017

Rs in crore

		2016-17	2016-17	2016-17	2015-16	2015-16	2015-16
A	**Cash Flow arising from Operating Activities**						
	Profit / (Loss) before Tax & Exceptional items			**6.43**			2.14
	Add back :						
	(1) Depreciation		**70.96**			73.99	
	(2) Other Non-cash Expenditure/(Income) -(net)		**4.63**			1.97	
	(3) Interest / Lease Charges (net)		**267.45**			267.07	
				343.04			343.03
				349.47			345.17
	Deduct :						
	(1) Investment Income		**1.42**			0.20	
	(2) Surplus/(Loss) on sale of assets -(net)		**0.73**			2.94	
				2.15			3.14
	Operating Profit before Working Capital changes			**347.32**			342.03
	Less : Working Capital Changes						
	(1) Increase in Trade and Other Receivables	**-**			130.45		
	(2) Increase in Other Current Assets	**133.53**			27.98		
	(3) Increase in Short Term Loans & Advances	**-**			21.69		
	(4) Increase in Margin Money	**7.50**			0.17		
	(5) Increase in Inventories	**156.17**			38.68		
	(6) Decrease in Trade Payables	**-**			27.76		
			297.20			246.73	
	Less:						
	(1) Decrease in Trade and Other Receivables	**35.05**			-		
	(2) Decrease in Long Term Loans & Advances	**2.77**			7.57		
	(3) Decrease in Short Term Loans & Advances	**11.52**			-		
	(4) Increase in Trade Payables	**28.44**			-		
	(5) Increase in Other Current Liabilities	**32.25**			22.16		
			110.03			29.73	
	Net Working Capital changes			**187.17**			217.00
	Cash Flow from Operations			**160.15**			125.03
	Less : Direct taxes paid (net of refunds)			**5.22**			7.83
	Net Cash Inflow/(Outflow) from Operating Activities			**154.93**			117.20
B	**Cash Flow arising from Investing Activities**						
	Inflow						
	(1) Sale of Fixed Assets		**0.86**			1.96	
	(2) Dividends received		**1.42**			0.20	
	(3) Decrease in Loans to Subsidiaries and Other Companies		**-**			5.00	
	(4) Sale of Investments		**-**			0.13	
				2.28			7.29
	Deduct Outflow						
	(1) Acquisition of Fixed Assets		**30.30**			37.85	
	(2) Acquisition of Investments		**0.18**			-	
				30.48			37.85
	Net Cash Inflow/(Outflow) from Investing Activities			**(28.20)**			(30.56)

Cash Flow Statement for the year ended 31st March, 2017 (Contd.)

Rs in crore

		2016-17	2016-17	2016-17	2015-16	2015-16	2015-16
C	**Cash Flow arising from Financing Activities**						
	Inflow						
	(1) Increase in Working Capital Loans from Banks - (net)		**33.51**			-	
	(2) Increase in Other Unsecured Loans (net)		**162.26**			203.12	
				195.77			203.12
	Deduct Outflow						
	(1) Decrease in Term Loans - (net)		**50.48**			10.91	
	(2) Decrease in Working Capital Loans from Banks - (net)		**-**			16.90	
	(3) Dividends paid		**-**			0.05	
	(4) Interest / Lease charges - (net)		**270.52**			276.68	
				321.00			304.54
	Net Cash Inflow / (Outflow) from Financing Activities			**(125.23)**			(101.42)
	Net Increase / (Decrease) in Cash/Cash Equivalents			**1.50**			(14.78)
	Add : Balance at the beginning of the year			**15.80**			30.58
	Cash/Cash Equivalents at the close of the year			**17.30**			15.80

Note :

Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2017 - Rs 56.96 crores ; 31.03.2016 - Rs 49.46 crores ; 31.03.2015 - Rs 49.29 crores

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI FR No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 24, 2017

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN: 00033371

S B Jhaveri
Chief Financial Officer

Suketu V Shah
Joint Managing Director
DIN: 00033407

K J Mallya
Company Secretary

Mumbai, May 24, 2017

Notes

(1) Share Capital

	31-Mar-17 Rs.in crore	31-Mar-16 Rs.in crore
Authorised		
153,000,000 (31 March 2016 : 153,000,000) Equity Shares of Rs.10/- each	**153.00**	153.00
7,000,000 (31 March 2016 : 7,000,000) Preference Shares of Rs.10/- each	**7.00**	7.00
	160.00	160.00
Issued		
146,273,934* (31 March 2016 : 146,273,934*) Equity Shares of Rs.10/- each	**146.27**	146.27
5,626,320 (31 March 2016 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each	**5.63**	5.63
Total issued share capital	**151.90**	151.90
* includes 28,031 Equity Shares which have been kept in abeyance by the Stock Exchange Authorities		
Subscribed and fully paid up		
141,405,861 (31 March 2016 : 141,405,861) Equity Shares of Rs.10/- each	**141.41**	141.41
5,626,320 (31 March 2016 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs 10/- each	**5.63**	5.63
	147.04	147.04
Add: Forfeited shares (amounts originally paid up)	**0.01**	0.01
Total subscribed and fully paid-up share capital	**147.05**	147.05

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

Equity shares

	31-Mar-17		31-Mar-16	
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore
At the beginning of the period	**14.14**	**141.41**	14.14	141.41
Add : issued during the period	**-**	**-**	-	-
Less : bought back during the year	**---**	**---**	---	---
Outstanding at the end of the period	**14.14**	**141.41**	14.14	141.41

Preference shares (CRPS)	31-Mar-17		31-Mar-16	
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore
At the beginning of the period	**0.56**	**5.63**	0.56	5.63
Add : issued during the period	**---**	**---**	---	---
Less : bought back during the year	**---**	**---**	---	---
Outstanding at the end of the period	**0.56**	**5.63**	0.56	5.63

b. Terms / rights attached to equity shares

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

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

During the year ended 31 March 2017, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2016 : Rs. Nil).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms of redemption of CRPS

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

d. The Company does not have any holding company.

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

Notes (Contd.)

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

	31-Mar-17		31-Mar-16	
Equity Shares of Rs. 10/- each fully paid	**Numbers**	**% holding in the class**	Numbers	% holding in the class
Jamnalal Sons Pvt. Ltd.	**26,293,322**	**18.59**	26,293,322	18.59
Life Insurance Corporation of India	**7,228,076**	**5.11**	7,228,076	5.11
Bajaj Holdings & Investments Ltd.	**8,113,564**	**5.74**	8,113,564	5.74
Baroda Industries Pvt. Ltd.	**15,726,616**	**11.12**	15,726,616	11.12
Niraj Bajaj	**11,786,730**	**8.34**	11,802,997	8.35
Rajesh V. Shah	**7,200,842**	**5.09**	7,200,842	5.09
CRPS of Rs. 10/- each fully paid	**Numbers**	**% holding in the class**	Numbers	% holding in the class
Life Insurance Corporation of India	**595,545**	**10.58**	595,545	10.58
Jamnalal Sons Pvt. Ltd.	**474,064**	**8.43**	474,064	8.43

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

g. There are no shares reserved for issue under options and contracts / commitments for sale of shares/disinvestment.

h. There are no unpaid calls from any Director and officer.

(2) RESERVES AND SURPLUS		**31-Mar-17**	31-Mar-16
		Rs in crore	Rs in crore
Capital Reserve :			
As per last Account (Rs 47,439/-) (Previous year Rs 47,439/-)			
Capital Redemption Reserve:			
As per last Account		**3.00**	3.00
Securities Premium Account :			
As per last Account		**299.63**	299.63
Revaluation Reserve :			
As per last Account	**1,651.38**		1,655.77
Less : Revaluation Reseve Reversed	**(1,651.38)**		
Less : Transferred to Statement of Profit & Loss	**-**		(4.39)
		-	1,651.38
General Reserve :			
As per last Account		**234.78**	234.78
Surplus :			
As per last Account	**(217.77)**		(219.39)
Surplus / (Deficit) as per annexed Statement of Profit and Loss	**(41.81)**		1.62
		(259.58)	(217.77)
		277.83	1,971.02

(3) LONG-TERM BORROWINGS		**31-Mar-17**	31-Mar-16
		Rs in crore	Rs in crore
I) SECURED LOANS			
a) Term Loans :			
- from Banks	**168.95**		240.27
- from Others	**160.94**		195.49
		329.89	435.76
Total Secured Loans		**329.89**	435.76
II) UNSECURED LOANS			
a) Fixed Deposits		**99.67**	30.11
b) Long term loans from Companies		**1,217.85**	1,116.00
Total Unsecured Loans		**1,317.52**	1,146.11
Total Long-term borrowings		**1,647.41**	1,581.87

Notes (contd.)

Nature of Security & Terms of repayment of Long Term Borrowings

Term Loans

(I)	Principal Amount	Balance o/s as on #		Terms of Repayment		Nature of Security
		31-Mar-17	31-Mar-16	Monthly Installments	Commencing From	
	Rs In Crore	Rs In Crore				
1	**From Banks:**					
I	50.00	43.05	50.00	36	Nov.'2016	First pari-passu charge against mortgage/ hypothecation of Company's freehold land, immovable and movable fixed assets both present and future of the Company at its plant at Kalwe and Dighe, Dist. Thane, in the State of Maharashtra and land, immovable and movable fixed assets both present and future of the Company at its existing steel plant at Ginigera/Kankapura, Dist. Ginigera in the State of Karnataka except assets given as security for term loans at 1(V) and 2(XIV) and (XVI) below. These loans are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.
II	50.00	42.71	50.00	48	Aug.'2016	
III	50.00	41.67	50.00	48	Sept.'2016	
IV	50.00	45.20	50.00	42	Oct.'2016	
	50.00	42.80	50.00	42	Dec.'2016	
V	35.00	-	6.99	60	April'2012	Hypothecation of plant and machinery and other moveable assets of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka
VI	30.00	27.00	30.00	60	May'2016	Mortgage of two residential premises at Mumbai
2	**From Other Parties :**					
I	50.00	-	14.40	36	Nov.'2013	Mortgage of 50 acres of lease hold land at Dighe, Thane
	50.00	-	11.22	36	Jan.'2014	
II	75.00	9.22	36.88	36	Aug.'2014	
III	60.00	32.44	51.53	36	Oct.'2015	Mortgage of 50 acres of lease hold land at Dighe, Thane and 43.14 acres of leasehold land at Sinnar Dist - Nashik in the state of Maharashtra.
IV	50.00	2.00	50.00	13	April'2016	
V	75.00	58.41	75.00	36	July'2016	
VI	75.00	75.00	75.00	36	April'2017	
VII	50.00	50.00	-	36	Jan.'2018	
VIII	100.00	100.00	-	6	Sept.'2017	
IX	14.00	-	6.14	30	Oct.'2014	Mortgage of a residential premises at Delhi.
X	15.00	1.36	9.21	24	June'2015	Mortgage of 5 acres of leasehold land at Dighe Thane.
XI	11.00	4.03	8.39	30	Aug.'2015	Extension of mortgage of 5 acres Leasehold Land at Dighe Thane and residential premises at Delhi.
XII	8.68	3.50	6.89	30	Sept.'2015	Mortgage of residential premises at Mumbai.
XIII	25.00	25.00	-	30	June.'2017	Mortgage of residential premises at Mumbai, residential premises at Delhi and 5 acres of lease hold land at Dighe,Thane.
XIV	50.00	1.27	15.32	58	July'2012	Hypothecation of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at 1 above & for working capital facilities.
XV	37.45	7.20	16.75	58	Feb.'2013	Hypothecation of Plant & Machinery of Sinter Plant, Hot Blast Stoves and Pulverising Plant at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka
XVI	6.42	1.39	-	36	April'2017	Hypothecation of Plant & Machinery - Ultrasonic Testing Machine at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka .
	1,067.55	613.25	663.72			

includes current maturities of long term debt amounting to Rs 283.37 crores (Previous year Rs 227.96 crore) shown at Note No 9 - Other Current Liabilities

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

Notes (contd.)

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

		31-Mar-17 Rs in crore	31-Mar-16 Rs in crore
Deferred Tax Assets	**126.82**		163.60
Less : Deferred Tax Liabilities	**114.72**		118.80
		12.10	44.80
		12.10	44.80

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

Rs.in crore

		As at 31-Mar-16	Charge / (Credit) for the year	As at 31-Mar-17
Deferred Tax				
Deferred Tax Asset on account of :				
a)	Employee benefits, etc	12.89	(1.30)	**14.19**
b)	Taxes, Duties, Cess, Interest to Banks/FIs', etc	0.25	-	**0.25**
c)	Provision for doubtful debts	0.09	0.02	**0.07**
d)	Unabsorbed Depreciation/ Business Loss, etc	150.37	38.06	**112.31**
		163.60	36.78	**126.82**
Deferred Tax liability on account of :				
a)	Depreciation	118.80	4.23	**114.57**
b)	Others	-	(0.15)	**0.15**
		118.80	4.08	**114.72**
Net Deferred Tax Asset / (Liability) *		44.80	32.70	**12.10**

* Deferred Tax Asset aggregating Rs.26.47 crore (Previous year Rs.26.47 crore) was not recognised considering the principle of virtual certainty as stated in the Accounting Standard AS-22-Accounting for taxes on Income.

(5) OTHER LONG-TERM LIABILITIES

	31-Mar-17 Rs in crore	31-Mar-16 Rs in crore
Security Deposits	**4.00**	4.00
	4.00	4.00

(6) LONG-TERM PROVISIONS

for Employee Benefits	**39.46**	43.40
	39.46	43.40

(7) SHORT-TERM BORROWINGS

I) SECURED LOANS		
Working Capital Loans from Banks	**640.07**	606.56
Total Secured Loans	**640.07**	606.56
II) UNSECURED LOANS		
Short Term Loans from Companies	**308.63**	275.50
Total Unsecured Loans	**308.63**	275.50
Total Short-term borrowings	**948.70**	882.06

Short Term Borrowings - Secured

Working Capital Facilities

Working Capital Facilities from the Banks and other non-funded facilities are secured by hypothecation of stocks (excluding machinery spares) and book debts. The said facilities are also secured by way of second and subservient pari passu charge against the same assets as given to lenders as shown at Note No.3(I)(1).

Assets excluded from security given to secured lenders at Note No. 3 & 7.

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

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

Leasehold land at Dighe, Thane, as it is mortgaged to Lenders covered at Note No.3 (I) 2 (i) to (viii), (x) and (xi).

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

Plant and Machinery of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) 1 (v).

Plant and Machinery of Sinter Plant, Hot Blast Stove and Pulverising Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) (2) (xv).

161.47 acres of freehold land in the state of Jharkhand, for Company's projects in that state.

All other fixed asset situated at locations other than its plant at Kalwe, Dighe Thane in the state of Maharashtra and its existing steel plant at Ginigera in the state of Karnataka

Notes (contd.)

(8) TRADE PAYABLES		31-Mar-17	31-Mar-16
		Rs in crore	Rs in crore
Dues to Micro Enterprises and Small Enterprises		0.70	1.95
Other than to Micro Enterprises and Small Enterprises			
Acceptances	421.14		374.45
Trade Payables	442.36		461.39
		863.50	835.84
		864.20	837.79

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

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

			Rs.in crore	
			For the year ended 31-Mar-17	For the year ended 31-Mar-16
The principal amount and the interest due thereon remaining unpaid to suppliers				
a	i)	Principal	0.61	1.88
	ii)	Interest due thereon		0.07
b.	i)	Interest actually paid under section 16 of the MSMEDA	-	-
	ii)	Amount of payment made to suppliers beyond the appointed day		3.99
c.		Amount of interest due and payable for the period of delay in making payment (which have been paid and beyond the appointed day during the year) but without adding interest under MSMEDA	0.09	0.07
d.		Amount of interest accrued and remaining unpaid	0.09	0.07
e.		Amount of further interest remaining due and payable even in the succeeding years, until such dates when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductable expenditure under MSMEDA	-	-

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

(9) OTHER CURRENT LIABILITIES	31-Mar-17	31-Mar-16
	Rs in crore	Rs in crore
Current Maturities of long-term debt	283.37	269.70
Interest accrued but not due on borrowings	48.12	45.66
Unpaid Dividends (represents amounts unclaimed)*	0.11	0.11
Unpaid matured deposits (represents amounts unclaimed)*	1.34	1.89
Liability towards Employee Benefits	8.77	8.76
Advances against Orders and Engineering Contracts	62.39	44.51
Statutory Liabilities	105.27	93.08
Acceptances / Payables for Capital Goods	19.77	17.99
Other Payables	2.51	2.12
	531.65	483.82

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

(10) SHORT-TERM PROVISIONS		
for Empolyee Benefits	6.50	5.37
for Warranty Costs	0.38	0.27
	6.88	5.64

Notes (contd.)

(11) Fixed Assets

Rs in crore

	GROSS BLOCK (At Cost / Book Value)					DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1-Apr-16	Additions/ Adjustments	Deductions/ Adjustments	Adjustments/` Additions/ (Deductions) to Revalued Assets	As at 31-Mar-17	**As at 1-Apr-16**	For the year	Deductions/ Adjustments	**As at 31-Mar-17**	**As at 31-Mar-17**
i) Tangible Assets										
Freehold Land	1,353.38	0.06	-	(1,339.00)	14.44	-	-	-	**-**	**14.44**
Leasehold Land	362.87	-	-	(334.34)	28.53	24.14	0.33	21.95	**2.52**	**26.01**
Railway Siding	13.82	-	-	-	13.82	5.93	1.02	-	**6.95**	**6.87**
Buildings and Roads	195.26	0.88	0.01	-	196.13	89.10	5.36	0.01	**94.45**	**101.68**
Plant and Machinery	1,494.82	26.15	0.30	-	1,520.67	899.22	63.05	0.27	**962.00**	**558.67**
Furniture,Fixtures,etc.	8.50	1.12	0.08	-	9.54	5.74	0.57	0.07	**6.24**	**3.30**
Office Machinery	2.45	0.08	-	-	2.53	2.21	0.15	-	**2.36**	**0.17**
Vehicles	4.13	0.14	0.37	-	3.90	2.16	0.45	0.27	**2.34**	**1.56**
	3,435.23	28.43	0.76	(1,673.34)	1,789.56	1,028.50	70.93	22.57	**1,076.86**	**712.70**
ii) Intangible Assets- Software	1.55	0.09	-	-	1.64	1.45	0.03	-	**1.48**	**0.16**
	1.55	0.09	-	-	1.64	1.45	0.03	-	**1.48**	**0.16**
Total (i) + (ii)	3,436.78	28.52	0.76	(1,673.34)	1,791.20	1,029.95	70.96	22.57	**1,078.34**	**712.86**
iii) Capital Work-in-Progress, expenditure todate										33.13
										745.99

(11) Fixed Assets

Rs in crore

	GROSS BLOCK (At Cost / Book Value)					DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1-Apr-15	Additions/ Adjustments	Deductions/ Adjustments	Adjustments/ Additions/ (Deductions) to Revalued Assets	As at 31-Mar-16	As at 1-Apr-15	For the year	Deductions/ Adjustments	As at 31-Mar-16	As at 31-Mar-16
i) Tangible Assets										
Freehold Land	1,351.83	-	-	1.55	1,353.38	-	-	-	-	1,353.38
Leasehold Land	364.42	-	-	(1.55)	362.87	20.82	4.74 #	1.42	24.14	338.73
Railway Siding	13.82	-	-	-	13.82	4.91	1.02	-	5.93	7.89
Buildings and Roads	195.06	0.20	-	-	195.26	83.22	5.88	-	89.10	106.16
Plant and Machinery	1,462.65	35.18	3.01	-	1,494.82	836.80	65.31	2.89	899.22	595.60
Furniture,Fixtures,etc.	9.01	0.93	1.44	-	8.50	6.40	0.69	1.35	5.74	2.76
Office Machinery	3.00	0.15	0.70	-	2.45	2.68	0.20	0.67	2.21	0.24
Vehicles	4.46	0.18	0.51	-	4.13	2.01	0.47	0.32	2.16	1.97
	3,404.25	36.64	5.66	---	3,435.23	956.84	78.31	6.65	1,028.50	2,406.73
ii) Intangible Assets- Software	1.54	0.01	-	-	1.55	1.39	0.06	-	1.45	0.10
	1.54	0.01	-	-	1.55	1.39	0.06	-	1.45	0.10
Total (i) + (ii)	3,405.79	36.65	5.66	-	3,436.78	958.23	78.37	6.65	1,029.95	2,406.83
iii) Capital Work-in-Progress, expenditure todate										29.20
										2,436.03

includes Rs 4.39 crore withdrawn from Revaluation Reserve

Fixed Assets :

(i) Revaluation :

Free-hold land at Kalwe / Dighe, Thane as at 30.6.1983 was revalued on 30.6.1984 and the addition to assets on account of this revaluation, aggregating Rs.12.27 crore was correspondingly credited to the Revaluation Reserve during the year ended 30th June, 1984. To reflect the current fair market value, the Company further revalued the freehold land at Kalwe as at 31.3.2001 during November, 2001. The registered valuer had carried out the valuation on the basis of the then market values of these lands. The addition to assets on account of this revaluation, aggregating Rs.114.36 crore was correspondingly credited to the Revaluation Reserve during the year ended 31st March, 2002. Company has further revalued the aforesaid land as at 31.03.2009 and an amount aggregating Rs.1,212.37 crore has been added to assets and correspondingly credited to the Revaluation Reserve as at 31.03.2009.

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

In view of enactment of The Companies (Accounting Standards) Amendment Rules, 2016 by Notification No. GSR 364(3) dated 30th March 2016, applicable from 1st April 2016, Company has chosen to adopt original cost in place of revalued amount as per Accounting Standard AS-10-Property, Plant and Equipment and accordingly, the revaluation reserve amounting to Rs.1,651.38 Crores appearing in the Books of Account of the Company as at 31st March 2016 with regard to revaluation of Company's free hold/lease hold lands at Kalwe/Dighe, Thane is reversed in the Books of Account on 1st April 2016.

(ii) Gross Block of Buildings as at 31st March, 2017 includes value of offices, residential flats and garages in co-operative societies/proposed co-operative societies/association of apartment owners aggregating Rs.6.33 crore at cost (Previous Year Rs.6.34 crore) [including cost of shares in co-operative societies Rs.7,000/- (Previous Year Rs.7,000/-)].

Notes (contd.)

(iii) Fixed Assets include borrowing costs of Rs.2.13 crore capitalised during the year (Previous Year Rs.1.64 crore).

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

Rs.in crore

		As at 31-Mar-17	As at 31-Mar-16
1	For a period not later than one year	**1.40**	2.10
2	For a period later than one year and not later than five years	**0.37**	1.14
3	For a period later than five years	**0.04**	-
	Total	**1.81**	3.24

Lease rentals charged to revenue for the current year Rs.2.86 crore (Previous Year Rs. 2.80 crore).

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

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

Rs.in crore

		As at 31-Mar-17	As at 31-Mar-16
1	For a period not later than one year	**0.06**	0.11
2	For a period later than one year and not later than five years	**0.15**	0.21
3	For a period later than five years	**-**	-
	Total	**0.21**	0.32

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

Gross carrying amount of assets: Rs.4.41 crore. (Previous year Rs 4.53 crore)

Accumulated depreciation upto 31.03.2017: Rs.1.77 crore (Previous year Rs 1.75 crore)

Depreciation for the year: Rs.0.08 crore (Previous year Rs 0.09 crore)

(12) NON-CURRENT INVESTMENTS,

At Cost / Value after providing for diminution

			31-Mar-17 Rs in crore	31-Mar-16 Rs in crore
I.	**Investments in Equity instruments :**			
A.	**In Subsidiary Companies (Trade / Unquoted) :**			
(i)	**Mukand Global Finance Ltd.**			
	11,749,500 Equity Shares of Rs.10/-each, fully paid up	**26.25**		26.25
(ii)	**Mukand International Ltd.**			
	1,000 Ordinary Shares of Stg. Pound 1/-each, fully paid up (Rs 50,000)	**0.01**		0.01
(iii)	**Mukand International FZE**			
	5 Ordinary Shares of AED 1/- million each, fully paid up	**6.25**		6.25
(iv)	**Vidyavihar Containers Ltd**			
	11,976,762 Equity Shares of Rs.100/-each, fully paid up	**61.63**		61.63
	Less : Provision for diminution in the value of investments	**27.73**		27.73
		33.90		33.90
(v)	**Mukand Sumi Metal Processing Ltd**			
	16,400,000 Equity Shares of Rs.10/-each, fully paid up	**163.56**		163.56
(vi)	**Mukand Alloy Steels Pvt Ltd**			
	10,000 (9,900) Equity Shares of Rs 10/- each, fully paid up	**0.01**		0.01
(vii)	**Mukand Vijaynagar Steel Ltd. [Also refer D(b)(v) below]**			
	7,066,243 Equity Share of Rs.10/-each, fully paid up	**0.17**		
(viii)	**Whiteleaf Heavy Machinery Pvt Ltd**			
	10,000 Equity Shares of Rs 10/- each, fully paid up	**0.01**		
(ix)	**Technosys Industrial Machinery Pvt Ltd**			
	10,000 Equity Shares of Rs 10/- each, fully paid up	**0.01**		
Sub-total - Subsidiary Companies			**230.17**	229.98
B.	**Trade (Unquoted) :**			
In Associates :				
(i)	**Hospet Steels Ltd.**			
	70,004 Equity Shares of Rs. 10/-each, fully paid up	**0.07**		0.07

			31-Mar-17	31-Mar-16
			Rs in crore	Rs in crore
In Others :				
In Joint Ventures				
(i)	**Mukand Vini Mineral Ltd (A Joint Venture Company)**			
	852,800 Equity Shares of Rs.10/-each, fully paid up	**0.85**		0.85
	Less : Provision for diminution in the value of investments	**0.85**		
Sub-total - Trade			**0.07**	0.92
C.	**Other than trade (Quoted) :**			
In Associates				
(i)	**Mukand Engineers Ltd.**			
	4,539,781 Equity Shares of Rs.10/-each, fully paid up		**19.78**	19.78
D.	**Other than trade (Unquoted) :**			
a.	**In Associates**			
(i) Stainless India Ltd.				
	6,097,200 Equity Shares of Rs.10/-each, fully paid up	**13.09**		13.09
	Less : Provision for diminution in the value of investments	**13.09**		13.09
(ii)	**Bombay Forgings Ltd**		**-**	-
	28,800 Equity Shares of Rs.66.67 each fully paid up		**0.19**	0.19
Sub-total : Associates			**0.19**	0.19
b.	**In Others**			
(i)	**Lazard Creditcapital Ltd.**			
	100 Equity Shares of Rs.10/- each,fully paid up (Rs 1,000/-) [Previous year (Rs. 1,000/-)]			
(ii)	**Pradip Realtors Pvt. Ltd.**			
	12 Equity Shares of Rs.10/-each, fully paid up (Rs.120/-); [Previous year Rs 120/-]			
(iii)	**The Greater Bombay Co-operative Bank Ltd**			
	10 Equity Shares of Rs.25/-each, fully paid up (Rs. 250/-) [Previous year Rs. 250/-]			
(iv)	**NKGSB Co-operative Bank Ltd**			
	100 Equity Shares of Rs.10/-each, fully paid up (Rs. 1,000/-); [Previous year Rs Rs 1,000/-]			
(v)	**Mukand Vijaynagar Steel Ltd.**			
	(13,999) Equity Share of Rs.10/-each, fully paid up			0.01
	Less : Provision for diminution in the value of investments			0.01
Sub-total - Others				-
			250.21	250.87
Book Value				
Quoted Investments			**19.78**	19.78
Unquoted Investments			**230.43**	231.09
			250.21	250.87
Market Value				
Quoted Investments			**22.02**	11.26

Note: Aggregate diminution in value of Investments Rs 41.67 crore (Previous year Rs 40.83 crore)

			31-Mar-17	31-Mar-16
			Rs in crore	Rs in crore
(13)	**LONG-TERM LOANS AND ADVANCES, Unsecured, considered good, unless otherwise specified**			
	Other Loans and Advances		**0.04**	0.04
	Advances recoverable in cash or in kind or for value to be received		**39.48**	39.69
	Capital Advances		**9.08**	8.31
	Advance payment of Income-tax [net of provision Rs. 5.19 crore (previous year Rs. 5.19 crore)]		**43.51**	38.29
	Deposits with --			
	Central Excise, etc.	**9.60**		12.53
	Others $	**17.13**		17.53
			26.73	30.06
			118.84	116.39

$ Includes National Savings Certificates of the cost of Rs 44,000/-. (Previous year Rs. 44,000/-) deposited with government departments.

(14)	**OTHER NON-CURRENT ASSETS**			
	MAT Entitlement Credit		**32.38**	47.90
			32.38	47.90
(15)	**INVENTORIES**			
	[For mode of valuation refer Note No. 31(6)]			
	Raw Materials	**100.10**		60.19
	Materials in Transit	**93.87**		51.34
	Total Raw Materials		**193.97**	111.53
	Work-in-Progress		**117.15**	130.68
	Contracts in Progress [Refer Note No. 31(8) (v) and Note No. 21]		**279.45**	303.39
	Finished Goods		**981.60**	855.59
	Stores, Spares, Components and Engineering Construction Materials	**40.91**		49.46
	Materials in Transit	**4.02**		10.41
	Total Stores, Spares, Components and Engineering Construction Materials		**44.93**	59.87
	Fuel		**1.23**	1.11
	Loose Tools		**0.09**	0.08
			1,618.42	1,462.25

Current Assets

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

(16)	**Trade Receivables, Unsecured**		
	More than six months from the due date of payment :		
	Considered Good	**559.90**	489.14
	Other Trade Receivables :		
	Considered Good	**512.70**	627.04
		1,072.60	1,116.18

(17) CASH AND BANK BALANCES		31-Mar-17	31-Mar-16
		Rs in crore	Rs in crore
Cash on hand		3.57	0.50
(including cheques on hand Rs. 3.47 crore Previous year Rs. 0.40 crore and stamp papers on hand Rs. 0.06 crore Previous year Rs. 0.06 crore)			
Balances with Banks :			
(i) In Current Accounts	6.49		5.09
(ii) In Unpaid Dividend Accounts	0.11		0.11
(iii) In Margin Money Accounts #	56.96		49.46
(iv) In Deposit Accounts	0.45		0.56
		64.01	55.22
Remittances-in-Transit		6.68	9.54
		74.26	65.26

under lien with Banks

Details of Specified Bank Notes

	SBNs	Other Denomination	Total
	Rs.	Rs.	Rs.
Closing cash in hand as on 08.11.2016	747,500	323,584	1,071,084
(+) Permitted Receipts			
(-) Permitted Payments			
(-) Amount deposited in Banks	747,500		
Closing cash in hand as on 30.12.2016		541,076	541,076

Specified Bank Notes is defined as Bank Notes of denomination of the existing series of the value of Rs.500 & Rs.1,000 as per notification no. SO 340E dated 8.11.2016.

Permitted Receipts, "Permitted Payments", "Amount deposited in Banks" is applicable in case of SBNs only.

(18) SHORT-TERM LOANS AND ADVANCES		31-Mar-17	31-Mar-16
Unsecured, considered good, unless otherwise specified		Rs in crore	Rs in crore
Loans to Subsidiaries :			
Vidyavihar Containers Ltd.		13.23	13.23
Other Loans and Advances		12.58	13.47
Advances recoverable in cash or in kind or for value to be received	165.37		173.07
Considered Doubtful	0.23		0.23
Less : Provision	(0.23)		(0.23)
		165.37	173.07
Balances, etc. with --			
Central Excise	5.21		4.74
Others	0.18		0.18
		5.39	4.92
		196.57	204.69

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

(a) The Company has investments of Rs.0.19 crore (Previous Year Rs.0.19 crore) in equity shares of Bombay Forgings Limited (BFL), and has trade receivables due from BFL / advances recoverable which stood at Rs.81.82 crore as at 31.03.2017 (Previous Year Rs.78.09 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered fixed assets of BFL as at 31st March, 2017 which was at Rs.65.41 crore, value of current assets aggregating Rs.51.73 crores and future earnings from the ongoing business of BFL. The management considers the balance 'Exposures' to be 'Good' at the close of the year and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.

(b) The Company has an investment of Rs.61.63 crore (Previous Year Rs. 61.63 crore) in equity shares of Vidyavihar Containers Ltd. (VCL) a wholly owned Subsidiary and has provided for diminution in the value of investments upto an amount of Rs.27.73 crore, (previous year Rs.27.73 crore). The Company has outstanding balances of loans amounting to Rs.13.23 crore (Previous Year Rs. 13.23 crore) (collectively referred to as 'Exposures'). Management relies upon the estimation of future realizable values of financial assets of VCL to recover its exposures. The management barring unforeseen circumstances considers the balance 'Exposures' to be 'Good' at the close of the year and adequately covered.

(c) The Company has an investment of Rs.26.25 crore (Previous Year Rs.26.25 crore) in equity shares of Mukand Global Finance Limited (MGFL), a wholly owned subsidiary, whose recovery is dependent upon realisation of the financial assets that MGFL stands invested into at the close of the year. The management considers the 'Exposure' to be 'Good' and adequately covered. Ultimate shortfall if any, in the realization is not determinable at present.

(d) For details of loans and advances given to related parties, please refer Note No. 33

Notes (contd.)

(e) Details of loans and advances in the nature of loans recoverable from subsidiaries/associates and shares held by loanees (stipulated under Regulation 34(3) and 53(f) of the Listing Obligations and Disclosure Requirements Regulations, 2015)

Rs.in crore

	Outstanding amount		Maximum amount during the year	
Name of the Party	**As at 31-Mar-17**	As at 31-Mar-16	**2016-17**	2015-16
i] Subsidiaries:				
Vidyavihar Containers Ltd. – interest waived.	**13.23**	13.23	**13.23**	18.23

(19) OTHER CURRENT ASSETS	**31-Mar-17**	31-Mar-16
	Rs in crore	Rs in crore
Interest Receivable on Book debts	**345.81**	212.28
	345.81	212.28

(20)

(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :

		31-Mar-17	31-Mar-16
		Rs.in crore	Rs.in crore
(i)	Disputed matters in appeal/contested in respect of:		
	- Income Tax *	**19.96**	19.96
	- Excise Duty, Customs Duty etc.	**8.56**	4.55
	- Sales Tax, Works Contract Tax etc. **	**0.33**	4.90
	- Other matters	**1.85**	0.24
	* included in this amount (not provided in the Accounts) is the liability under Sec 115JB of the Income Tax Act, 1961 for Assessment Year 2005-06 as the Company's appeal is pending disposal. Company places reliance on certain judicial pronouncements and has also obtained a legal opinion on the matter.		
	** In the matter of certain ex-parte assessments completed by Commercial Tax Officer in the State of Uttar Pradesh, Company is advised that liability, if any, that may arise will be determined after the matter is remanded to the Assessing Officer and on completion of reassessment proceedings and therefore, the same is not included herein.		
(ii)	Claims against the Company not acknowledged as debt as these are disputed and pending disposal at various fora.	**21.06**	13.96
	For items (i) & (ii)		
	The Company has taken legal and other steps to protect its interest in respect of these matters, which is based on legal advice and/or precedents in its own/other cases. It is not possible to make any further determination of the liability which may arise in these matters.		
(iii)	Bills discounted with the Bankers and others		
	Sale Bills discounted	**-**	-
(iv)	Guarantees and Counter guarantees given by the Company on behalf of :-		
	- Other Companies	**123.40**	124.88
(v)	Bonds / Undertakings given by the Company under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	**0.66**	0.66
(vi)	Arrears of dividend on preference shares for FY 2016-17 Rs.5,627/-, FY 2015-16 Rs.5,627/- and FY 2014-15 Rs. 5,627/- in view of ammendment to section 123 of the Companies Act, 2013.		

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

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

(ix) There have been delays in payment of tax deducted at source in earlier years and also in FY2016-17. Interest payable on delays has been accounted for in respect of cases where appropriate orders have been received from Income Tax authorities or at the time of Filing the Quarterly TDS Returns.

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

Rs. in crore

(b) COMMITMENTS	31-Mar-17	31-Mar-16
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) -	**17.67**	11.93
ii) Commitments in respect of derivative instruments:		

Amount in crore

Derivaive instruments outstanding:

		As at 31-Mar-17	Equivalent		As at 31-Mar-16	Equivalent
For Imports	**USD**	**2.54**	**Rs 171.54**	USD	1.576	Rs 107.83
	EURO	**-**	**-**	EURO	-	-
For Exports	**USD**	**0.31**	**Rs. 20.62**	USD	0.15	Rs 10.39
	EURO	**0.09**	**Rs. 6.68**	EURO	0.09	Rs 7.17

Foreign Currency exposure that are not hedged by derivative instruments:

Amounts in brackets are for previous year

Amount in crore

	Debtors	Equiv Rs.	Creditors	Equiv Rs.	Cash & Bank Balances	Equiv Rs.	Other Payables	Equiv Rs.	Export Advance	Equiv Rs.	Other Receivable	Equiv Rs.	Total	Equiv Rs.
USD	0.007	0.444	3.680	238.634	-	-	0.015	0.954	0.057	3.680	-	-	3.758	243.711
	-	-	(3.790)	(251.110)	-	-	(0.020)	(1.325)	(0.080)	(5.300)	-	-	(3.890)	(257.732)
EURO	-	-	0.037	2.552	-	-	0	0	0	0.00	-	-	0.037	2.552
	-	-	(0.110)	(8.290)	-	-	(0.005)	(0.380)	(0.020)	(1.510)	-	-	(0.135)	(10.178)
AUD	-	-	0.0002	0.009	-	-	-	-	-	-	-	-	0.0002	0.009
	-	-	(0.0002)	(0.010)	-	-	-	-	-	-	-	-	(0.0002)	(0.010)
CHF	-	-	0.003	0.173	-	-	-	-	-	-	-	-	0.003	0.173
	-	-	(0.001)	(0.090)	-	-	-	-	-	-	-	-	(0.001)	(0.090)
SEK	-	-	0.030	0.220	-	-	-	-	-	-	-	-	0.030	0.220
	-	-	(0.040)	(0.340)	-	-	-	-	-	-	-	-	(0.040)	(0.340)
CAD	-	-	0.331	16.095	-	-	-	-	-	-	-	-	0.331	16.095
	-	-	(-)	(-)	-	-	-	-	-	-	-	-	(-)	(-)

(21) Revenue from Operations		2016-17 Rs in crore	2015-16 Rs in crore
Sale of Products and Services			
1. Special Alloy Steel Products	**1,776.61**		1,720.42
2. Stainless Steel Products	**860.79**		986.53
3. Engineering Contracts & Job Work	**365.94**		330.92
4. Others	**2.24**		2.70
Total		**3,005.58**	3,040.57
Less : Excise Duty		**328.56**	337.05
Net Sale of Products and Services		**2,677.02**	2,703.52
[Sale is net of early payment discounts aggregating Rs. 10.92 crore (previous year Rs. 9.30 crore)]			
Other Operating Revenues			
a) Sale of Scrap and Sundries		**6.50**	10.17
b) Sales-tax/VAT Refunds		**1.11**	0.58
c) Interest Received - From Banks		**3.92**	4.15
d) Insurance Claims etc.		**1.19**	4.98
e) Credit balances appropriated		**2.10**	0.12
f) Other Miscellaneous receipts		**5.57**	4.17
g) Excess provisions written back (net)		**(0.05)**	2.58
h) Surplus on account of sale of assets		**0.05**	0.71
Total Other Operating Revenues		**20.39**	27.46
Total Sales and Services and Other Operating Revenues		**2,697.41**	2,730.98

(a) Disclosure regarding Income from Engineering Contracts – Road Construction Division:

		Rs.in crore 2016-17	Rs.in crore 2015-16
(i)	The amount of Contract revenue recognised as revenue during the year.	-	-
(ii)	The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	750.31	750.31
(iii)	The amount of advances received (Gross)	-	-
(iv)	The amount of retentions (included in sundry debtors) (net balance)	-	-
(v)	Amount due to customers	-	-
(vi)	Amount due from customers	48.36	54.82

(b) The Company in previous years executed road construction projects in the state of Uttar Pradesh with National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. During the year the amount of Rs.23.20 crore (including interest) was realised towards various claims. The exposure on this account as at the end of the financial year aggregate Rs.113.54 crore (Previous Year: Rs.120.00 crore). The management has, keeping in view the accounting policy A(8)(v) adopted by the Company, technically determined the realisable value of Contracts in Progress compared to relatable revenues and claims raised on NHAI by CDS. The outcome of the Road Construction activity cannot be estimated with certainty at present. Pending claims excluding interest as at 31.03.2017 aggregate Rs.288.42 crore (Previous Year: Rs.298.93 crore). Bulk of these claims are now being processed at the level of Tribunal as against the level of consulting engineers in the previous year. It is the opinion of the management that in view of the substantially large claims for incremental jobs executed, escalations and time over-runs to be settled progressively over a period of 2 to 3 years, losses currently expected are already recognized till the close of the year. Since realization of these amounts is a judgmental matter, the auditors have placed reliance on the Management's judgment of the losses currently expected in the contract considering reliasability of amounts.

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

	Rs.in crore 2016-17	Rs.in crore 2015-16
The amount of Contract revenue recognised as revenue during the year	136.54	166.67
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto 31.03.2017	1,783.18	1,646.64
The amount of advances received (Gross)	11.91	13.67
The amount of retentions (included in sundry debtors) (net balance)	78.27	70.70
Amount due to customers	-	-
Amount due from customers	204.95	231.75

(22) Other Income

a)	Rent received		1.22	1.24
b)	Additional compensation on acquisition of Land in earlier years			2.49
c)	Surplus on account of sale of Premises		0.69	
d)	Delay Payment Charges Received		16.14	9.95
e)	Interest Received - From Others		8.58	7.69
f)	Dividends (Gross) :			
	from Subsidiary	1.42		0.20
	from Trade Investments	-		-
			1.42	0.20
Total Other Income			28.05	21.57

(23) RAW MATERIALS CONSUMED

Opening Stocks	60.19	127.91
Add : Purchases	1,193.38	1,137.84
Add / Less : Materials on loan / (Sales) [net]	(0.02)	(1.64)
	1,253.55	1,264.11
Less : Closing Stocks	100.10	60.19
	1,153.45	1,203.92

Details of Imported and Indigenous Materials Consumed.

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

	2016-17 Rs.in crore	2015-16 Rs.in crore
Important basic raw materials:		
Coke including Coke Fines	**332.82**	271.28
Iron Ore including Iron Ore Fines *	**154.90**	153.28
Scrap & Pig Iron #	**365.12**	460.60
Ferro Alloys	**290.71**	307.34
Structural & other Steel @	**9.90**	11.42
Other raw materials	**-**	-
	1,153.45	1,203.92

	2016-17		2015-16	
	% of total Consumption	Amount Rs.in crore	% of total Consumption	Amount Rs.in crore
Imported	**63.09%**	**727.66**	51.43%	619.15
Indigenous	**36.91%**	**425.79**	48.57%	584.77
	100.00%	**1,153.45**	100.00%	1,203.92

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

Excludes Internal Arisings

@ Includes for Capital jobs

(24) Changes in inventories of Finished Goods and Work-in-Progress /Contracts in Progress and Stock-in-Trade

	2016-17 Rs in crore	2015-16 Rs in crore
Opening Stocks	**1,289.66**	1,193.73
Less :		
Closing Stocks	**1,378.20**	1,289.66
Variation in Stocks	**(88.54)**	(95.93)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	**10.57**	24.85
(Increase)/Decrease in Stocks	**(77.97)**	(71.08)

(25) Employee Benefits Expense

Salaries, Wages, Bonus, Compensation and Other Payments	**140.58**	137.34
Contribution towards Employees' State Insurance, Provident and Other Funds	**16.86**	20.35
Welfare Expenses	**13.98**	13.57
	171.42	171.26

(26) Finance Costs

Interest Expense (net) (Refer Note below)	**277.82**	275.98
Less :		
Interest Capitalised	**2.13**	1.64
	275.69	274.34
Other borrowing costs	**4.26**	4.57
	279.95	278.91

Note

Working Capital facilities from banks are against hypothecation of stock and book debts. Finance costs include interest on inventory and book debts. Company sells goods on credit on interest to customers to compensate it for such finance costs. Interest income generated from book debts amounting to Rs 143.82 crores (Previous year Rs 129.26 crores) is netted against same source of interest expense under finance costs.

Notes (contd.)

(27) Other Expenses :

		2016-17	2015-16
		Rs in crore	Rs in crore
Stores, Spares, Components,Tools, etc. consumed (a)		446.04	445.54
Power and Fuel consumed		191.35	197.32
Machining and Processing charges		210.37	174.00
Sub-contracting expenses		55.12	49.32
Other Manufacturing expenses		63.50	57.69
Rent (net)		0.59	0.60
Repairs:			
to Buildings	2.67		2.89
to Plant and Machinery (b)	7.94		7.43
to Other assets	2.83		2.17
		13.44	12.49
Rates and Taxes		3.95	3.68
Insurance		1.38	1.17
Commission		3.93	6.01
Freight, Forwarding and Warehousing (net)		75.26	72.31
Directors' Fees and Travelling Expenses		0.35	0.28
Bad Debts,debit balances and claims written off	8.53		0.83
Less : Doubtful debts provided in earlier years	-		(0.07)
		8.53	0.76
Provision for diminution in value of investments		0.85	
Loss on assets sold		0.02	0.12
Loss on assets discarded / impaired			0.14
Loss on variation in foreign exchange rates (net)		1.62	27.39
Miscellaneous Expenses (c)		47.64	46.06
		1,123.94	1,094.88

(a) After adjusting sales Rs 3.65 crore (Previous year Rs 2.17 crore).

(b) Excludes spares consumed for repairs.

(c) Includes non-recoverable excise duty Rs 0.03 crore and sales tax Rs 0.26 crore on sales (Previous year Rs 0.04 crore and Rs. 0.29 crore respectively).

(28) Earnings in Foreign Exchange

Exports (F.O.B. Value)	151.08	104.85
Dividend	1.42	0.20
Income from Engineering Contracts	0.38	0.07
Freight & Insurance (included in the sale value)	2.18	1.79
Others	0.04	-
	155.10	106.91

(29) Computation of Profit for Earnings per Share (EPS) :

Net Profit/(Loss) After Taxation as per Statement of Profit & Loss	(41.81)	1.62
Less : Dividends and tax thereon		
Net Profit/(Loss) for calculation of basic / diluted EPS [including Exceptional Items (net)]	(41.81)	1.62
Weighted average number of equity shares outstanding	141,405,861	141,405,861
Basic and diluted EPS (face value Rs.10/- per share) (in Rs.)		
Including Exceptional items (net)	(2.96)	0.11
Excluding Exceptional items (net)	(2.96)	0.11

Notes (contd.)

(30)

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

		2016-17		2015-16	
		% of total Consumption	Amount Rs.in crore	% of total Consumption	Amount Rs.in crore
i)	Stores, Spares, etc.				
	- Imported	**16.22%**	**71.96**	21.21%	94.23
	- Indigenous	**83.78%**	**371.81**	78.79%	350.03
		100.00%	**443.77**	100.00%	444.26
ii)	Components				
	- Imported	**0.00%**	**-**	0.00%	-
	- Indigenous	**100.00%**	**2.27**	100.00%	1.28
		100.00%	**2.27**	100.00%	1.28
			446.04		445.54

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

	Rs.in crore 2016-17	Rs.in crore 2015-16
Raw Materials	**698.79**	570.93
Stores, Spare Parts, Components and Fuel	**55.62**	75.50
Goods for trade		
Capital goods	**7.20**	5.01
	761.61	651.44

(c) Expenditure in Foreign Currency

(Including amounts capitalised and amounts recovered)

Interest and Bank charges (Net of tax)	**3.72**	2.69
Technical Consultancy / Services (Net of tax)	**0.35**	0.16
Foreign Travel	**0.37**	0.18
Legal and Professional fees	**0.07**	-
Other matters	**0.98**	0.65
	5.49	3.68

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

Rs.in crore

Op.Bal. as at 1-Apr-16	Provided during the year	Utilised during the year	Reversed/ Short provision during the year	Closing Balance as at 31-Mar-17
0.27	**0.38**	**0.46**	**0.19**	**0.38**

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

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

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

		Rs.in crore 2016-17	Rs.in crore 2015-16
(f)	**Payment to Auditors**		
(i)	As Auditors	**0.39**	0.39
(ii)	For Taxation Matters	**0.05**	0.04
(iii)	For other services	**0.15**	0.16
(iv)	For reimbursement of expenses	**0.02**	0.02
		0.61	0.61

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

1 Basis of preparation:

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

2 Use of Estimates:

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

3 Fixed Assets:

(a) Tangible Assets

Fixed Assets are stated at cost of acquisition or construction. However, fixed assets, which are revalued by the Company, have now been stated at their original cost in view of adoption of original cost as per Revised Accounting Standard 10 - Property, Plant & Equipment under The Companies (Accounting Standards) Rules, 2016.

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

(b) Intangible Assets

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

(c) Depreciation / Amortisation

(i) The Company provides depreciation on all its assets on the “Straight Line Method” in accordance with the provisions of Section 123 (2) of the Companies Act, 2013 which was made effetive from 01.04.2014. Company has reworked depreciation with reference to the estimated useful life of fixed assets as prescribed under schedule II to the act or useful life of fixed assets as per technical evaluation.

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

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

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

(v) Depreciation on addition to assets or on sale / discardment of assets is calculated pro-rata from the month of such addition or upto the month of such sale / discardment, as the case may be.

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

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

4 Impairment of Assets :

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

5 Investments :

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

6 Inventories :

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

7 Foreign currency translations

(i) All transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transaction.

(ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. The resultant gain or loss is accounted for during the year.

(iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expenditure over the life of the contract. The outstanding forward contracts in case of firm commitments and highly probable forecast transactions are marked to market and its effect is recognised as income / expenditure. Further, the exchange differences arising on such contracts are recognised as income or expenditure along with the exchange differences on the underlying assets/liabilities. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.

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

8 Revenue Recognition :

(i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

(ii) Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of Sales Tax/Value Added Tax. Excise Duty recovered is presented as a reduction from gross turnover. Sales are net of returns, discounts and rebates.

(iii) Liability for Excise Duty and Customs Duty payable on goods held in bond at the year end is provided for.

(iv) Export benefits under Duty Drawback Scheme is estimated and accounted in the year of export.

(v) Accounting for Long Term Engineering Contracts:

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

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

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

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

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

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

9 Leases :

Operating lease:

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

10 Employee benefits :

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

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

11 Borrowing cost :

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

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

12 Taxation :

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

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

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

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

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

13 Segment Reporting Policies :

Identification of segments :

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

Inter segment Transfers :

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

Allocation of common costs :

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

Unallocated items :

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

Segment Policies :

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

14 Earnings per Share

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

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

15 Provisions and Contingent Liabilities :

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

16 Cash Flow Statement :

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

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

(32) Disclosures under Accounting Standard 15 on Employee Benefits	**Rs.in crore 2016-17**	Rs.in crore 2015-16
(a)(i) **Details in respect of gratuity are as under :**		
Liability to be recognised in Balance Sheet		
Present Value of Funded Obligations	**43.95**	41.34
Fair Value of Plan Assets	**19.63**	12.86
Net Liability	**24.32**	28.48
Change in Plan Assets (Reconciliation of Opening & Closing Balances)		
Fair Value of Plan Assets as at beginning of the year	**12.86**	10.61
Expected Return on Plan Assets	**1.03**	0.85
Actuarial Gain / (Losses)	**0.08**	(0.03)
Contributions	**5.84**	4.39
Benefits Paid	**(0.18)**	(2.96)
Fair Value of Plan Assets as at the close of the year	**19.63**	12.86
Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at beginning of the year	**41.34**	39.79
Current Service Cost	**2.55**	2.21
Interest Cost	**3.32**	2.33
Actuarial Losses / (Gain)	**(3.08)**	(0.03)
Benefits Paid	**(0.18)**	(2.96)
Obligation as at the close of the year	**43.95**	41.34
Expenditure to be recognised during the year		
Current Service cost	**2.55**	2.21
Interest Cost	**3.32**	2.33
Expected Return on Plan Assets	**(1.03)**	(0.85)
Net Actuarial Losses / (Gains) Recognised during the year	**(0.37)**	4.81
Total Expenditure included in "Employees' Emoluments"	**4.47**	8.50
Assumptions		
Discount Rate (per annum)	**7.40%**	8.04%
Expected rate of Return on Assets (per annum)	**8.00%**	8.04%
Salary Escalation Rate	**4.95%**	5.75%

(ii) The Company expects to contribute Rs.4.42 crore (Previous year Rs.4.34 crores) to its gratuity plan for the next year. In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the IALM - Mortality - Tables (2006-08) ultimate (Previous year LIC, 1994-96 ultimate tables).

(iii) Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

(iv) The composition of the plan assets, by category from the insurers, LIC are on the basis of overall investment by them for all such insured entities and hence, the disclosures as required by Accounting Standard 15 in 'Employee Benefits' have not been given, and Auditors have relied upon the same.

(v) Other disclosures :

Rs.in crore

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Funded Obligations.	43.95	41.34	39.79	34.62	32.87
Fair Value of Plan Assets	19.63	12.86	10.61	10.89	12.46
Net Liability	24.32	28.48	29.18	23.73	20.41
Experience Adjustments on Plan Liabilities Loss / (Gain)	(2.51)	1.15	1.57	0.71	0.32
Experience on Plan Assets–Loss / (Gain)	(0.08)	0.03	0.06	0	0

(b) In terms of the strategic alliance with Kalyani Steels Limited, the Company has accounted for its share towards gratuity in respect of employees of Hospet Steels Ltd. amounting to Rs.1.21 crore (Previous Year Rs.1.01 crore) on the basis of an actuarial valuation. This is under a funded plan with LIC.

(c) In respect of certain employees of Road Construction Division, liability for gratuity is provided at actuals on the basis of amount due as at 31st March, 2017, since the projects are for shorter duration. Such liability as at 31st March, 2017 (including Rs.0.0007 crore for the year) aggregate Rs.0.005 crore (Previous Year Rs.0.004 crore)

(d) An amount of Rs.7.60 crore (Previous year Rs.7.48 crore) as contribution towards defined contribution plans [including Rs.0.95 crore (Previous year Rs.0.93 crore) in terms of strategic alliance referred in (b) above] is recognised as expense in the Statement of Profit and Loss.

(33) Related Party Disclosures

(a) Relationship :

(i) Subsidiaries:

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

Vidyavihar Containers Ltd. (VCL), Mukand International FZE (MIFZE), Mukand Sumi Metal Processing Ltd. (MSMPL), Mukand Alloy Steels Pvt. Ltd., Mukand Vijayanagar Steels Ltd., w.e.f. 30.12.2016, Whiteleaf Heavy Machinery Pvt.Ltd., w.e.f. 25.3.2017, Technosys Industrial Machinery Pvt Ltd., w.e.f. 25.3.2017.

(ii) Other related parties where control exists :

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

(iii) Joint Ventures :

Mukand Vini Mineral Ltd. (MVML).

(iv) Key Management Personnel:

Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah , Relatives of a Director

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

Kalyani Mukand Ltd. , Jamnalal Sons Pvt. Ltd. (JSPL), Adonis Laboratories Pvt. Ltd.

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

(Rs. in Crore)

	Nature of transactions	**Related parties as referred in**					
		a (i) above	**a (ii) above**	**a (iii) above**	**a (iv) above**	**a (v) above**	**Total**
1	Purchase of Goods	**29.80**	**1.82**				**31.62**
		61.37	2.40				63.77
2	Sale of Goods	**408.87**	**17.49**				**426.36**
		364.18	15.64				379.82
3	Transfer of Fixed Assets				**0.01**		**0.01**
					0.02		0.02
4	Services Received	**8.27**	**70.43**				**78.70**
		8.34	65.08				73.42
5	Services Rendered	**31.38**	**0.76**				**32.14**
		34.17	29.22				63.39
6	Remuneration to Key Management Personnel				**2.90**		**2.90**
					2.83		2.83

Notes (contd.)

(Rs. in Crore)

	Nature of transactions	Related parties as referred in					
		a (i) above	a (ii) above	a (iii) above	a (iv) above	a (v) above	Total
7	Interest / Dividend Paid / (Received) Net	**1.37**			**0.29***	**76.89**	**78.55**
		1.43	0.59		-	49.79	51.81
8	Reimbursement of Expenses - Payments		**0.02**				**0.02**
			0.02				0.02
9	Reimbursement of Expenses - Receipts	**-**					**-**
		0.04					0.04
10	Finance taken including equity / (re-payment of loans & advances) - Net		**0.25**		**3.05**	**46.00**	**49.30**
		5.00	-			191.41	196.41
11	Finance given including equity / (re-payment of loans & advances) - Net	**0.10**				**0.01**	**0.11**
		-	-			-	-
12	Bad debts / Advances written off / Provision for dimunition in value of investment	**(0.01)**	**7.10**	**1.41**			**8.50**
			-	-			-
13	Balances at the close of the year:						
	i) Amount Receivable	**10.71**	**81.71**			**0.27**	**92.69**
		10.43	85.99			0.26	96.68
	ii) Amount Payable	**33.28**	**2.27**		**3.57 ***		**39.12**
		29.04	8.43		0.11		37.58
	iii) Amount Receivable in respect of loans & advances	**13.36**	**15.60**	**-**			**28.96**
		13.26	18.85	0.56			32.67
	iv) Amount Payable in respect of loans & advances					**559.20**	**559.20**
						507.16	507.16
	v) Property deposit taken		**0.07**				**0.07**
			0.07				0.07
14	Guarantees given by the Company	**35.31**	**115.00**				**150.31**
		36.08	115.00				151.08
15	Collateral given on behalf of the Company				**#**		
					#		
*	Interest on FDs to relatives of a Director / includes amount payable for FDs / interest thereon Rs 3.34 Crore						
#	2,513,000 Equity Shares of the Company.						

ii) Details in respect of material transactions with related parties

	(Rs. in Crore)
Purchase of Goods:	
Mukand International FZE	**14.76**
	42.68
Mukand Sumi Metal Processing Ltd	**15.04**
	18.69
Bombay Forgings Ltd	**1.82**
	2.40
Sale of Goods:	
Mukand International FZE	**137.97**
	76.23
Bombay Forgings Ltd	**17.49**
	15.64
Mukand Sumi Metal Processing Ltd	**270.90**
	287.95
Transfer of Fixed Assets / Business	
To a Managing Director / Joint Managing Director	0.01
	0.02
Services Received:	
Hospet Steels Ltd	**52.83**
	49.76

	(Rs. in Crore)
Mukand Engineers Ltd	**17.60**
	15.30
Stainless India Ltd.	**-**
	0.02
Mukand Global Finance Ltd	**0.30**
	0.20
Mukand Sumi Metal Processing Ltd	**7.97**
	8.14
Remunaration to Key Management Personnel	**2.90**
	2.83
Services Rendered:	
Mukand Alloy Steels Pvt. Ltd.	**0.01**
	0.01
Mukand International FZE	**0.04**
	-
Mukand Engineers Ltd	**0.76**
	29.22
Mukand Sumi Metal Processing Ltd	**31.31**
	34.14

Notes (contd.)

	(Rs. in Crore)
Mukand Global Finance Ltd	**0.02**
	0.02
Interest / Dividend Paid / (Received) Net	
Mukand International FZE	**(1.42)**
	(0.20)
Mukand Engineers Ltd	**-**
	0.59
Jamnalal Sons Pvt Ltd	**76.59**
	49.49
Adonis Laboratories Pvt Ltd	**0.30**
	0.30
To relatives of a Director (Interest on FD)	**0.29**
	-
Mukand Sumi Metal Processing Ltd	**2.79**
	1.63
Bad Debts/Advances written off	
Mukand Vini Mineral Ltd	**0.56**
	-
Stainless India Ltd.	**7.10**
	-
Provision for Dimunition in value of investment	
Mukand Vini Mineral Ltd	**0.85**
	-
Mukand Vijayanagar Steel Ltd	**(0.01)**
	-
Reimbursement of Expenses - Payments	
Mukand Engineers Ltd	**0.02**
	0.02
Reimbursement of Expenses - Receipts	
Mukand International FZE	**-**
	0.04
Finance taken including equity / (re-payment of loans & advances) - Net	
Jamnalal Sons Pvt Ltd	**46.00**
	191.41
Vidyavihar Containers Ltd	**-**
	(5.00)
Stainless India Ltd	**0.25**
	-
FDs from Relatives of a Direcor	**3.05**
	-
Finance given including equity / (re-payment of loans & advances) - Net	
Mukand Vijayanagar Steel Ltd	**0.10**
	-
Kalyani Mukand Ltd	**0.01**
	-
Balances at the close of the year:	
i) Amount Receivable	
Mukand International FZE	**5.02**
	9.73
Bombay Forgings Ltd	**66.70**
	65.32
Stainless India Ltd.	**-**
	1.23

	(Rs. in Crore)
Mukand Sumi Metal Processing Ltd	**5.69**
	0.70
Mukand Engineers Ltd	**15.01**
	19.44
Kalyani Mukand Ltd	**0.27**
	0.26
ii) Amount Payable	
Mukand International FZE	**4.67**
	27.48
Mukand Global Finance Ltd	**0.05**
	-
Mukand Engineers Ltd	**1.76**
	2.05
Hospet Steels Ltd	**0.51**
	6.38
Mukand Sumi Metal Processing Ltd	**28.56**
	1.56
Remuneration to Key Management Personnel	**0.23**
	0.11
iii) Amount Receivable in respect of loans & advances	
Vidyavihar Containers Ltd @	**13.23**
	13.23
Stainless India Ltd.	**-**
	6.08
Bombay Forgings Ltd	**15.12**
	12.77
Mukand Vini Minerals Ltd	**-**
	0.56
Mukand Sumi Metal Processing Ltd	**0.08**
	-
Mukand Engineers Ltd	**0.48**
	-
Mukand Alloy Steels Pvt. Ltd.	**0.05**
	0.03
iv) Amount Payable in respect of loans & advances	
Jamnalal Sons Pvt Ltd	**557.13**
	505.16
Adonis Laboratories Pvt Ltd	**2.07**
	2.00
FDs / interest thereon from Relatives of a Direcor	**3.34**
	-
v) Property Deposit taken	
Mukand Engineers Ltd	**0.07**
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	**115.00**
	115.00
Mukand International FZE	**35.31**
	36.08

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

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

Notes (contd.)

(34) Particulars of Loans, Guarantees, Investments under Section 186 of Companies Act, 2013

			Rs. in crore	Rs. in crore
i)	Loans:	Purpose		
	Name of the Party		**31.03.2017**	31.03.2016
	Vidyavihar Containers Ltd.	To be utilized for its business	**13.23**	13.23
	Adore Builders Ltd.	To be utilized for its business	**5.00**	5.00
	High Seas Vyapar Pvt. Ltd.	To be utilized for its business	**0.08**	0.08
	India Thermal Power Ltd.	To be utilized for its business	**7.50**	7.50
ii)	Guarantees:			
	Name of the Party			
	Mukand International FZE	For its banking facilities	**35.31**	36.08
	Mukand Engineers Ltd.	For its banking facilities	**115.00**	115.00
	JSC Centrodorstroy	For security to claim amounts awarded by aribitral Tribunal	**5.76**	-
iii)	Investments:			
	For details please refer note no. 12 to the accounts			

(35) Information on Joint Ventures :

Mukand Vini Minerals Ltd.

i) Jointly controlled entity – Mukand Vini Minerals Ltd.

Country of incorporation : India

Percentage of ownership interest : 49.01%.

ii)	Contingent liabilities in respect of Joint Venture.			
	a)	Directly incurred by the Company.	**-**	-
	b)	Share of the Company in contingent liabilities incurred by jointly controlled entity (to the extent ascertainable)	**-**	-
iii)	Capital commitments in respect of Joint Venture.			
	a)	Direct capital commitments by the Company.	**-**	-
	b)	Share of the Company in capital commitments of the jointly controlled entity		
iv)	Interest in the assets, liabilities, income and expenses with respect to jointly controlled entity.			
A	Assets:			
	a)	Fixed Assets (Net Block) Capital Work in progress	-	-
	b)	Investments	-	-
	c)	Current Assets, Loans and Advances	-	-
		Inventories		
		Sundry Debtors		
		Cash and Bank Balances	**-**	-
		Loans and Advances		
		Other Current Assets		
	d)	Preliminary expenses		
	e)	Other Non-current Assets	**-**	0.02
	f)	Pre-operative expenses	**-**	1.43
B	Liabilities			
	a)	Loan Funds		
		Secured Loans	**-**	-
		Unsecured Loans	**0.28**	0.25
	b)	Current Liabilities and Provisions		
		Liabilities	**0.35**	0.35
		Provisions	**-**	-
	c)	Deferred Tax Liability		-
C	Income		**-**	-
D	Expenses		**1.48**	-
E	Tax		**-**	-

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

Notes (contd.)

(36)

I) The Board of Directors of the company on 12th January 2017, has considered and approved, a scheme of arrangement and amalgamation amongst the Company,Mukand Vijayanagar Steel Limited (MVSL) and Mukand Alloy Steels Private Limited (MASPL) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of its Alloy Steel Rolling & Finishing business. The Appointed Date under the Scheme is 1st January 2017. BSE and NSE have in principle cleared the Scheme and their observations have been included in the Scheme filed with National Company Law Tribunal (NCLT). The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.

II) The Board of Directors of Company at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company, Whiteleaf Heavy Machinery Pvt Ltd. and Technosys Industrial Machinery Pvt Ltd and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of Industrial Machinery business . The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.

As the Company is currently in the process of finalizing detailed formal plans it does not necessitate the requirements of disclosures of AS 24 – Discontinuing Operations.

(37) In accordance with Accounting Standard – 17 “Segment Reporting”, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these financial statements.

(38) Previous years’s figures have been regrouped / recast wherever necessary

As per our attached report of even date

For Haribhakti & Co. LLP Chartered Accountants ICAI FR No. 103523W / W100048	**Niraj Bajaj** Chairman & Managing Director DIN: 00028261	**Rajesh V Shah** Co-Chairman & Managing Director DIN: 00033371	**Suketu V Shah** Joint Managing Director DIN: 00033407
Sumant Sakhardande Partner Membership No. 034828		**S B Jhaveri** Chief Financial Officer	**K J Mallya** Company Secretary
Mumbai, May 24, 2017			Mumbai, May 24, 2017

Independent Auditor's Report

To the Members of Mukand Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mukand Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Financial Statements:

a) Note 18 (a) to the Statement, relating to the Exposures in Bombay Forgings Limited (BFL), an associate company, aggregating Rs. 82.01 Crores as at March 31, 2017 (Rs. 78.28 Crores as at March 31, 2016), where the management has, barring any significant uncertainties in future, relied upon the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.

b) Note 18 (c) to the notes to the Consolidated Financial Statements, the realisability of the "Exposures" in certain investment companies (through wholly owned subsidiary) aggregating Rs. 8.58 Crores as at March 31, 2017 (Rs. 8.58 Crores at March 31, 2016) and the reliance upon amount realisable from the financial assets of these companies.

c) Note 21 (b) to the Statement, relating to the Exposures aggregating Rs. 113.54 Crores as at March 31, 2017 (Rs. 120.00 Crores as at March 31, 2016), in respect of road construction activity and our reliance on the management's expectation of its realisibility.

d) The auditor of the jointly controlled entity have expressed Emphasis of Matter in their audit report, more specifically explained in Note 34 (vi) to the Statement, relating to de-allocation of coal block allocated to the jointly controlled entity and its ability to continue its business.

e) The auditors of an Associate Company have expressed Emphasis of Matter in their audit report regarding Note 18 (e) to the notes to the Consolidated Financial Statements, the Exposures towards overdue loans aggregating Rs. 4.43 Crores as at March 31, 2017 (Rs. 5.88 Crores at March 31, 2016) and interest receivable thereon aggregating Rs. 2.23 Crores as at March 31, 2017 (Rs. 2.92 Crores at March 31, 2016) that are due from investment companies whose net worth have eroded. The Management's assessment on the recoverability from the financial assets of these companies is subject to uncertainties and which, if do not materialise, could significantly impact the carrying values of the aforesaid loans and interest thereon. The group's share for the above loans and interest receivable is Rs. 2.40 Crores as at March 31, 2017 (Rs. 3.18 Crores at March 31, 2016).

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements of eight subsidiaries and one jointly controlled entity whose financial statements reflects total assets of Rs. 242.64 Crores and net assets of Rs. 27.09 Crores as at March 31, 2017, total revenues of Rs. 197.75 Crores and net cash out flows amounting to Rs. 1.87 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include Group's share of net loss of Rs. 0.56 Crores for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.

(b) The Consolidated Financial Statements also include Group's share of net loss of Rs. 0.23 Crores for the year ended March 31, 2017, as considered in the Consolidated Financial Statements, in respect of two associates, whose financial statements have not been audited by us.

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

e. 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;

f. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entity incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entity incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

g. With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and jointly controlled entity and the operating effectiveness of such controls, we give our separate Report in the "Annexure".

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity – Refer Note 20 to the Consolidated Financial Statements;

(ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts ;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entity incorporated in India;

(iv) The Holding Company and its subsidiary companies, associate companies and jointly controlled entity incorporated in India have provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed by us and based on the reports of other auditors, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and its subsidiary companies, associate companies and jointly controlled entity (Refer Note No.17 to the consolidated financial statements).

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 24, 2017

Annexure to the Independent Auditor's Report

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Mukand Limited on the consolidated financial statements for the year ended March 31, 2017]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of the Group, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI except that the auditors of one of the subsidiary companies have opined that the Subsidiary Company's internal financial controls system over financial reporting needs to be strengthened with regard to appropriate documentation of Purchase Policies, Bank Reconciliation, HR Manual, Review of ledgers accounts etc.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Seven subsidiary companies, Four associate companies, and one jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 24, 2017

Consolidated Balance Sheet as at 31st March, 2017

	Note No.		31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore
I EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	1	147.05		147.05
(b) Reserves and Surplus	2	32.22		1,714.25
			179.27	1,861.30
(2) Minority Interest			115.20	111.70
(3) Non-Current Liabilities				
(a) Long Term Borrowings	3	1,708.21		1,636.54
(b) Deferred Tax Liabilities (net)	4	7.57		4.04
(c) Other Long Term Liabilities	5	6.26		4.00
(d) Long Term Provisions	6	40.10		43.91
			1,762.14	1,688.49
(4) Current Liabilities				
(a) Short Term Borrowings	7	1,007.39		939.88
(b) Trade Payables	8			
(i) Micro Enterprises and Small Enterprises		0.70		1.95
(ii) Other than Micro Enterprises and Small Enterprises		838.07		852.12
(c) Other Current Liabilities	9	690.18		635.67
(d) Short Term Provisions	10	8.30		6.02
			2,544.64	2,435.64
Total			4,601.25	6,097.13
II ASSETS				
(1) Non-Current Assets				
(a) Fixed Assets	11			
(i) Tangible Assets		733.74		2,427.85
(ii) Intangible Assets		1.02		1.00
(iii) Capital Work-in-Progress		33.33		30.88
			768.09	2,459.73
(b) Non Current Investments	12	33.49		35.87
(c) Deferred Tax Asset (net)	4	12.11		44.81
(d) Long Term Loans and Advances	13	135.24		132.46
(e) Other Non Current Assets	14	37.62		50.64
			218.46	263.78
(2) Current Assets				
(a) Inventories	15	1,658.72		1,496.57
(b) Trade Receivables	16	1,097.24		1,163.73
(c) Cash and Bank Balances	17	93.63		95.57
(d)Short Term Loans and Advances	18	405.85		391.93
(e) Other Current Assets	19	359.26		225.82
			3,614.70	3,373.62
Total			4,601.25	6,097.13
Notes forming part of the Consolidated Financial Statements	1 to 35			

As per our attached report of even date

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner
Membership No.034828
Mumbai, May 24, 2017

For and on behalf of Board of Directors

Niraj Bajaj	Rajesh V Shah	Suketu V Shah
Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
DIN: 00028261	DIN: 00033371	DIN: 00033407

S B Jhaveri	K J Mallya
Chief Financial Officer	Company Secretary

Mumbai, May 24, 2017

Consolidated Statement of Profit and Loss For the year ended 31st March, 2017

	Note No.		2016-17 Rs.in crore	2015-16 Rs.in crore
I) Gross Revenue from Operations	21	3,218.66		3,308.00
Less : Excise Duty		345.40		355.47
Net Revenue from Operations			2,873.26	2,952.53
II) Other Income	22		29.16	25.12
III) Total Revenue (I) + (II)			2,902.42	2,977.65
IV) Expenses				
a) Cost of Materials Consumed	23		1,281.29	1,369.80
b) Purchases of Stock-in-Trade			(10.41)	4.86
c) Changes in Inventories of finished goods, work- in-progress/contracts in progress and stock in trade	24		(79.06)	(65.04)
d) Employee Benefit Expense	25		173.36	172.91
e) Finance Costs	26		295.47	292.72
f) Depreciation and Amortization Expense (including share of Joint Ventures)			73.80	77.02
g) Other Expenses	27		1,144.44	1,112.97
Expenditure transferred to Capital Accounts/ Capital Work-in-Progress			(2.72)	(2.35)
Total Expenses			2,876.17	2,962.89
V) Profit / (Loss) for the year before Exceptional Items & tax (III) - (IV)			26.25	14.76
Add / (Less) :				
Exceptional items - Expenditure	28		-	(12.86)
Profit / (Loss) before tax			26.25	1.90
(Less) :				
VI) Tax Expense :				
Current Tax			(0.13)	-
Deferred Tax Charge /(credit)			(2.56)	(2.81)
Excess / (Short) provision for tax in respect of earlier years			0.03	(2.51)
Profit / (Loss) for the year before tax adjustment pertaining to earlier years and share of associates and Minority Interest			23.59	(3.42)
(Less) :				
Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years				
MAT Entitlement Lapsing			(15.53)	-
Deferred Tax Charge due to Lapsing of Business Loss			(33.68)	-
			(25.62)	(3.42)
(Less) :				
Share of Profit in Associates (net)			(0.79)	(2.43)
Minority Interest			(3.50)	(1.67)
VII)Profit / (Loss) for the period			(29.91)	(7.52)
Weighted average number of Equity Shares outstanding during the year			141,405,861	141,405,861
Basic and diluted earnings per share including Exceptional Items (in Rs.)	29		(2.12)	(0.53)
Basic and diluted earnings per share excluding Exceptional Items (in Rs.)	29		(2.12)	0.38
Nominal value of share (in Rs.)			10.00	10.00
Notes forming part of the Consolidated Financial Statements	1-35			

As per our attached report of even date

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner
Membership No.034828
Mumbai, May 24, 2017

For and on behalf of Board of Directors

Niraj Bajaj	Rajesh V Shah	Suketu V Shah
Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
DIN: 00028261	DIN: 00033371	DIN: 00033407

S B Jhaveri	K J Mallya
Chief Financial Officer	Company Secretary

Mumbai, May 24, 2017

Consolidated Cash Flow Statement for the year ended 31st March, 2017

Rs.in crore

		2016-17	2016-17	2016-17	2015-16	2015-16	2015-16
A	**Cash Flow arising from Operating Activities**						
	Profit/(Loss) before Tax and Exceptional Items			**26.25**			14.76
	Add back :						
	a) Depreciation		**73.80**			77.02	
	b) Other Non-cash Expenditure / (Income) - (Net)		**16.70**			12.95	
	c) Finance and Lease Charges - (Net)		**268.03**			269.28	
				358.53			359.25
				384.78			374.01
	Deduct :						
	a) Investment Income		**0.09**			0.01	
	b) Surplus/(Loss) on sale of assets - (Net)		**0.73**			2.94	
				0.82			2.95
	Operating Profit before Working Capital changes			**383.96**			371.06
	Less : Working Capital Changes						
	a) Increase in Trade and Other Receivables	**-**			180.94		
	b) Increase in Other Current Assets	**133.44**			31.49		
	c) Increase in Short Term Loans & advances	**15.73**			38.02		
	d) Increase in Margin Money / Escrow Balance	**7.35**			0.09		
	e) Increase in Inventories	**162.15**			37.78		
	f) Decrease in Trade Payables	**13.60**			24.57		
			332.27			312.89	
	Less :						
	a) Decrease in Trade and Other Receivables	**47.85**			-		
	b) Decrease in Long Term Loans & advances	**2.19**			7.86		
	c) Increase in Other Current Liabilities	**40.19**			71.20		
	d) Increase in Other Long Term Liabilities	**8.39**			9.93		
			98.62			88.99	
	Net Working Capital Changes			**(233.65)**			(223.90)
	Less : Direct taxes paid (net of refunds)			**7.67**			12.35
	Net Cash Inflow / (Outflow) from Operating Activities			**142.64**			134.81
B	**Cash Flow arising from Investing Activities**						
	Inflow						
	a) Sale of Fixed Assets		**0.86**			3.51	
	b) Dividends received		**0.09**			0.01	
	c) Decrease in Loans to Companies		**-**			3.07	
				0.95			6.59
	Deduct Outflow						
	a) Acquisition of fixed assets		**33.21**			44.61	
	b) Acquisition of Investments - (Net)		**-**			-	
				33.21			41.61
	Net Cash Inflow / (Outflow) from Investing Activities			**(32.26)**			(35.02)

Rs.in crore

			2016-17	2016-17	2016-17	2015-16	2015-16	2015-16
C	**Cash Flow arising from Financing Activities**							
	Inflow							
	a)	Increase in Working Capital Loans from Banks - (Net)		**39.34**			-	
	b)	Increase in Other Unsecured Loans - (Net)		**162.24**			205.61	
					201.58			205.61
	Deduct Outflow							
	a)	Decrease in Term Loans - (Net)		**50.48**			10.91	
	b)	Decrease in Working Capital Loans from Banks - (Net)		**-**			10.35	
	c)	Dividend paid		**-**			0.05	
	d)	Finance and Lease Charges - (Net)		**270.81**			278.63	
					321.29			299.94
	Net Cash Inflow / (Outflow) from Financing Activities				**(119.71)**			(94.33)
	Net Increase / (Decrease) in Cash/Cash Equivalents				**(9.33)**			5.46
	Add : Balance at the beginning of the year				**45.69**			40.23
	Add : Cash/Cash Equivalent balance - Acquisition of subsidiaries				**0.04**			-
	Cash/Cash Equivalents at the close of the year				**36.40**			45.69

Note :

Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2017 - Rs.57.05 Crores; 31.03.2016 - Rs.49.84 Crores; 31.03.2015 - Rs.49.64 crore; and in Escrow Account : 31.03.2017 - Rs.0.18 Crore; 31.03.2016 - Rs.0.04 crores; 31.03.2015 - Rs.0.15 crore

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI FR No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai, May 24, 2017

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN: 00033371

S B Jhaveri
Chief Financial Officer

Suketu V Shah
Joint Managing Director
DIN: 00033407

K J Mallya
Company Secretary

Mumbai, May 24, 2017

Notes

1. SHARE CAPITAL

		31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore
Authorised :			
7,000,000 (31 March 2016 : 7,000,000) Preference Shares of Rs.10/- each		**7.00**	7.00
153,000,000 (31 March 2016 : 153,000,000) Equity Shares of Rs.10/- each		**153.00**	153.00
		160.00	160.00
Issued :			
5,626,320 (31 March 2016 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each		**5.63**	5.63
146,273,934 (31 March 2016 : 146,273,934) * Equity Shares of Rs.10/- each		**146.27**	146.27
* Includes 28,031 Equity Shares which have been kept in abeyance by the Stock Exchange Authorities		**151.90**	151.90
Subscribed and fully paid up :			
5,626,320 (31st March 2016 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid up		**5.63**	5.63
141,405,861 (31 March 2016 : 141,405,861) Equity Shares of Rs.10/- each, fully paid up	141.41		141.41
Add :			
Forfeited Shares, amounts originally paid up	0.01		0.01
		141.42	141.42
		147.05	147.05

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

Equity shares

	31-Mar-17		31-Mar-16	
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore
At the beginning of the period	**14.14**	**141.41**	14.14	141.41
Add : issued during the period	**-**	**-**	-	-
Less : bought back during the year	**-**	**-**	-	-
Outstanding at the end of the period	**14.14**	**141.41**	14.14	141.41

Preference shares (CRPS)

	31-Mar-17		31-Mar-16	
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore
At the beginning of the period	**0.56**	**5.63**	0.56	5.63
Add : issued during the period	**-**	**-**	-	-
Less : bought back during the year	**-**	**-**	-	-
Outstanding at the end of the period	**0.56**	**5.63**	0.56	5.63

b. Terms / rights attached to equity shares

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

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

During the year ended 31st March 2017, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2016 : Rs. Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms of redemption of CRPS

Pursuant to the order of the Hon'ble High Court of Judicature at Bombay dated October 14, 2003, the Company had cancelled 22 ½ equity shares issued and unallotted and reduced 20% of the outstanding equity shares amounting to 5,626,320 equity shares. In lieu of cancelled shares, the company has issued 5,626,320 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each entitled for cumulative Preference dividend of 0.01% p.a. and redeemable in five equal annual installments starting from September, 2019. In the event of liquidation of the company before redemption, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

d. The Company does not have any holding Company.

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

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

	31-Mar-17		31-Mar-16	
Equity Shares of Rs. 10/- each fully paid	**Numbers**	**% holding in the class**	Numbers	% holding in the class
Jamnalal Sons Pvt. Ltd.	**26,293,322**	**18.59**	26,293,322	18.59
Life Insurance Corporation of India	**7,228,076**	**5.11**	7,228,076	5.11
Bajaj Holdings & Investments Ltd.	**8,113,564**	**5.74**	8,113,564	5.74
Baroda Industries Pvt. Ltd.	**15,726,616**	**11.12**	15,726,616	11.12
Niraj Bajaj	**11,786,730**	**8.34**	11,802,997	8.35
Rajesh V. Shah	**7,200,842**	**5.09**	7,200,842	5.09

CRPS of Rs. 10/- each fully paid	**Numbers**	**% holding in the class**	Numbers	% holding in the class
Life Insurance Corporation of India	**595,545**	**10.58**	595,545	10.58
Jamnalal Sons Pvt. Ltd.	**474,064**	**8.43**	474,064	8.43

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

g. There are no shares reserved for issue under options and contracts / commitments for sale of shares/disinvestment.

h. There are no unpaid calls from any Director and officer.

		31st March, 2017	31st March, 2016
2. RESERVES AND SURPLUS		**Rs.in crore**	Rs.in crore
Capital Reserve :			
As per last Account		**0.50**	0.50
Capital Redemption Reserve:			
As per last Account		**3.00**	3.00
Securities Premium Account :			
As per last Account		**299.63**	299.63
Revaluation Reserve :			
As per last Account	**1,651.38**		1,655.77
Add/(Less) : Transferred to surplus.	**-**		(4.39)
Less Reversed during the year	**(1,651.38)**		-
		-	1,651.38
Reserve Fund :			
As per last Account		**2.77**	2.77
Currency Fluctuation Reserve - On Consolidation			
As per last Account	**(0.39)**		(1.45)
Add / (Less):			
Increase / (Decrease) for the year on Consolidation	**(0.74)**		1.06
		(1.13)	(0.39)
General Reserve :			
As per last Account	**172.85**		172.85
Add : Transferred to Surplus	**(3.19)**		
		169.66	172.85
Surplus			
As per last Account	**(415.49)**		(407.97)
Surplus / (Deficit) as per Statement of Profit and Loss	**(29.91)**		(7.52)
Transferred to/from General Reserve	**3.19**		
		(442.21)	(415.49)
		32.22	1,714.25

Notes (contd.)

3. LONG TERM BORROWINGS		31st March, 2017	31st March, 2016
		Rs.in crore	Rs.in crore
I. SECURED LOANS			
Term Loans :			
- Banks	**168.95**		240.27
- Others	**160.94**		195.49
		329.89	435.76
Total Secured Loans		**329.89**	435.76
II. UNSECURED LOANS			
Fixed Deposits		**99.67**	30.11
Long Term Loans from Companies		**1,278.65**	1,170.67
Total Unsecured Loans		**1,378.32**	1,200.78
TOTAL LONG TERM BORROWINGS		**1,708.21**	1,636.54

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

Term Loans

(I)	Principal Amount	Balance o/s * as on		Terms of Repayment		Nature of Security
		31/3/2017	31/3/2016	Monthly Instalments	Commencing From	
	Rs In Crore	Rs In Crore				
1	**From Banks:**					
I	50.00	43.05	50.00	36	Nov.'2016	First pari-passu charge against mortgage/ hypothecation of Mukand's freehold land, immovable and movable fixed assets both present and future of Mukand at its plant at Kalwe and Dighe, Dist. Thane, in the State of Maharashtra and land, immovable and movable fixed assets both present and future of Mukand at its existing steel plant at Ginigera/Kankapura, Dist. Ginigera in the State of Karnataka except assets given as security for term loans at 1(V) and 2(XIV) and (XVI) below. These loans are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.
II	50.00	42.71	50.00	48	Aug.'2016	
III	50.00	41.67	50.00	48	Sept.'2016	
IV	50.00	45.20	50.00	42	Oct.'2016	
	50.00	42.80	50.00	42	Dec.'2016	
V	35.00	0.00	6.99	60	April'2012	Hypothecation of plant and machinery and other moveable assets of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka.
VI	30.00	27.00	30.00	60	May'2016	Mortgage of two residential premises at Mumbai
2	**From Other Parties :**					
I	50.00	0.00	14.40	36	Nov.'2013	Mortgage of 50 acres of lease hold land at Dighe, Thane
	50.00	0.00	11.22	36	Jan.'2014	
II	75.00	9.22	36.88	36	Aug.'2014	
III	60.00	32.44	51.53	36	Oct.'2015	Mortgage of 50 acres of lease hold land at Dighe, Thane and 43.14 acres of leasehold land at Sinnar Dist - Nashik in the state of Maharashtra.
IV	50.00	2.00	50.00	13	April'2016	
V	75.00	58.41	75.00	36	July'2016	
VI	75.00	75.00	75.00	36	April'2017	
VII	50.00	50.00	0.00	36	Jan.'2018	
VIII	100.00	100.00	0.00	6	Sept.'2017	
IX	14.00	0.00	6.14	30	Oct.'2014	Mortgage of a residential premises at Delhi.
X	15.00	1.36	9.21	24	June'2015	Mortgage of 5 acres of leasehold land at Dighe Thane.
XI	11.00	4.03	8.39	30	Aug.'2015	Extension of mortgage of 5 acres Leasehold Land at Dighe Thane and residential premises at Delhi.
XII	8.68	3.50	6.89	30	Sept.'2015	Mortgage of residential premises at Mumbai.
XIII	25.00	25.00	0.00	30	June.'2017	Mortgage of residential premises at Mumbai, residential premises at Delhi and 5 acres of lease hold land at Dighe,Thane.
XIV	50.00	1.27	15.32	58	July'2012	Hypothecation of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at 1 above & for working capital facilities.
XV	37.45	7.20	16.75	58	Feb.'2013	Hypothecation of Plant & Machinery of Sinter Plant, Hot Blast Stoves and Pulverising Plant at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka
XVI	6.42	1.39	0	36	April'2017	Hypothecation of Plant & Machinery - Ultrasonic Testing Machine at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka .
	1067.55	613.25	663.72			
*	Includes current maturity of long term debt amounting to Rs.283.37 Cr (Previous year Rs.227.96 Cr.) shown at Note No.9 - Other Current Liabilities.					
(II)	For details of loans received from related parties, please refer Note No.33.					

4. DEFERRED TAX ASSET / (LIABILITY) (NET)		31st March, 2017	31st March, 2016
		Rs.in crore	Rs.in crore
Deferred Tax Asset (net)			
Deferred Tax Asset	**126.82**		163.61
Less : Deferred Tax Liability	**114.71**		118.80
		12.11	44.81
		12.11	44.81
Deferred Tax Liability (net)			
Deferred Tax Asset	**17.36**		22.86
Less : Deferred Tax Liability	**24.93**		26.90
		(7.57)	(4.04)
		(7.57)	(4.04)

Rs. in crore

		As at 31.03.2016	Charge/ (Credit) for the year 2016-17	As at 31.03.2017
a)	**Mukand :**			
	Components of Deferred tax assets/ (liabilities) are as under :			
	Deferred Tax Asset on account of :			
	Employee benefits, etc	**12.89**	**(1.30)**	**14.19**
	Taxes, Duties, Cess, Interest to Banks/ FIs', etc	**0.25**	**-**	**0.25**
	Provision for doubtful debts	**0.09**	**0.02**	**0.07**
	Unabsorbed Depreciation/ Business Loss, etc	**150.37**	**38.06**	**112.31**
		163.60	**36.78**	**126.82**

Rs. in crore

	As at 31.03.2016	Charge/ (Credit) for the year 2016-17	As at 31.03.2017
Deferred Tax liability on account of :			
Depreciation	**118.80**	**4.23**	**114.57**
Others	**-**	**(0.15)**	**0.15**
	118.80	**4.08**	**114.72**
Net Deferred Tax Asset/(Liability) $	**44.80**	**32.70**	**12.10**

$ Deferred Tax Asset aggregating Rs.26.47 crore (Previous year Rs.26.47 crore) was not recognised considering the principle of virtual certainty as stated in the Accounting Standard AS-22-Accounting for taxes on Income.

b) MGFL

Deferred Tax Assets on account of :			
Depreciation/Provision for Employee Benefits	**0.01**		**0.01**
	0.01		**0.01**
Deferred Tax Liability on account of :			
Depreciation	**-**		**-**
Net Deferred Tax Asset	**0.01**		**0.01**

c) MSMPL

Deferred Tax Assets on account of :			
Unabsorbed Depreciation / Business Loss	**22.86**	**5.50**	**17.36**
	22.86	**5.50**	**17.36**
Deferred Tax Liability on account of :			
Depreciation	**26.90**	**(1.97)**	**24.93**
Net Deferred Tax Liability	**(4.04)**	**3.53**	**(7.57)**

d) VCL

Deferred tax asset aggregating Rs.0.20 crore (Previous year 0.58 crore) has not been recognised by way of prudence in accordance with Accounting Standard AS-22 – Accounting for taxes on income.

5. OTHER LONG TERM LIABILITIES	**31st March, 2017**	31st March, 2016
	Rs.in crore	Rs.in crore
Other Liabilities	**6.26**	4.00
	6.26	4.00

6. LONG TERM PROVISIONS		
for Employee Benefits	**40.10**	43.91
	40.10	43.91

7. SHORT TERM BORROWINGS		
I. SECURED LOANS		
Working Capital Loans from Banks	**658.62**	625.48
II. UNSECURED LOANS		
Short Term Loans from Companies	**348.76**	314.39
Share of Joint Ventures	**0.01**	0.01
	1,007.39	939.88

Short Term Borrowings - Secured

(I) Working Capital Facilities of Mukand

(a) Working Capital Facilities from the Banks and other non-funded facilities are secured by hypothecation of stocks (excluding machinery spares) and book debts. The said facilities are also secured by way of second and subservient pari passu charge against the same assets as given to lenders as shown at Note No.3 I (1).

Assets excluded from security given to secured lenders at Note No. 3 & 7.

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

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

Leasehold land at Dighe, Thane, as it is mortgaged to Lenders covered at Note No.3 (I) (2) (i) to (viii), (x) and (xi).

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

Plant and Machinery of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) (1) (v).

Plant and Machinery of Sinter Plant, Hot Blast Stove and Pulverising Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.3(I) (1) (xv).

161.47 acres of freehold land in the State of Jharkhand, for Mukand's projects in that state.

All other fixed asset situated at locations other than its plant at Kalwe, Dighe Thane in the state of Maharashtra and its existing steel plant at Ginigera in the state of Karnataka

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

8. TRADE PAYABLES	**31st March, 2017**	31st March, 2016
	Rs.in crore	Rs.in crore
Dues to Micro Entreprises and Small Enterprises	**0.70**	1.95
Other than Micro Entreprises and Small Enterprises		
Acceptances	**421.14**	477.67
Trade Payables	**416.93**	374.45
	838.77	854.07

9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	**283.37**	269.70
Interest accrued but not due on borrowings	**49.81**	49.38
Interest accrued and due on borrowings	**9.37**	1.70
Unpaid Dividends (represents amounts unclaimed) #	**0.11**	0.11
Unpaid matured deposits (represents amount unclaimed) #	**1.34**	1.89
Liability towards Employee Benefits	**8.83**	8.81
Advances against Orders and Engineering Contracts	**59.66**	39.99
Liabilities for Property Development (Refer Note below)	**142.67**	142.57
Statutory Liabilities	**109.42**	97.73
Acceptance / Payables for Capital Expenditure	**20.00**	20.57
Others	**5.55**	2.90
Share of Joint Ventures	**0.05**	0.32
# No amounts are due & outstanding, to be credited to Investor Education and Protection Fund	**690.18**	635.67

Note:

VCL has entered into a development agreement for its land at Vidyavihar for a consideration of residential flats to be made available to VCL at the developer's own cost and an additional consideration as compensation payable for Government dues. Advances received against reservation / allotment of flats in this regard amounting to Rs.117.16 crore (excluding compensation for TDR) (Previous Year Rs.117.14 crore) has been included in other current liabilities under the head "Advance Towards Property Development". As per the accounting policy on recognition of income consistently followed by VCL, the consideration will be accounted for in the year in which the possession of constructed flats is handed over and the sale of land is completed.

10. SHORT TERM PROVISIONS		
for Employee Benefits	**6.54**	5.41
for NPA as per RBI Prudential Norms	**1.02**	-
for Standard Assets as per RBI Prudential Norms	**0.36**	0.34
for Warranty Costs	**0.38**	0.27
	8.30	6.02

Notes (contd.)

11. FIXED ASSETS (31st March, 2017) Rs.in crores

	GROSS BLOCK					DEPRECIATION/AMORTIZATION				NET BLOCK
	As at 1st April, 2016	Additions/ Adjustments	Deductions/ Adjustments	Additions to Revalued Assets	As at 31st March, 2017	As at 1st April, 2016	For the year	Adjustments/ Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
(i) Tangible Assets										
Land (Including Leasehold Land)	1,721.11	0.06	-	(1,673.34)	47.83	24.20	0.33	21.95	2.58	45.25
Railway Siding	13.82	-	-		13.82	5.93	1.02	-	6.95	6.87
Buildings	195.69	0.89	0.01		196.57	89.53	5.37	0.01	94.89	101.68
Plant and Machinery	1,515.26	28.27	0.30		1,543.23	904.13	65.14	0.27	969.00	574.23
Furniture, Fixtures, etc.	11.95	1.24	0.08		13.11	8.44	0.84	0.08	9.20	3.91
Vehicles	4.47	0.14	0.37		4.24	2.22	0.49	0.27	2.44	1.80
Sub-Total	**3,462.30**	**30.60**	**0.76**	**(1,673.34)**	**1,818.80**	**1,034.45**	**73.19**	**22.58**	**1,085.06**	**733.74**
(ii) Intangible Assets										
Software	2.75	0.48	-	-	3.23	1.75	0.46	-	2.21	1.02
Goodwill	-	0.15	-	-	0.15	-	0.15	-	0.15	-
Sub-Total	**2.75**	**0.63**			**3.38**	**1.75**	**0.61**	**-**	**2.36**	**1.02**
Share of Joint Ventures	-	-	-	-	-	-	-	-	-	-
Total (i) + (ii)	**3,465.05**	**31.23**	**0.76**	**(1,673.34)**	**1,822.18**	**1,036.20**	**73.80**	**22.58**	**1,087.42**	**734.76**
(iii)a) Capital Work-in-Progress, expenditure to date										33.33
b) Capital Work-in-Progress, Share of Joint Ventures										-
Total										768.09

FIXED ASSETS (31st March, 2016)	GROSS BLOCK					DEPRECIATION/AMORTIZATION				NET BLOCK
	As at 1st April, 2015	Additions/ Adjustments	Deductions/ Adjustments	Additions to Revalued Assets	As at 31st March, 2016	As at 1st April, 2015	For the year	Adjustments/ Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
(i) Tangible Assets										
Land (Including Leasehold Land)	1,721.11	1.55	1.55	-	1,721.11	20.88	4.74 (*)	1.42	24.20	1,696.91
Railway Siding	13.82	-	-	-	13.82	4.91	1.02	-	5.93	7.89
Buildings	195.49	0.20	-	-	195.69	83.65	5.88	-	89.53	106.16
Plant and Machinery	1,473.00	45.27	3.01	-	1,515.26	839.13	67.89	2.89	904.13	611.13
Furniture, Fixtures, etc.	12.53	1.56	2.14	-	11.95	9.43	1.03	2.02	8.44	3.51
Vehicles	4.63	0.35	0.51	-	4.47	2.04	0.50	0.32	2.22	2.25
Sub-Total	**3,420.58**	**48.93**	**7.21**	**-**	**3,462.30**	**960.04**	**81.06**	**6.65**	**1,034.45**	**2,427.85**
(ii) Intangible Assets										
Software	1.55	1.20	-	-	2.75	1.40	0.35	-	1.75	1.00
Goodwill	-	-	-	-	-	-	-	-	-	-
Sub-Total	**1.55**	**1.20**	**-**	**-**	**2.75**	**1.40**	**0.35**	**-**	**1.75**	**1.00**
Share of Joint Ventures	-	-	-	-	-	-	-	-	-	-
Total (i) + (ii)	**3,422.13**	**50.13**	**7.21**	**-**	**3,465.05**	**961.44**	**81.41**	**6.65**	**1,036.20**	**2,428.85**
(iii)a) Capital Work-in-Progress, expenditure to date										29.55
b) Capital Work-in-Progress, Share of Joint Ventures										1.33
Total										2,459.73
* Includes Rs. 4.39 crore (Previous year Rs.4.39 crore) withdrawn from Revaluation Reserve										

a) Revaluation:

Mukand :

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

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

In view of enactment of The Companies (Accounting Standards) Amendment Rules, 2016 by Notification No. GSR 364(3) dated 30th March 2016, applicable from 1st April 2016, Company has chosen to adopt original cost in place of revalued amount as per Accounting Standard AS-10-Property, Plant and Equipment and accordingly, the revaluation reserve amounting to Rs.1,651.38 Crore appearing in the Books of Account of the Company as at 31st March 2016 with regard to revaluation of Company's free hold/lease hold lands at Kalwe/Dighe, Thane is reversed in the Books of Account on 1st April 2016.

b) Gross Block of buildings as at 31st March, 2017 includes value of offices, residential flats and garages in co-operative societies/ proposed co-operative societies/ association of apartment owners aggregating Rs.6.33 crore at cost (Previous Year Rs.6.34 crore) [including cost of shares in co-operative societies Rs.7,000/- (Previous Year Rs.7,000/-].

c) Fixed Assets include borrowing costs of Rs.2.13 crore capitalised during the year (Previous year Rs.1.64 crore)

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

Rs. in crore

	As at 31.3.2017	As at 31.3.2016
For a period not later than one year.	**1.40**	2.10
For a period later than one year and not later than five years.	**0.37**	1.14
For a period later than five years.	**0.04**	-
Total	**1.81**	3.24

Lease rental charged to revenue for the current year Rs.2.86 crore (Previous Year Rs.2.80 crore)

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

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

	As at 31.3.2017 Rs.in crore	As at 31.3.2016 Rs.in crore
For a period not later than one year.	**0.06**	0.11
For a period later than one year and not later than five years.	**0.15**	0.21
For a period later than five years.	**-**	-
Total	**0.21**	0.32

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

Gross carrying amount of assets: Rs.2.95 crore (Previous year Rs.3.07 crore).

Accumulated depreciation upto 31.03.2017: Rs.0.93 crore (Previous year Rs. 0.96 crore).

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

12.NON-CURRENT INVESTMENTS

At Cost / Value after providing for diminution [Refer Note 18 (a) & (b)

		31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore
A. Trade (Unquoted)		**-**	-
B. Others (Quoted)		**29.91**	30.47
C. Others (Unquoted)	**16.34**		16.58
Less : Provision for diminution in the value of investments	**12.76**		11.18
		3.58	5.40
		33.49	35.87

	Book Value as at		Market Value as at	
	31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore	31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore
Quoted Investments	**29.91**	**30.47**	**22.45**	12.53
Unquoted Investments	**3.58**	**5.40**		
	33.49	**35.87**		

Investments in Equity Shares of Associates / Joint Ventures.

Rs. in crore

	Name of the Associate	As at 31st March 2017	As at 31st March 2016
(i)	Mukand Engineers Limited	**19.78**	19.78
	Including Goodwill of Rs.7.99 crore		
	Share of post acquisition accumulated Profits/Reserves	**10.62**	13.03
	Share of current Profit	**(0.56)**	(2.41)
		29.84	30.40
(ii)	Stainless India Limited	**13.68**	13.68
	Including Goodwill of Rs.7.02 crore.		
	Share of post acquisition accumulated Loss	**(13.68)**	(13.68)
	Share of current (Loss)	**-**	-
		-	-
(iii)	Bombay Forgings Limited	**0.19**	0.19
	Share of post acquisition accumulated profits	**8.26**	8.28
	Share of current Profit / (Loss)	**(0.23)**	(0.02)
	Less: Provision for diminution in value of investments.	**(7.85)**	(7.85)
		0.37	0.60
(iv)	Hospet Steels Ltd.	**0.10**	0.10
	Share of post acquisition loss	**(0.10)**	(0.10)
		-	-

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

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

		31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore
Loans and Advances		**0.04**	0.04
Advances recoverable in cash or in kind or for value to be received		**40.71**	39.76
Capital Advances		**9.08**	8.31
Advance payment of Income-tax (net)		**58.23**	53.26
Balances, etc. with --			
Port Trust, Central Excise, etc.	**9.73**		12.66
Others	**17.45**		18.43
		27.18	31.09
		135.24	132.46

14. OTHER NON-CURRENT ASSETS

MAT Entitlement Credit		**37.60**	50.52
Others		**0.02**	0.12
		37.62	50.64

15. INVENTORIES

[For mode of valuation refer Note No.30 F]			
Raw Materials	**127.29**		83.62
Raw Materials in Transit	**93.54**		50.22
Total Raw Materials		**220.83**	133.84
Work-in-Process		**117.15**	130.68
Contracts in Progress [Refer Note No. 21 H (v) and Note 30]		**279.45**	303.39
Finished Goods		**994.96**	867.62
Stores, Spares, Fuel, Components and Engineering Construction Materials	**40.91**		49.46
Stores in Transit	**4.01**		10.30
Total Stores, Spares, Fuel, Components and Engineering Construction Materials		**44.92**	59.76
Fuel		**1.23**	1.11
Loose Tools		**0.09**	0.08
Stock-in-trade of Property Development business		**0.09**	0.09
		1,658.72	1,496.57

16. TRADE RECEIVABLES, (Unsecured)

[Refer Note 18 (a) and (c)]			
More than six months from the due date of payment :			
Considered good	**560.09**		489.56
Considered doubtful	**-**		-
Less : Provision	**-**		-
	-		-
		560.09	489.56
Others :			
Considered good		**537.15**	674.17
		1,097.24	1,163.73

17. CASH AND BANK BALANCES

Cash on hand (including cheques on hand Rs.3.47 crore; Previous year Rs.0.40 crore and stamp papers on hand Rs.0.06 crore Previous year Rs.0.06 crore)		**3.63**	0.56
Balances with Banks :			
(i) In Current Accounts	**20.67**		29.23
(ii) In Unpaid Dividend Accounts	**0.11**		0.11
(iii) In Escrow Account	**0.18**		0.04
(iv) In Margin Money Accounts #	**57.05**		49.84
(v) In Deposit Accounts	**5.31**		6.25
		83.32	85.47
Remittances-in-Transit		**6.68**	9.54
Share of Joint Ventures		**-**	-
		93.63	95.57

under lien with Banks

Notes (contd.)

Details of Specified Bank Notes

	SBNs	Other Denomination	Total
	Rs.	Rs.	Rs.
Closing cash in hand as on 08.11.2016	7,47,500	6,36,403	13,83,903
(+) Permitted Receipts			
(-) Permitted Payments			
(-) Amount deposited in Banks	7,47,500		
Closing cash in hand as on 30.12.2016		7,98,344	7,98,344

Specified Bank Notes is defined as Bank Notes of denomination of the existing series of the value of Rs.500 & Rs.1,000 as per notification no. SO 340E dated 8.11.2016.

Permitted Receipts, "Permitted Payments", "Amount deposited in Banks" is applicable in case of SBNs only.

			31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore
18.	**SHORT TERM LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED**			
	Loans and Advances		**153.95**	152.64
	Considered doubtful			27.50
	Less : Provision			(27.50)
			153.95	152.64
	Advances recoverable in cash or in kind or for value to be received	**226.27**		209.57
	Considered doubtful	**0.23**		0.23
	Less : Provision	**(0.23)**		(0.23)
		-		---
			226.27	209.57
	Balances, etc. with --			
	Port Trust, Central Excise, etc.	**25.45**		29.54
	Others	**0.18**		0.18
			25.63	29.72
	Share of Joint Ventures		**-**	-
			405.85	391.93

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

(a) Mukand has investments of Rs.0.19 crore (Previous Year Rs.0.19 crore) in equity shares of Bombay Forgings Limited (BFL), and has trade receivables due from BFL/advances recoverable which stood at Rs.81.82 crore as at 31st March 2017 (Previous Year Rs.78.09 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered assets of BFL as at 31st March, 2017 which is at Rs.65.41 crore, value of current assets aggregating Rs.51.73 crore and relies upon the future earnings from the ongoing business of BFL. The management considers the balance 'Exposures' to be 'Good' at the close of the year and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.

(b) MGFL has outstanding Loans and interest dues aggregating Rs.83.67 crore (Previous year Rs.78.01 crore) due from Companies. The networth of these Companies has eroded. These loans have been renewed for further periods. During the year, MGFL has written off interest of Rs.0.91 crore as bad debt and made provision for doubtful recovery of loan amounting to Rs.1.02 crore in respect of an investment Company as per Non-Systemically Important Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

MGFL had investments aggregating to Rs.8.10 crore (at cost) in Equity Shares (aggregating to Rs.6.00 crore) and in Preference shares (aggregating to Rs.2.10 crore of companies whose net worth has eroded. The Company's investments in an investment Company aggregating to Rs.1.74 crore (At Cost) were fully provided for diminution in the value during the financial year 2007-2008. During the year 2014-15, the Company has fully provided for the diminution in the value of investment in an investment Company amounting to Rs.1.59 crore. During the year under report, Company has fully provided for diminution in the value of investment in another investment Company amounting to Rs.1.59 Cr. The Management believes that the ultimate losses that may result on account diminution in value of such investments will depend upon the amount that would be realised from the financial assets of these companies.

(c) VCL has loans aggregating Rs.8.58 crore (Previous Year Rs.8.58 crore) recoverable from certain investment companies. As a matter of financial prudence, VCL has not recognised the revenue on these loans. The Management believes that ultimate losses that may result on account of these loans / interest dues will depend upon the amount that would be realised from the financial assets of these companies.

(d) Details of loans and advances in the nature of loans recoverable from associates (Stipulated under Regulation 34 (3) and 53 (f) of the Listing Obligations and Disclosures Requirements Regulations, 2015).

Rs. in crore

	Outstanding Amount		Maximum Amount during the year	
Name of the Party	**As at 31.03.17**	As at 31.03.16	**2016-17**	2015-16
Stainless India Ltd. (Net of amounts written off/provided for)	**-**	9.13	**9.13**	9.13

(e) MEL has, as at 31st March, 2017 loans including interest aggregating Rs.6.66 crore (Previous Year Rs.8.80 crore) due from investment companies. The net worth of these companies has eroded. On the undertaking by these companies to pay the principal amount along with interest, (accrued upto 31st March, 2003) MEL had agreed to waive interest on these loans with effect from 1st April, 2003. As a matter of prudence, MEL had already stopped accounting for interest income on these loans with effect from 1st April, 2003. The management of MEL, based on its assessment of the estimated realisable values of the financial assets of these companies, believes that MEL would still be able to recover the loans and interest as mentioned above.

19. OTHER CURRENT ASSETS

	31st March, 2017 Rs.in crore	31st March, 2016 Rs.in crore
Interest receivable [Refer Note 18 (c) & 26]	**359.26**	225.82
	359.26	225.82

20. (a) Contingent Liabilities not provided for :

		31.3.2017 Rs. in crore	31.3.2016 Rs. in crore
(i)	Disputed matters in appeal/contested in respect of:		
	- Income Tax *	**37.19**	37.19
	- Excise Duty, Customs Duty etc.	**8.56**	4.55
	- Sales Tax, Works Contract Tax etc. **	**0.33**	4.90
	- Other matters	**5.56**	3.95

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

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

(ii)	Claims against the Company not acknowledged as debt	**21.06**	13.96
(iii)	Bills discounted with the Bankers and others Sale Bills discounted	**-**	-
(iv)	Guarantees and Counter guarantees given on behalf of :-		
	- Associates	**120.76**	115.00
	- Others	**-**	-
(v)	Bonds / Undertakings given by Mukand/ MSMPL under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	**0.66**	0.84
(vi)	Bonds given by Mukand/ MSMPL against import of machinery under EPCG Scheme	**-**	-
(vii)	Share in the contingent liabilities of Associates	**2.30**	2.05
(viii)	Arrears of dividend on preference shares for FY 2016-17 - Rs.5,627/-, FY 2015-16 Rs.5,627/- and FY 2014-15 Rs. 5,627/- in view of ammendment to section 123 of the Companies Act, 2013.		
(ix)	Share in the contingent liabilities of Joint Ventures	**-**	-

Notes (contd.)

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

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

(xii) There have been delays in payment of tax deducted at source by Mukand in earlier years and also in FY2016-17. Interest payable on delays has been accounted for in respect of cases where appropriate orders have been received from Income Tax authorities or at the time of filing Quarterly TDS Returns.

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

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

		Rs.in crore 31.3.2017	Rs. in crore 31.3.2016
b)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	**21.24**	12.48

21. REVENUE FROM OPERATIONS

		2016-17 Rs.in crore	2015-16 Rs.in crore
i) REVENUE FROM OPERATIONS			
(a) Sale of Products and Services			
1. Steel Products	**2,845.26**		2,965.20
2. Engineering Contracts and Job Work	**338.52**		302.04
3. Others	**0.30**		0.25
Total	**3,184.08**		3,267.49
Less : Excise Duty	**345.40**		355.47
Net Sales		**2,838.68**	2,912.02
(b) Interest from Financing Activities		**12.24**	11.26
(c) Income from Property Development Activities		**1.62**	1.52
Total Revenue from Operations		**2,852.54**	2,924.80
ii) Other Operating Revenues			
a) Sale of Scrap and Sundries		**6.79**	9.27
b) Sales-tax / VAT Refunds		**1.11**	0.58
c) Interest Received from Banks		**3.99**	4.24
d) Insurance Claims etc.		**1.19**	4.98
e) Credit balances appropriated		**2.10**	0.12
f) Other Miscellaneous receipts		**5.53**	4.17
g Bad debts recovered		**0.01**	-
h) Excess provisions written back (net) (Including for Non Performing Assets)		**(0.05)**	3.66
i) Surplus on account of sale of Assets		**0.05**	0.71
Total Other Operating Revenues		**20.72**	27.73
Total Sales and Services and Other Operating Revenues		**2,873.26**	**2,952.53**

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

	Rs.in crore FY2016-17	Rs. in crore FY2015-16
The amount of Contract revenue recognised as revenue during the year.	**-**	-
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	**750.31**	750.31
The amount of advances received (Gross)	**-**	-
The amount of retentions (included in sundry debtors) (net balance)	**-**	-
Amount due to customers	**-**	-
Amount due from customers	**48.36**	54.82

b) Mukand in previous years executed road construction projects in the state of Uttar Pradesh with National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. During the year an amount of Rs.23.20 crore (including interest) was realised towards various claims.The exposure on this account as at the end of the financial year aggregate Rs.113.54 crore (Previous Year: Rs.120.00 crore). The management has, keeping in view the accounting policy at Note No.30 H(v) adopted by Mukand, technically determined the realisable value of Contracts in Progress compared to relatable revenues and claims raised on NHAI by CDS. The outcome of the Road Construction activity cannot be estimated with certainty at present. Pending claims (excluding interest) aggregate Rs.288.42 crore (Previous Year: Rs.298.93 crore). Bulk of these claims are now being processed at the level of Tribunal as against the level of consulting engineers in the previous year.

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

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

	Rs. in crore 2016-17	Rs. in crore 2015-16
The amount of Contract revenue recognised as revenue during the year.	**136.54**	166.67
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	**1,783.18**	1,646.46
The amount of advances received (Gross)	**11.91**	13.67
The amount of retentions (included in sundry debtors) (net balance)	**78.27**	70.70
Amount due to customers	**-**	-
Amount due from customers	**204.95**	231.75

22.OTHER INCOME

		2016-17 Rs.in crore	2015-16 Rs.in crore
a) Rent received		**0.45**	0.47
b) Additional conpensation on acquisition of land in earlier years		**-**	2.49
c) Surplus on sale of premises		**0.69**	-
d) Surplus on Redemption of Investment in Mutual Fund		**0.04**	-
e) Delay Payment Charges Received		**16.14**	9.95
f) Interest Received from Others		**11.75**	12.20
g) Dividends (Gross) :			
from Other Investments (long term)	**-**		-
from Other Investments (short term)	**0.09**		0.01
		0.09	0.01
Total Other Income		**29.16**	25.12

23.RAW MATERIALS CONSUMED

Opening Stocks	**83.62**	146.94
Add : Purchases	**1,324.98**	1,308.12
Less : Sales / Materials given on loan	**0.02**	1.64
	1,408.58	1,453.42
Less : Closing Stocks	**127.29**	83.62
	1,281.29	1,369.80

Notes (contd.)

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS / CONTRACTS IN PROGRESS AND STOCK-IN-TRADE	Rs.in crore 2016-17	Rs. in crore 2015-16
Opening Stocks	**1,301.78**	1,212.74
Less : Closing Stocks	**1,391.65**	1,301.78
Variation in Stocks	**(89.87)**	(89.04)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	**10.81**	24.00
(Increase) / Decrease in Stocks	**(79.06)**	(65.04)

25.EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages, Bonus, Compensation and Other Payments	**142.42**	138.88
Contribution towards Employees' State Insurance, Provident and Other Funds	**16.87**	20.35
Welfare Expenses	**14.07**	13.68
	173.36	172.91

26.FINANCE COSTS		
Interest Expenses (Net) (Refer Note below)	**293.10**	289.59
Less : Interest Capitalised	**2.13**	1.64
	290.97	287.95
Other Borrowing Costs	**4.50**	4.77
	295.47	292.72

Note:

Working Capital facilities obtained from banks by Mukand are against hypothecation of stock and book debts. Finance costs include interest on inventory and book debts. Mukand sells goods on credit on interest to customers to compensate it for such finance costs. Interest income generated from book debts amounting to Rs.143.82 crore (previous year Rs.129.26 crore) is netted against same source of interest expense under finance costs.

27.OTHER EXPENSES		2016-17 Rs.in crore	2015-16 Rs.in crore
Stores, Spares, Components, Tools, etc. consumed		**446.13**	445.62
Power and Fuel consumed		**192.24**	198.15
Machining and Processing charges		**203.83**	167.03
Sub-contracting expenses		**55.12**	49.32
Other Manufacturing expenses		**63.61**	57.77
Property Development Expenses		**1.62**	1.52
Rent (net)		**1.11**	1.04
Repairs:			
to Buildings	**2.78**		2.96
to Plant and Machinery	**8.02**		7.53
to Other assets	**2.83**		2.17
		13.63	12.66
Rates and Taxes		**4.15**	3.73
Insurance		**1.58**	1.36
Commission		**5.15**	7.00
Freight, Forwarding & Warehousing (net)		**79.76**	78.58
Directors' Fees and Travelling Expenses		**0.43**	0.36
Bad Debts,debit balances & claims written off	**48.30**		11.46
Less : Doubtful debts provided in earlier years	**30.00**		0.07
		18.30	11.39
Provision for doubtful debts / advances		**0.01**	0.12
Provision for Non-Performing Assets		**1.02**	-
Provision for diminution in value of Investments		**1.59**	-
Loss on assets discarded / impaired		**-**	0.14
Loss on assets sold (net)		**0.02**	0.12
Loss on variation in foreign exchange rates (net)		**1.78**	24.54
Miscellaneous Expenses		**52.03**	52.52
Share of Joint Ventures		**1.33**	-
		1,144.44	1,112.97

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

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

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

28.Exceptional Items (Net) include:	Rs.in crore 2016-17	Rs. in crore 2015-16
Bad debts written off	**-**	(12.86)
	-	(12.86)

29.Computation of Profit for Earnings per Share :		
Net Profit /(Loss) after taxation as per Statement of Profit & Loss	**(29.91)**	(7.52)
Less : Dividends and tax thereon	**-**	-
Net Profit /(Loss) for calculation of basic/ diluted EPS [including exceptional items]	**(29.91)**	(7.52)
Net Profit /(Loss) for calculation of basic/ diluted EPS [excluding exceptional items]	**(29.91)**	5.34
Weighted average number of equity shares outstanding	**141,405,861**	141,405,861
Basic and diluted EPS in Rs (Face Value Rs.10 per share) [including exceptional items]	**(2.12)**	(0.53)
Basic and diluted EPS in Rs (Face Value Rs.10 per share) [excluding exceptional items]	**(2.12)**	0.38

30. BASIS AND PRINCIPLES OF CONSOLIDATION

a) The consolidated financial statements of the group have been prepared based on a line-by-line consolidation of the financial statements of Mukand Limited and its subsidiaries using uniform accounting policies for like transactions and other events in similar circumstances except for the changes in accounting policy discussed more fully below. All material inter-company balances and transactions are eliminated on consolidation. Mukand Limited and all the subsidiaries have closed books of accounts as at March 31, 2017 as year-end for the purpose of preparing the consolidated financial statements of the group.

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

c) Interest in Jointly Controlled Entity is accounted as per the Proportionate Consolidation Method prescribed under Notified Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements' under Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. These standards shall be deemed to be accounting standards until accounting standards are specified by the Central Government under section 133.

d) Assets and liabilities of subsidiaries are translated into Indian rupees at the rate of exchange prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian rupees at average of twelve months closing rates and the resulting net translation adjustment aggregating Rs.0.74 crore (Previous Year Rs.1.06 crore) has been adjusted to Reserves.

e) Accordingly, the Consolidated Financial Statements (CFS) include the results of eight wholly owned subsidiaries, one subsidiary, one joint venture and four associates. The names, country of incorporation and proportion of ownership is given hereunder:

Name of the Company	Country of Incorporation	Percentage of shareholding	Consolidated as
Mukand Global Finance Ltd. (MGFL)	India	100.00	Subsidiary
Vidyavihar Containers Ltd. (VCL)	India	100.00	Subsidiary
Mukand International Ltd. (MIL)	UK	100.00	Subsidiary
Mukand International FZE (MIFZE)	UAE	100.00	Subsidiary

Name of the Company	Country of Incorporation	Percentage of shareholding	Consolidated as
Mukand Sumi Metal Processing Ltd. (MSMPL)	India	60.07	Subsidiary
Mukand Alloy Steels Pvt. Ltd. (MASPL)	India	100.00	Subsidiary
Mukand Vijayanagar Steel Ltd (MVSL)	India	100.00	Subsidiary
Whiteleaf Heavy Machinery Pvt Ltd (WHMPL)	India	100.00	Subsidiary
Technosys Industrial Machinjery Pvt Ltd (TIMPL)	India	100.00	Subsidiary
Mukand Vini Mineral Ltd. (MVML)	India	49.01	Joint Venture
Mukand Engineers Ltd. (MEL)	India	36.11	Associate
Bombay Forgings Ltd. (BFL)	India	24.00	Associate
Stainless India Ltd. (SIL)	India	48.30	Associate
Hospet Steels Ltd. (HSL)	India	39.00	Associate

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

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

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

Statement of significant accounting policies and practices.

A] Basis of preparation:

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

B] Use of Estimates:

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

C] Fixed Assets:

(a) Tangible Assets:

(i) Fixed Assets are stated at cost of acquisition or construction. However, fixed assets, which are revalued by the Company, have now been stated at their original cost in view of adoption of original cost as per Revised Accounting Standard 10 - Property, Plant & Equipment under The Companies (Accounting Standards) Rules, 2016.

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

(b) Intangible Assets:

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

(c) Depreciation/ Amortisation:

(i) The Company provides depreciation on all its assets on the "Straight Line Method" in accordance with the provisions of Section 123 (2) of the Companies Act, 2013 which was made effetive from 01.04.2014. Company has reworked depreciation with reference to the estimated useful life of fixed assets as prescribed under schedule II to the act or useful life of fixed assets as per technical evaluation.

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

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

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

(v) Depreciation on addition to assets or on sale / discardment of assets is calculated pro-rata from the month of such addition or upto the month of such sale / discardment, as the case may be.

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

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

(viii) By the foreign subsidiaries –on methods and at rates applicable under local laws or at such rates so as to write-off the value of assets over its useful life.

D] Impairment of Assets :

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

E] Investments:

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

F] Inventories:

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

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

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

G] Foreign currency translations :

(i) All transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transaction.

(ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. The resultant gain or loss is accounted for during the year.

(iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expenditure over the life of the contract. The outstanding forward contracts in case of firm commitments and highly provable forecast transactions, are marked to market and its effect is recognised as income/ expenditure. Further, the exchange differences arising on such contracts are recognised as income or expenditure along with the exchange differences on the underlying assets/ liabilities. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.

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

(v) In accordance with the approval obtained by MIL from the Inland Revenue Department, the currency of accounting of MIL was changed from GBP to USD from 1.04.1997.

H] Revenue Recognition:

(i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

(ii) Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of Sales Tax/ Value Added Tax. Excise Duty recovered is presented as a reduction from gross turnover. Sales are net of returns, discounts and rebates.

(iii) Liability for Excise Duty and Customs Duty payable on goods held in bond at the year end is provided for.

(iv) Export benefits under Duty Drawback Scheme is estimated and accounted in the year of export.

(v) Accounting for Long Term Engineering Contracts:

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

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

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

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

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

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

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

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

I] Leases:

Operating lease:

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

J] Employee Benefits :

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

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

K] Borrowing Costs:

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

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

L] Taxation:

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

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

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

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

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

Foreign Subsidiaries

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

M] Segment Reporting Policies :

Identification of segments:

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

Inter segment Transfers:

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

Allocation of common costs:

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

Unallocated items :

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

Segment Policies:

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

N] Earnings Per Share

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

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

O] Provisions and Contingent Liabilities:

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

P] Cash Flow Statement:

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

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

31. Disclosures under Accounting Standard 15 on Employee Benefits

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

		Rs. in crore
	2016-17	2015-16
Liability to be recognised in Balance Sheet		
Present Value of Funded Obligations	**47.18**	44.07
Fair Value of Plan Assets	**22.32**	15.09
Net Liability	**24.86**	28.98
Change in Plan Assets (Reconciliation of opening & closing balances)		
Fair Value of Plan Assets as at beginning of the year	**15.09**	12.52
Expected Return on Plan Assets	**1.21**	1.01
Actuarial (Gain) / Losses	**0.05**	(0.05)
Contributions	**6.50**	4.98
Benefits Paid	**(0.53)**	(3.37)
Fair Value of Plan Assets as at the close of the year	**22.32**	15.09
Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at beginning of the year	**44.07**	42.21
Current Service Cost	**3.21**	2.76
Interest Cost	**3.54**	2.53
Actuarial Losses / (Gain)	**(3.11)**	(0.06)
Benefits Paid	**(0.53)**	(3.37)
Obligation as at the close of the year	**47.18**	44.07
Expenditure to be recognised during the year		
Current Service cost	**3.20**	2.49
Interest Cost	**3.54**	2.49
Expected Return on Plan Assets	**(1.17)**	(0.97)
Net Actuarial Losses / (Gains) Recognised during the year	**(0.41)**	4.80
Total Expenditure included in "Employees' Emoluments"	**5.16**	8.81
Assumptions		
Discount Rate (per annum) %	**7.40 to 8**	8.04
Expected rate of Return on Assets (per annum) %	**7.55 to 8**	8.04
Salary Escalation Rate %	**4 to 6**	5.75

(ii) Mukand expects to contribute Rs.4.42 crore (Previous Rs.4.34 crore) to its gratuity plan for the next year. In assessing the Mukand's post retirement liabilities, Mukand monitors mortality assumptions and uses up-to-date mortality tables, the base being the IALM - Mortality - Tables (2006-08) ultimate (Previous year LIC, 1994-96 ultimate tables).

(iii) Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

(iv) The composition of the plan assets, by category from the insurers, LIC are on the basis of overall investment by them for all such insured entities and hence, the disclosures as required by Accounting Standard 15 in 'Employee Benefits' have not been given, and Auditors have relied upon the same.

(v) Other disclosures for Mukand:

Rs. in crore

Particulars	**2016-17**	2015-16	2014-15	2013-14	2012-13
Present Value of Funded Obligations.	**43.95**	41.34	39.79	34.62	32.87
Fair Value of Plan Assets.	**19.63**	12.86	10.61	10.89	12.46
Net Liability.	**24.32**	28.48	29.18	23.73	20.41
Experience Adjustments on Plan Liabilities					
Loss / (Gain)	**-2.51**	1.15	1.57	0.71	0.32
Experience on Plan Assets–Loss / (Gain)	**-0.08**	0.03	0.06	-	-

(vi) In respect of certain employees of Road Construction Division of Mukand, liability for gratuity is provided at actuals on the basis of amount due as at 31st March, 2017. Similarly, In respect of employees of Mukand International FZE, Bombay Forgings Limited and Stainless India Limited, liability for gratuity is provided at actuals on the basis of amount due as at 31st March, 2017.

(vii) An amount of Rs.7.60 crore (Previous year Rs.7.48 crore) as contribution towards defined contribution plans including Rs.0.95 crore (Previous year Rs.0.93 crore) in terms of strategic alliance is recognised as expense by Mukand in the Consolidated Statement of Profit and Loss.

Notes (contd.)

32.Segment Information for the year ended 31st March, 2017

A. Business Segment

(Rs. in crores)

Particulars	Steel	Industrial Machinery	Power Plant	Others	Eliminations	Total
Segment Revenue :						
External Revenue	3,024.37	180.42	-	13.87	-	3,218.66
Inter-Segment Revenue	-	2.06	57.65	0.71	(60.42)	-
Total Revenue	**3,024.37**	**182.48**	**57.65**	**14.58**	**(60.42)**	**3,218.66**
Less : Excise Duty						345.40
Net Revenue						2,873.26
Segment Results before interest and tax :	**264.00**	**(12.72)**	**51.66**	**(5.98)**	**-**	**296.96**
Inter-Segment Margin		0.35	-	1.01	(1.36)	-
Minority Interest	3.50					3.50
Total Segment Results before interest and tax :	**260.50**	**(12.37)**	**51.66**	**(4.97)**	**(1.36)**	**293.46**
Add : Unallocated Income (net of Expenses)						6.78
Less : Share of Loss in Associates						(0.79)
Less : Finance and Lease Charges						(277.49)
Less : Exceptional Items (net) (Including share in Associates)						-
Less : Tax Expense (net)						(2.69)
Add : Excess Provision for tax						0.03
Less : Tax Adjustments of earlier years						(49.21)
Net Profit						**(29.91)**
Other Information						
Segment Assets	3,631.09	417.72	40.84	303.21	(7.18)	4,385.68
Un-allocated Assets						215.57
Total Assets						**4,601.25**
Segment Liabilities	1,004.27	60.91	0.30	271.47	(16.44)	1,320.51
Minority Interest	115.20					115.20
Un-allocated Liabilities (Including Loan Funds)						2,986.27
Total Liabilities						**4,421.98**
Capital Expenditure						
Segment Capital Expenditure	33.49	0.10	0.08	-	-	33.67
Un-allocated Capital Expenditure						0.01
Total Capital Expenditure						**33.68**
Depreciation & Amortisation						
Segment Depreciation & Amortisation	67.87	2.42	3.30	-	-	73.59
Un-allocated Depreciation & Amortisation						0.21
Total Depreciation & Amortisation						**73.80**
Significant Non-Cash Expenditure						
Segment Non-Cash Expenditure	1.31	0.83	-	3.53	-	5.67
Un-allocated Non-Cash Expenditure						15.25
Total Significant Non-Cash Expenditure						**20.92**

Notes :

1. Finance and Lease Charges excludes interest charged to Segment Results (net of eliminations) Rs.17.98 crore.
2. Segment Result is after adjusting prior period items.
3. Share of Profit in Associates is after considering prior period items.

B. Geographical Segment :

Rs. in crores

Particulars	India	Rest of the World	Total
Segment Revenue	3,056.98	161.68	**3,218.66**
Carrying cost of Segment Assets	4,361.07	24.61	**4,385.68**
Additions to Fixed Assets & Intangible Assets	33.67	-	**33.67**

32.Segment Information for the year ended 31st March, 2016

A. Business Segment

(Rs. in crores)

Particulars	Steel	Industrial Machinery	Road Construction	Power Plant	Others	Eliminations	Total
Segment Revenue :							
External Revenue	3,148.25	145.82	-	-	13.84	-	**3,307.91**
Inter-Segment Revenue	-	1.42	-	39.96	0.68	(42.06)	**-**
Total Revenue	**3,148.25**	**147.24**	**-**	**39.96**	**14.52**	**(42.06)**	**3,307.91**
Less : Excise Duty							355.47
Net Revenue							2,952.44
Segment Results before interest and tax :	256.86	(1.96)	(1.86)	33.75	(5.51)	-	281.28
Inter-Segment Margin		0.13	-	-	0.89	(1.02)	**-**
Minority Interest	1.67						1.67
Total Segment Results before interest and tax :	**255.19**	**(1.83)**	**(1.86)**	**33.75**	**(4.62)**	**(1.02)**	**279.61**
Add : Unallocated Income (net of Expenses)							11.04
Less : Share of Loss in Associates							(2.43)
Less : Finance and Lease Charges							(277.56)
Less : Exceptional Items (net) (Including share in Associates)							(12.86)
Less : Tax Expense (net)							(2.81)
Less : Short Provision for tax							(2.51)
Net Profit							**(7.52)**
Other Information							
Segment Assets	4,853.73	646.93	121.48	44.17	175.29	(6.16)	**5,835.44**
Un-allocated Assets							255.49
Total Assets							**6,090.93**
Segment Liabilities	954.16	89.42	(0.02)	0.42	258.59	(16.44)	**1,286.13**
Minority Interest	111.70						111.70
Un-allocated Liabilities (Including Loan Funds)							2,831.80
Total Liabilities							**4,229.63**
Capital Expenditure							
Segment Capital Expenditure	39.19	0.57	-	3.26	-	-	**43.02**
Un-allocated Capital Expenditure							0.23
Total Capital Expenditure							**43.25**
Depreciation & Amortisation							
Segment Depreciation & Amortisation	70.96	2.52	-	3.25	-	-	**76.73**
Un-allocated Depreciation & Amortisation							0.29
Total Depreciation & Amortisation							**77.02**
Significant Non-Cash Expenditure							
Segment Non-Cash Expenditure	-	0.76	-	-	10.75	-	**11.51**
Un-allocated Non-Cash Expenditure							-
Total Significant Non-Cash Expenditure							**11.51**

Notes :

1. Finance and Lease Charges excludes interest charged to Segment Results (net of eliminations) Rs.13.01 crore.
2. Segment Result is after adjusting prior period items.
3. Share of Profit in Associates is after considering prior period items.

B. Geographical Segment :

Rs. in crores

Particulars	India	Rest of the World	Total
Segment Revenue	**3,156.85**	**151.06**	**3,307.91**
Carrying cost of Segment Assets	**5,820.10**	**15.34**	**5,835.44**
Additions to Fixed Assets & Intangible Assets	**43.01**	**0.01**	**43.02**

(C). Other Disclosures :

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

Business segment has been disclosed as primary segment.

Types of products and services in each business segment:

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

Power Generation for captive use.

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

Others -- Road Construction, Comprise Segments of property development and income from operations of Non-banking Financial Activities.

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

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

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

Notes (contd.)

33. Related Party Disclosures

Related Party Disclosures

(a) Relationship :

(i) Other related parties where control exists :
Mukand Engineers Ltd. (MEL), Bombay Forgings Ltd. (BFL), Stainless India Ltd. (SIL), Hospet Steels Ltd. (HSL),

(ii) Joint Ventures :
Mukand Vini Mineral Ltd. (MVML).

(iii) Key Management Personnel
Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah , Relatives of a Director.

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

Kalyani Mukand Ltd., Jamnalal Sons Pvt. Ltd. (JSPL), Adonis Laboratories Pvt Ltd. (ALPL), Sumitomo Corporation, Japan, Sumitomo Corporation India Pvt. Ltd.

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

(Rs. in Crore)

Nature of transactions	a (i) above	a (ii) above	a (iii) above	a (iv) above	Total
1. Purchase of Goods	**1.82**				**1.82**
	2.40				2.40
2. Purchase of Fixed Assets				**0.39**	**0.39**
				0.30	0.30
3. Sale of Goods	**17.49**			**0.01**	**17.50**
	15.64			0.01	15.65
4. Transfer of Fixed Assets			**0.01**		**0.01**
			0.02		0.02
5. Purchase of shares of a company		**-**		**-**	**-**
		0.31		-	0.31
6. Sale of shares of a company		**-**			**-**
		0.12			0.12
7. Services Received	**70.43**			**0.29**	**70.72**
	65.08			0.08	65.16
8. Services Rendered	**0.78**			**0.29**	**1.07**
	29.24			0.24	29.48
9. Remuneration to MDs			**2.90**		**2.90**
			2.83		2.83
10.Interest on FDs to a Director / relatives of a Director			**0.29**		**0.29**
			-		-
11.Interest / Dividend Paid / (Received) Net	**-**	**0.06**		**76.91**	**76.97**
	0.59	0.05		49.92	50.56
12.Reimbursement of Expenses - Payment	**0.02**			**-**	**0.02**
	0.02			0.07	0.09
13. Finance taken including equity / (re-payment of loans & advances) - Net	**0.25**		**3.05**	**46.00**	**49.30**
	-		-	191.41	191.41
14.Finance given including equity / (re-payment of loans & advances) - Net	**-**	**0.06**		**0.01**	**0.07**
	-	0.05		-	0.05
14a. Bad debts / Advances written off	**16.23**	**0.56**			**16.79**
	-	-			-
14b. Provision for diminution in value of investment	**-**	**0.85**			**0.85**
	-	-			-
15. Balances at the close of the year					
i) Amount Receivable	**81.72**			**0.56**	**82.28**
	86.00			0.50	86.50
ii) Amount Payable	**2.27**		**3.57***		**5.84**
	8.43		0.11	2.31	10.85
iii) Amount Receivable in respect of loans & advances	**15.60**	**0.61**			**16.21**
	27.98	1.11			29.09
iv) Amount Payable in respect of loans & advances				**559.20**	**559.20**
				507.16	507.16
v) Property Deposit taken	**0.07**				**0.07**
	0.07				0.07
16.Guarantees given by the Company	**115.00**				**115.00**
	115.00				115.00
17.Counter Guarantees given on behalf of the Company	**-**				**-**
	-		#		-
18.Collateral given on behalf of the Company			#		

2,513,000 Equity Shares of the Company.

* Includes Rs.3.34 Crore payable to relatives of a Director for FDs and interest thereon.

ii) Details in respect of material transactions with related parties

	(Rs. in Crore)
Purchase of Goods:	
Bombay Forgings Ltd	**1.82**
	2.40
Purchase of Fixed Assets:	
Sumitomo Corporation, Japan	**0.29**
	0.30
Sale of Goods:	
Bombay Forgings Ltd	**17.49**
	15.64
Sumitomo Corporation, Japan	**-**
	0.01
Transfer of Fixed Assets	
To a Managing Director / Joint Managing Director	**0.01**
	0.02
Services Received:	
Hospet Steels Ltd	**52.83**
	49.76
Mukand Engineers Ltd	**17.60**
	15.30
Stainless India Ltd.	**-**
	0.02
Sumitomo Corporation, Japan	**0.39**
	0.08
Services Rendered:	
Mukand Engineers Ltd	**0.78**
	29.24
Sumitomo Corporation, Japan	**0.29**
	0.24
Interest / Dividend Paid / (Received) Net	
To relatives of a Director (interest on FD)	**0.29**
	-
Mukand Vini Minerals Ltd.	**0.06**
	0.05
Mukand Engineers Ltd	**-**
	0.59
Jamnalal Sons Pvt Ltd	**76.59**
	49.49
Adonis Laboratories Pvt Ltd	**0.30**
	0.30
Sumitomo Corporation, Japan	**0.02**
	0.13
Bad Debts / Advances Written Off	
Mukand Vini Minerals Ltd.	**0.56**
	-
Stainless India Ltd	**16.23**
	-
Provision for Diminution in value of investment	
Mukand Vini Minerals Ltd.	**0.85**
	-
Reimbursement of Expenses - Payment	
Mukand Engineers Ltd	**0.02**
	0.02
Sumitomo Corporation, Japan	**-**
	0.07
Finance taken including equity / (re-payment of loans & advances) - Net	
Jamnalal Sons Pvt Ltd	**46.00**
	191.41
Stainless India Ltd	**0.25**
	-
FDs from relatives of a Director	**3.05**
	-
Finance given including equity / (re-payment of loans & advances) - Net	
Kalyani Mukand Ltd	**0.01**
	-
Mukand Vini Minerals Ltd.	**0.06**
	0.05
Balances at the close of the year:	
i) Amount Receivable	

Notes (contd.)

	(Rs. in Crore)
Bombay Forgings Ltd	**66.70**
	65.32
Stainless India Ltd.	**-**
	1.23
Mukand Engineers Ltd	**15.02**
	19.45
Kalyani Mukand Ltd	**0.27**
	0.26
Sumitomo Corporation, Japan	**0.29**
	0.24
ii) Amount Payable	
Remunaration to MDs	**0.23**
	0.11
Mukand Engineers Ltd	**1.76**
	2.05
Hospet Steels Ltd	**0.51**
	6.38
Sumitomo Corporation, Japan	**-**
	2.31
iii) Amount Receivable in respect of loans & advances	
Stainless India Ltd. (Net of Provisions)	**-**
	15.21
Bombay Forgings Ltd	**15.12**
	12.77
Mukand Vini Minerals Ltd	**0.61**
	1.11
Mukand Engineers Ltd	**0.48**
	-
iv) Amount Payable in respect of loans & advances	
FDs/Interest thereon payable to relatives of a Director	**3.34**
	-
Jamnalal Sons Pvt Ltd	**557.13**
	505.16
Adonis Laboratories Pvt Ltd	**2.07**
	2.00
v) Property Deposit taken	
Mukand Engineers Ltd	**0.07**
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	**115.00**
	115.00

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

34. Other Notes of Subsidiaries / Associates

i) Statement of Net Assets and Profit or Loss Attributable To Owners and Minority Interest

Name of the entity	**As % of consolidated net assets**		**Share in Profit or Loss**	
	As % of consolidated net assets	**Amount (Rs.Crore)**	**As % of consolidated profit or loss**	**Amount (Rs.Crore)**
Mukand Limited	68.51	424.88	96.27	(41.81)
Indian Subsidiaries				
Mukand Global Finance Ltd. (MGFL)	4.58	28.43	5.41	(2.35)
Vidyavihar Containers Ltd. (VCL)	(21.95)	(136.12)	23.79	(10.33)
Mukand Sumi Metal Processing Ltd. (MSMPL)	46.66	289.38	(20.19)	8.77
Mukand Alloy Steels Private Ltd. (MASPL)	(0.01)	(0.05)	0.05	(0.02)
Mukand Vijayanagar Steel Ltd.			0.02	(0.01)
Whiteleaf Heavy Machinery Pvt Ltd (WHMPL)		0.01		
Technosys Industrial Machinery Pvt Ltd (TIMPL)		0.01		
Foreign Subsidiaries				
Mukand International Ltd. (MIL)		0.01		
Mukand International FZE (MIFZE)	2.19	13.58	(3.52)	1.53
Indian Joint Ventures				
Mukand Vini Mineral Ltd. (MVML)				
Associates				
Mukand Engineers Ltd. (MEL)			(1.29)	0.56
Bombay Forgings Ltd. (BFL)			(0.53)	0.23
Stainless India Ltd. (SIL)				
Hospet Steels Ltd. (HSL)				
TOTAL	**100.00**	**620.13**	**100.00**	**(43.43)**
a) Adjustments arising out of consolidation.		325.66		17.02
b) Minority Interest				
Indian Subsidiaries-MSMPL		115.20		3.50
Foreign Subsidiaries				
Consolidated Net Assets/ Profit after tax		**179.27**		**(29.91)**

ii) MGFL has complied with the Prudential Norms relating to Income Recognition, Accounting Standards, Asset Classification and Provisioning for Bad and Doubtful Debts as required by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. MGFL has also made provision on Standard Assets as on 31st March, 2017 as prescribed by Reserve Bank of India (RBI) in their Notifications No. DNBS. 222 CGM(US)2011 and No. DNBS. 223 CGM (US) 2011 both dated January 17, 2011. Various Returns required to be filed with RBI have been filed in time.

iii) Since the assets size of MGFL is less than Rs.500 crore, it is exempted from compliance of Credit Concentration Norms of Reserve Bank of India circular No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10/11/2014. As a matter of prudent practice, MGFL continued the disclosure in respect of CRAR, Exposure to Real Estate Sector, Leverage Ratio and Maturity Pattern of certain items of Assets and Laibilities.

iv) SIL's operations have been suspended w.e.f. 27.10.2008. For past several years SIL's net worth has been fully eroded. The accounts have however been prepared under going concern assumption.

v) The management of VCL plans to, and is hopeful of, reviving in the foreseeable future, economically viable non-industrial commercial activity. The accounts of VCL have been drawn up based on the going concern assumption based on the VCL management's perception of the future of VCL.

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

vii) a) The Board of Directors of Mukand on 12th January 2017, has considered and approved, a scheme of arrangement and amalgamation amongst the Company,Mukand Vijayanagar Steel Limited (MVSL) and Mukand Alloy Steels Private Limited (MASPL) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of its Alloy Steel Rolling & Finishing business. The Appointed Date under the Scheme is 1st January 2017. BSE and NSE have in principle cleared the Scheme and their observations have been included in the Scheme filed with National Company Law Tribunal (NCLT). The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.

b) The Board of Directors of Mukand at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company, Whiteleaf Heavy Machinery Pvt Ltd., and Technosys Industrial Machinery Pvt Ltd and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of Industrial Machinery business . The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities. As the Company is currently in the process of finalising detailed formal plans, it does not necessitate the requirements of disclosures of AS 24 - Discontinuing Opertions."

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

As per our attached report of even date

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner
Membership No.034828
Mumbai, May 24, 2017

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN: 00033371

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 24, 2017

Financial Highlights - 1999-00 to 2016-17

REVENUE ACCOUNTS

(Rs. in crore)

Accounting year	Income from operations	Gross profit/ (loss)	Profit/ (Loss) after tax	Retained funds	Total dividend	Equity dividend (%)
1999-2000	821.8	24.0	5.9	23.5	0.4 +	-
2004-2005	1,683.6	241.8	185.7	240.7	-	-
2009-2010	2,141.7	125.2	61.9	116.6	8.6 ++	10
2012-2013	2,137.1	16.5	(39.5)	24.7	-	-
2013-2014	2,812.2	(55.7)	(88.0)	(21.0)	-	-
2014-2015	3,129.1	77.1	2.1	76.5	-	-
2015-2016	2,753.5	76.1	1.6	75.6	-	-
2016-2017	**2,725.4**	**77.4**	**(41.8)$**	**(29.2)$**	**-**	**-**

+ Dividend on preference shares including tax thereon

++ Dividend on equity/preference shares including tax thereon

$ After tax adjustments pertaining to earlier years

CAPITAL ACCOUNTS

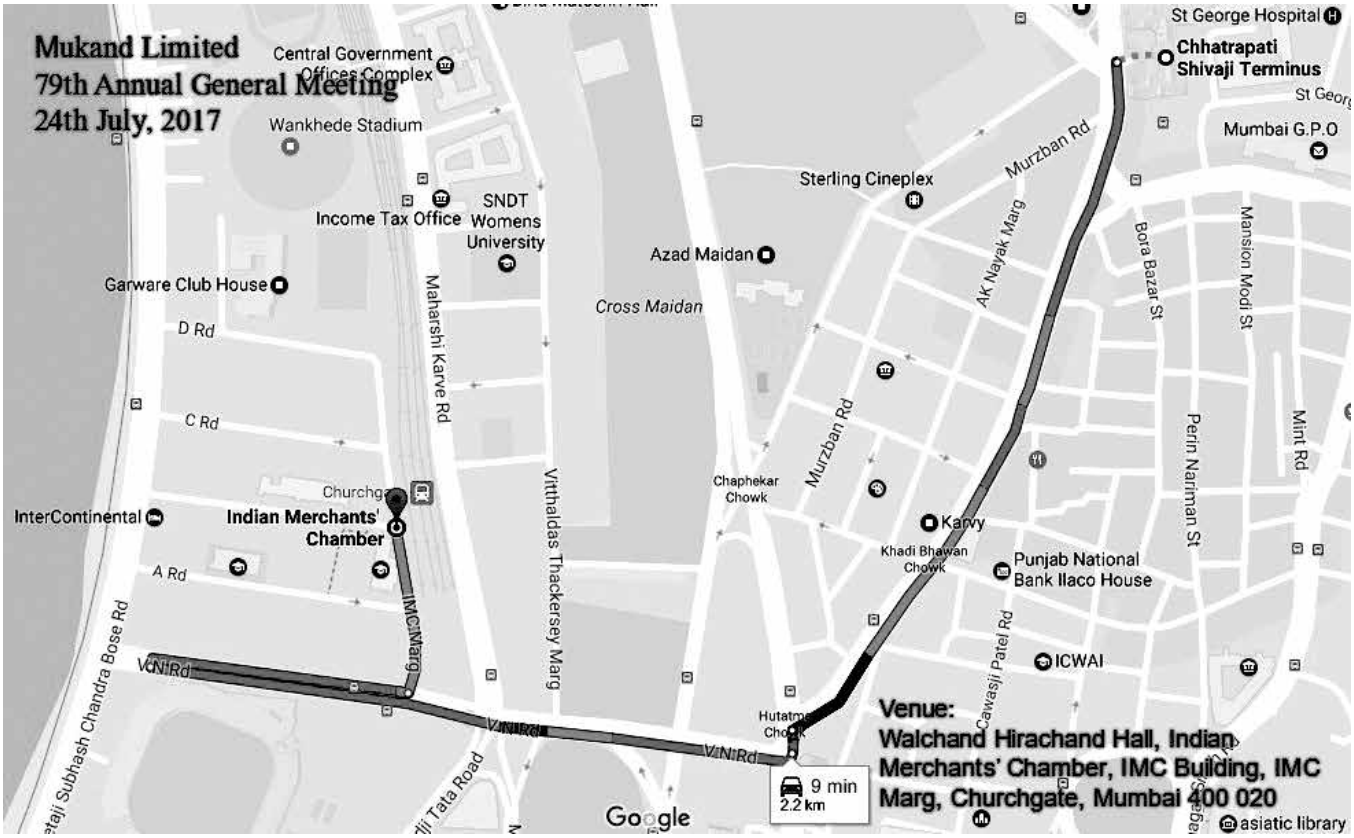
(Rs. in crore)

Accounting year	Net fixed assets	Total assets	Share capital	Net worth
1999-2000	604.6 *	1265.0*	30.7	395.8 *
2004-2005	823.7 *	1610.9*	78.8	506.0 *
2009-2010	2,147.8 *	3529.5*	78.8	1,847.6 *
2012-2013	2,553.6 *	5163.5*	78.8	2,082.0 *
2013-2014	2,536.2 *	5578.9*	147.0	2,132.0 *
2014-2015	2,473.9 *	5796.7*	147.0	2,120.8 *
2015-2016	2,436.0 *	5956.7*	147.0	2118.1*
2016-2017	**745.99**	**4467.2**	**147.0**	**424.9**

* Including effect of revaluation

NOTES

VENUE OF AGM - ROUTE MAP



MUKAND LIMITED
(CIN No.: L99999MH1937PLC002726)
Registered Office: Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021
Tel: 022–61216666, Fax: 022-22021174, E-mail: investors@mukand.com, Website: www.mukand.com

PROXY FORM

Form No. MGT-11

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

CIN :	:	L99999MH1937PLC002726
Name of the company	:	MUKAND LIMITED
Registered office	:	Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021 Tel: 022–61216666, Fax: 022-22021174, E-mail: investors@mukand.com, Website: www.mukand.com
Name of the member (s)	:	
Registered address	:	
E-mail Id	:	
Folio No/ Client Id /DP Id	:	

I/We, being the member (s) of ……..…… shares of Mukand Ltd. hereby appoint:

1. Name :……..... Address: ……..…….....….
   E-mail Id:……..... Signature:……..……..... or failing him/her
2. Name :……..... Address: ……..…….....….
   E-mail Id:……..... Signature:……..……..... or failing him/her
3. Name :……..... Address: ……..…….....….
   E-mail Id:……..... Signature:……..…….....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 79th Annual General Meeting of the Company, to be held on the Monday, July 24, 2017 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of audited standalone financial statements and audited consolidated financial statements for the year ended 31st March, 2017 and the Reports of Directors' and Auditors' thereon.
2. Re-appointment of Vinod S. Shah (DIN : 00047403) as Director, who retires by rotation.
3. Re-appointment of Narendra J. Shah (DIN: 00033407) as Director, who retires by rotation.
4. Ratification of appointment of M/s. Haribhakti & Co., LLP, Chartered Accountants (Registration No. 103523W), as Statutory Auditors and fixing their remuneration.

Special Business

5. Ratification of remuneration to Cost Auditor.
6. Approval of Material Related Party Transactions.
7. Approval of Borrowing powers of the Board.
8. Re-appointment and approval of remuneration of Niraj Bajaj (DIN: 00028261), Chairman & Managing Director.
9. Re-appointment and approval of remuneration of Rajesh V. Shah (DIN: 00033371), Co-Chairman & Managing Director.
10. Re-appointment and approval of remuneration of Suketu V. Shah (DIN: 00033407), Joint Managing Director.

Signed this ..... day of ..... 2017.

Affix
Re. 1/-
Revenue
Stamp

Signature of shareholder Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. In case you are holder of both equity and 0.01% Cumulative Redeemable Preference shares(preference shares), please deposit seperate proxy forms for equity & preference shares duly completed and signed, after filling details of your respective folio /Client Id /DP Id no.s of equity /preference shareholding therein.
3. As provided under Regulation 44 of SEBI LODR 2015, shareholder may vote either for or against each of the above resolution.



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