



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	
Smt. Bharti R Gandhi	

Auditors

Haribhakti & Co. LLP, Chartered Accountants

ANNUAL GENERAL MEETING

Monday, August 8, 2016 at 4.00 p.m. at

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

Registered Office

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

Works

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)
Sidharth Shah	Chief of Materials Management
V M Mashruwala	Chief of Marketing (Alloy & Stainless Steel)
Virendra K Mital	Business Development Director

Industrial Machinery Division

R Jagannathan	Chief Executive
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To
The Members,

NOTICE is hereby given that the 78th ANNUAL GENERAL MEETING of the Members of MUKAND LIMITED will be held on Monday, the 8th August, 2016 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended 31st March, 2016, together with the Report/s of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Shri Rajesh V. Shah (DIN : 00033371), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.
3. To appoint a director in the place of Shri Suketu V. Shah (DIN : 00033407), 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, 2017 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and as per the recommendation of the Audit Committee of the Board of Directors, the remuneration of Rs.1,50,000/- and reimbursement of travelling and other out of pocket expenses plus service tax as applicable to be paid to CMA Sangita Kulkarni, Cost Accountant (Firm Registration No. 102365) for conducting the audit of cost records of the Steel Plants at Kalve and Hospet and Engineering Contracts and Industrial Machinery Division at Kalve for the financial year ending 31st March, 2017 as approved by the Board of Directors of the Company, subject to the approval of the Central Government, be and is hereby ratified."

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

"RESOLVED THAT pursuant to the provisions of 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 (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/ transaction(s) with Mukand Sumi Metal Processing Limited ("MSMPL"), a subsidiary and hence a related party within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover of the Company

as per audited financial statements of FY: 2015-16; 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, 2016 to March 31, 2017	572

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

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a Proxy on behalf of members upto and not exceeding Fifty and holding in the aggregate not more than ten percent 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. The instrument appointing a Proxy, must be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the meeting. 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 forms part of this Notice.
4. As regards the re-appointment of retiring director viz. Shri Rajesh V. Shah and Shri Suketu V. 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) have been given in the Report on Corporate Governance which forms part of the Directors' Report and members are requested to refer to the same.



5. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and in terms of the approval given by the members at the Annual general meeting of the Company held on 13th August, 2014, the current auditors of the Company, M/s. Haribhakti & Co. LLP, Chartered Accountants (Registration No. 103523W) are eligible to hold the office for a period of five years, upto the 81st Annual General Meeting of 2019, subject to ratification by members at every subsequent Annual General Meeting. The ratification of appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants as auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting along with their remuneration has been put up for the approval of members.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, the 30th July, 2016 to Monday, the 8th August, 2016** (both days inclusive).
7. Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the Annual General Meeting.
8. 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.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. 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.
11. 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.
12. 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 Computershare Pvt. Ltd.). Members are requested to keep the same updated.
13. Members who have neither received nor encashed their dividend warrant(s) for any of the financial years from 2008-09 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 2008-09 can be claimed by shareholders by 2nd September, 2016.
14. The Company has designated an exclusive e-mail ID viz. **investors@mukand.com** to enable the investors to post their grievance, if any, and monitor its redressal.
15. Members / Proxies are requested to bring their attendance slip 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.
16. 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.
17. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
18. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the Listed Companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding copies of the above referred documents to all those members who have registered their email ids with their respective DPs or with the STA by electronic mode.
19. **To receive shareholders' communications from the Company through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective 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.**
20. Documents referred to in the Notice and the Explanatory Statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
21. The Company has been maintaining, inter alia, the following statutory registers at its registered office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:
 - i) Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of the Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
22. Please note that for security reasons, no article/ baggage will be allowed at the venue of the meeting.
23. Route map for directions to the venue of the meeting is provided in the Annual Report.
24. 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.
25. **Voting through electronic means(E-voting) :**
In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, (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 1st August, 2016 (End of Day) being the cut-off date for the purpose of Rule 20(4)(vii) of the Rules fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by



Karvy Computershare Pvt. Ltd. (Karvy) or to vote at the Annual General Meeting.

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 cutoff date. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on “SUBMIT”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to khamankar@gmail.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format “Corporate Name_EVENT No.”
- xi. Remote e-voting facility where members can cast their vote online shall remain open for voting from: 4th August, 2016 (9.00 a.m.) till 7th August, 2016 (5.00 p.m.)

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

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., 1st August, 2016 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 Shri 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 in a fair and transparent manner.
- ii. The scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- iii. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared alongwith the scrutiniser's report shall be placed on the Company's website: www.mukand.com and on the website of Karvy - <https://evoting.karvy.com>, and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on Monday, 8th August, 2016.

By Order of the Board of Directors
For MUKAND LIMITED

Mumbai
Dated : May 23, 2016

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 23rd May, 2016, 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, 2017, on a remuneration of Rs.1,50,000/- plus reimbursement of travelling and other out of pocket expenses plus service tax as applicable, subject to the approval of the Central Government.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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 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, 2016:-

Sl. No.	Nature of Transaction	FY: 2016-17 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	505
2.	Job Work Income	35
3.	Marketing Income	3
4.	Fees for Services	1
5.	Rent of Factory / Office	1
6.	Electricity Charges	1
	Total Income	546
Purchase of Goods & receiving of Services by the Company from MSMPL:		
1.	Purchase of Scrap	14
2.	Job Work Charges / Hire Charges	8
3.	Purchase of Bright Bars & Rods	2
4.	Fees for Business Transfer	1
5.	Interest on Advances	1
	Total Expenditure	26
	Total Transaction Value	572

The other particulars of above transactions are as under:-

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

* a subsidiary company with 60.07% equity shareholding.

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

In view the above, it is proposed 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.

By Order of the Board of Directors
For MUKAND LIMITED

K.J. MALLYA
Company Secretary

Mumbai
Dated : May 23, 2016



Directors' Report

1. The Directors present the 78th Annual Report and audited statements of accounts of the Company for the year ended March 31, 2016.

2. Financial Results:
Financial Highlights:

Description	2015-16	2014-15	% increase / (decrease)
	(Rs. in Crore)		
Turnover :			
Net Sales/Services, other operating revenues and other income	2,753.45	2,839.17	(3%)
Profit/(loss) before tax	2.14	2.13	
Profit/(loss) after tax (PAT)	1.62	1.58	
Net worth (excluding revaluation reserve)	466.70	465.07	

Ratios:

Earnings per Share	Rs.0.11	Rs. 0.11	
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3. Performance:

- 3.1 The turnover is marginally lower than the previous year. During the year, the Company lost one month's production as both the Mini Blast Furnaces were taken up for Basic relining after a period of seven years and Electric Arc Furnace was closed for a short period due to fire in the transformer connected to the furnace. Thus, the sales for the year is out of production of 11 months compared to 12 months in the previous year. Further, selling prices had to be reduced due to stiff competition arising from lower demand, excess domestic capacity and imports from China. The sales of Industrial Machinery Division was also lower as the demand for capital goods went down consequent to reduced investment in the new projects and existing modernisation and expansion projects were kept on hold.

- 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 shares in view of inadequate profits earned during the year.

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:

As reported last year, 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. The Management is presently reviewing the proposal and may consider restructuring of the proposal.

7. 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, performance of MSMPL improved in spite of sluggish market conditions and stiff competition. Revenue from operations is Rs.541.77 Cr as compared to Rs. 524.48 Cr in the previous year. Profit after tax is at Rs.4.18 Cr as compared to Rs.3.08 Cr in the previous year.

8. Finance:

8.1 Share Capital:

The paid up equity share capital as on March 31, 2016 was Rs. 141.41 Crore. During the year under review, the Company has neither issued

shares with differential voting rights nor has granted stock options/ sweat equity.

- 8.2 As reported last year, lenders under Corporate Debt Restructuring (CDR) arrangement, have during the year under review, permitted the Company to Exit from CDR arrangement as dues of the lenders under CDR were fully paid on maturity date.

8.3 Material Changes & Commitments:

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

8.4 Fixed Deposits:

The Company can accept Fixed Deposits upto 25% 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.30.11 Crore, re-paid during the year amounted to Rs.38.82 Crore and matured & unclaimed deposits as at the end of the year were Rs.1.89 Crore. 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.

9. Corporate Social Responsibility (CSR)

- 9.1 The Company has constituted a CSR Committee of the Board of Directors comprising of Shri Niraj Bajaj, Shri Rajesh V. Shah, Shri Suketu V. Shah and Shri Dhirajlal S. Mehta pursuant to Section 135 of the Companies Act, 2013. 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.

9.2 By the Company:

At Steel Plant, Ginigera:

The Company participates in the celebrations held in the local schools on Children's Day and Independence Day by distributing shields, medals, prizes, for the competitions held in the schools etc. The Company supports the Schools around the Plant by distributing laboratory equipments, etc., compensation to teachers for extra coaching for Standard X, and organizing cricket tournaments. 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. Moreover, it also contributed towards cultural/festivals/flag day celebrations/ development at Kanakagiri village.

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 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 39 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.

9.3 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.

10. Statutory disclosures:

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

10.1 Management Discussion and Analysis:

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

10.2 Corporate Governance Report:

The Company has taken necessary steps to adhere to all the requirements of SEBI LODR Regulations. 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 Regulations is included as a part of this report. – **Annexure-2**.

10.3 Extract of Annual Return:

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

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

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

10.5 Directors' Responsibility statement:

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

- 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, 2016, and of the Profit of the Company for the year ended March 31, 2016;
- 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.

10.6 Statement on declaration given by Independent Directors:

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

10.7 Familiarization programme for Independent Directors:

The Company has held familiarization programme for the Independent Directors by way of presentations by business heads of the Company from time to time and deliberations held on major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 25(7) of SEBI LODR Regulations. The weblink is: <http://www.mukand.com/wp-content/uploads/2015/08/4.-Familiarization-Programme-for-Independent-Directors.pdf>.

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

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

10.9 Particulars of Loans, Guarantees and Investments:

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

10.10 Related Parties Transactions:

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

During the year 2015-16, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations, all RPTs were placed before Audit Committee for its prior / omnibus approval. The requisite disclosure in Form AOC-2 is furnished in **Annexure-5**.

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

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

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

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

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

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

The Hon'ble High Court of Karnataka, vide its order dt. 3rd December, 2015, in respect of a petition filed by mine owners and the purchasers of iron ore on the levy of Forest Development Tax (FDT) by the State



of Karnataka, has granted partial relief on the payment of FDT and has also ordered for refund of FDT collected by the Government without backing of law within 90 days of the date of receipt of its Order. Accordingly, the Monitoring Committee auctioning iron ore has stopped collecting FDT with effect from 29th January, 2016 on the sale of iron ore from NMDC and other private Mine owners, except Mysore Minerals Ltd., and other State run Corporations. The Karnataka Government has filed an appeal before the Hon'ble Supreme Court against the aforesaid judgment of the Hon'ble High Court and the Hon'ble Supreme Court has stayed the refund and adjourned the case for final arguments in the month of August, 2016. The Company being Customer/Purchaser of iron ore from various entities is likely to be a beneficiary pursuant to above decision of the Hon'ble High Court. The Company has filed a writ petition before the Hon'ble Karnataka High Court seeking refund of FDT amounting to Rs.55.66 Crore already collected by the State Government and also for restraining the State Government from collecting FDT in future. The Hon'ble High Court has ordered the State Government to restrain from claiming/collecting FDT from the Company and has posted the case for next hearing in the month of June 2016.

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

Shri Rajesh V. Shah, Co-Chairman & Managing Director and Shri Suketu V. Shah, Joint Managing 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 Regulations, the Board has one half of its directors in the category of independent directors in terms of aforesaid Regulation.

10.15 Chairman of Audit Committee:

Dr. N.P. Jain, IFS (Retd.), who was Chairman of the Audit Committee, passed away on 25th November, 2015 at the age of 85. He joined the Board of Directors of the Company on 16th January, 1990 and Audit Committee on 25th May, 2004. The Board records its sincere appreciation for the exemplary contribution, support and guidance provided by him during his long tenure as a member and Chairman of the Committee. Shri D.S. Mehta was appointed as Chairman of the Audit Committee with effect from 11th February, 2016 in place of Dr. N.P. Jain.

10.16 Performance evaluation of the Board:

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 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 February 11, 2016 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.

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

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliance, appropriate authorization, reporting and recording transactions. The

scope of the audit activity is broadly guided by the annual audit plan approved by the top management and audit committee. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

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

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

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

10.19 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. 81).

10.20 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".

11. Auditors:

11.1 Messrs Haribhakti & Co. LLP, Chartered Accountants, Mumbai, (Registration No.103523W) were appointed as Auditors of the Company from the conclusion of 76th Annual General Meeting held on August 13, 2014 until the conclusion of 81st Annual General Meeting to be held in Calendar Year 2019. This appointment is subject to ratification by the Members at each Annual General Meeting. Messrs Haribhakti & Co. LLP are eligible for re-appointment for Financial Year 2016-17.

11.2 The Company has appointed Ms. Sangita Kulkarni, Cost Accountant, Pune (Firm No.102365) as Cost Auditor to carry out the audit of cost records relating to Steel Plants at Kalve and Hospet and Engineering Contracts and Industrial Machinery Division of the Company for the Financial Year 2015-16. The Cost Audit Report for the Financial Year 2014-15 was filed with the Ministry of Corporate Affairs on September 28, 2015 before the due date.

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

12. Auditors' Report:

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

13. Acknowledgement:

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

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Mumbai, May 23, 2016



Management Discussion and Analysis

1. Towards sustainability

- 1.1 Green growth is becoming the byword for economic growth across the world. Fostering economic growth and development while reducing the environmental risks and ecological scarcities cannot be over emphasized.
- 1.2 In September 2015, the United Nations released the Sustainable Development Goals to be achieved by 2030, which if adhered to, will change the way we do business.
- 1.3 Although sustainability in all actions is a tall order and requires structural and cultural changes, the time has come to embrace it whole heartedly if we want to preserve life on this planet and make it a better place for all.

2. Sustainability in the Steel Industry

- 2.1 The steel industry is one of the more polluting industries in the manufacturing sector. Some of the impacts come from the use of energy and raw materials, resulting in emissions such as carbon dioxide, sulfur oxides, nitrogen oxides, dust particles to the air. Unrestrained use of the depleting natural resources such as iron ore, coal and other minerals along with water, is also of grave concern for this industry. Thus finding sustainable processes for production and ensuring economy of natural resources are the challenges in delivering a sustainable environment for this industry.
- 2.2 But the good news is that steel is the most recycled industrial material in the world. It is 100% recyclable. Once steel is produced, its lifecycle is potentially endless, making it a permanent resource for society.
- 2.3 The steel industry is also highly efficient in its use of raw materials with the technology available today. Resource efficiency means using natural resources responsibly and efficiently, so that more value is created with less impact. It is often said that the majority of the raw materials used to make steel are converted to products and by-products.
- 2.4 While the industry is working towards making improvements in its own sustainability performance, steel is also the key material in providing solutions for clean energy delivery.

3. Global Economy

- 3.1 The global economy has never failed to grow in the last 55 years, although it may have slowed down considerably. A study in the World Economics Journal March 2016 reveals that the world economy has grown for 54 out of the past 55 years. Only the year 2008 saw a slight dip in real global GDP, measured in Purchasing Power Parity (PPP) terms. "Over the whole of the last 5 decades, annual real GDP growth has averaged 3.8%, and 2.2% in per capita terms".

3.2 Real GDP Growth by continent and decade

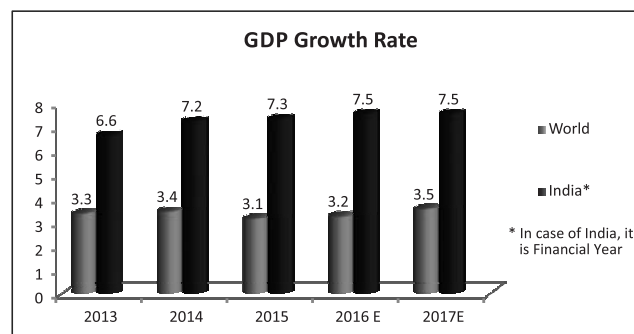
	61-70	71-80	81-90	91-00	01-10	11-15
Asia Pacific	7.9	4.9	5.1	4.8	6.1	5.7
Americas	4.7	4.2	2.7	3.3	2.1	3.3
Europe	5.3	3.2	2.5	1.0	2.2	2.7
Africa	4.1	4.2	2.4	2.7	5.5	3.8

Source: world economics / world economics journal.

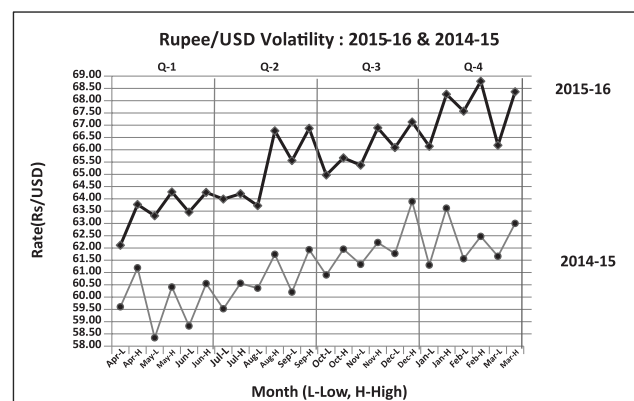
4. The Indian Economy

- 4.1 As economic activity moves towards India, it becomes very evident that sustainability needs to take centre stage in the way we do business. A long term perspective of balancing the economic, environment and social impact of business is crucial to future sustainability. While doing this, companies should go beyond achieving the minimum required norms set by the monitoring agencies.

- 4.2 India today is the fastest growing major economy in the world and is expected to continue to remain at the top with a 7% – 7.5% growth in 2016–17 despite uncertainties in the global market.



- 4.3 The Indian Meteorological department has predicted an above average rainfall which will provide the agricultural sector a big boost. Agriculture is one of the major sectors of the Indian Economy and contributes almost 16% to the nation's GDP significantly contributing to the country's economic growth.
- 4.4 The growth in the agricultural sector provides an impetus to the purchasing power of rural markets which in turn has a positive impact on the automobile industry. Increase in the sales of automobiles is good news for your Company as your Company's products are mainly absorbed by the component makers of this industry.
- 4.5 The reduction in the REPO rate from 7.5% in March 2015 to 6.5% in April 2016 will give the Indian economy a further boost. The Daily Cash Reserve Ratio has also been brought down to 90% instead of 95%.
- 4.6 The only negative factor in such an environment is the volatility of the rupee against the dollar which severely affects the import dependent industries such as ours.



5. Steel Economy

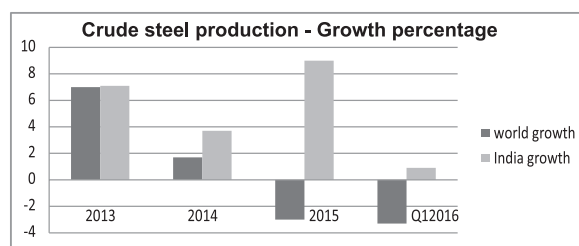
- 5.1 The fortunes of the steel industry are closely associated to that of its raw material. The year under report saw prices of all commodities dropping to a new low and it remained down until the beginning of April 2016.
- 5.2 Although the drop in raw material prices was good news to steel companies, the weakening of the rupee partly reduced their happiness as the industry largely depends on imports for their raw material.
- 5.3 The apparent slow down in China and European markets lead to China dumping steel in India, the fastest growing economy, at very low rates.
- 5.4 China is the biggest steel maker in the world with an annual production of around 825 million tonnes which is 49% of the world steel production.



Management Discussion and Analysis (Contd.)

The slowdown in China forced them to dump their steel elsewhere in the world. Chinese steel is cheaper by 20% - 50% as production costs are subsidized by their government. China's exports were around 112 million tonnes which is more than what any country produces, except Japan.

- 5.5 The dumping of cheap steel from China has resulted in Indian steel makers being forced to reduce their selling prices, impacting the margins of an already stressed industry.
- 5.6 These phenomena are largely responsible for most of the steel companies across the world and some of them in India reporting huge losses which propelled them into further debt and in some cases even default on their repayments to their lenders. However, your Company registered a marginal improvement in profits, quarter-by-quarter, and continues to fulfill all repayment commitments to its lenders due to several timely measures taken by the Company.
- 5.7 This situation, lead to the Indian government to regulate the imports which enabled the domestic steel makers to maintain their prices. The government, in the short-term, increased the import duty from 5% to 7.5% and later further increased it to 10%. The government also imposed a minimum import price for specified products. Such measures if extended to all steel products for a longer term, domestic steel companies will not be stressed.
- 5.8 Although the world steel production is on a decline mainly due to the slow down in China, Indian steel production managed to register a growth in FY 16.



Source: World Steel Association

6. Specialty Steel division

- 6.1 The Net Revenue of the Steel Division was marginally lower at Rs. 2,599 crore for the year under review as compared to Rs. 2,657 crore in the previous year on account of lower selling prices, excess domestic steel making capacity and dumping of cheap steel mainly by China and also because the furnaces were closed for Basic relining for a month – which brought down the production equal to eleven months in a year.
- 6.2 The production of steel rolled products of your Company marked an increase of 8.21% in the year under report at 3,80,973 MT as against 3,52,080 MT in the previous year.
- 6.3 The segment profit of the division was maintained in spite of lower sales mainly due to the drop in raw material prices and efficient cost effective production processes. Further increase in the margins of this division was arrested due to the depreciating exchange rate as the Company is dependent largely on imports for its raw materials.
- 6.4 Prices of the Big 5 commodities required for steel making namely; Iron Ore, Coke/Coal, Scrap, Nickel, Chrome all declined during the year. This was mainly due to the apparent slow down of the Chinese economy which is the driver of economic growth in the world.
- 6.5 Iron ore prices dropped during the year under report and the availability also improved marginally. Once the much awaited and promised auction of the C category mines take place, the availability of this commodity in India will ease further.
- 6.6 The Company in the meantime has successfully commenced the use of beneficiated iron ore to overcome the problems in availability. Today 30% of the iron ore utilised by the Company is the easily available

and cheaper low Fe content iron ore which is then beneficiated before being consumed.

- 6.7 Coke prices too declined and stocks piled up accompanied by falling prices as the slow down in China began to show its head. However, towards the beginning of the year in running, coke price began to climb, as China increased its steel production resulting in an increase in the demand for coke.
- 6.8 Nickel, Chrome and shredded scrap too declined as demand declined due to the slow down in China.
- 6.9 Crude oil prices declined to almost USD 30 per barrel, but has been showing an upward trend in the last one month.
- 6.10 Whatever the outcome in the prices of raw materials, the Company will continue to focus on improving its product mix in the value added segment to increase its margins.
- 6.11 The Company continuously strives towards developing new products that will enable its customers to procure intrinsically engineered, specialized steel locally. Nearly 22% of the total sales of the steel division emanated from development of new products (Refer annexure 6 of Directors Report).
- 6.12 These specialised products which are otherwise imported will help customers cut costs and also make them less susceptible to the volatility of the rupee.
- 6.13 The net turnover of the Special and alloy Steel segment saw a marginal decrease at Rs.1,673 crore as compared to Rs.1,735 crore in previous year.
- 6.14 The bulk of the specialty and alloy steel produced by your Company is consumed by the automobile component industry. India continues to move towards becoming the global supplier for auto components and your Company is poised to be the foremost supplier of specialty steels to this industry.

Growth in the Automobile sector

Segment	FY 2014		FY 2015		FY 2016		FY 2017 E
	nos.	% growth	nos.	% growth	nos.	% growth	% growth
Passenger cars	17,90,687	-6%	18,77,159	5%	20,25,439	7%	12% - 14%
2 Wheelers	252,87,635	6%	267,01,574	5%	271,56,377	2%	8% - 10%

- 6.15 The net turnover of the stainless steel products of your Company was maintained at Rs.926 crore as against Rs. 922 crore in the previous year.
- 6.16 Nearly 70% of the stainless steel produced in the country is exported after being converted into forgings, bright bars and wires. Although there was a reduction in global demand, your Company registered an increase mainly due to product development and value addition.
7. **MSMPL**
- 7.1 The profit after tax of the joint venture Company Mukand Sumi Metal Processing Limited (MSMPL), increased to Rs. 4.18 crore compared to Rs. 3.06 crore in the previous year.
- 7.2 MSMPL procured a state of the art wire drawing machine, fitted with online Eddy current tester and a combined drawing line which will enable it to reduce manufacturing costs and develop new specialized products. The increase in the production of value added products by MSMPL will simultaneously increase the demand for Black Bars of your Company.
8. **Industrial Machinery Division**
- 8.1 The net turnover of this segment stood at Rs. 134 crore for the year under review as compared to Rs.163 crore in the previous year. The segment result was loss of Rs.2 crore as compared to profit of Rs.16 crore in the previous year.
- 8.2 Momentum in the capital goods market is yet to pick up although the



Management Discussion and Analysis (Contd.)

Indian economy is the fastest growing economy in the world. The business of cranes and process equipment from the metal industry declined as all Capex programmes in the private sector have been kept on hold.

8.3 The Public Sector Units on the other hand initiated investments and the division bagged a few orders but has not been able to deliver the same due to delays on the customers' side. To mitigate losses the Company has embarked on a major cost reduction programme.

8.4 According to a report by BDB India, a market research and business consulting Company, projects worth USD 160 million were stalled as of December 2015, due to delays in project approvals and raw material non availability issues.

8.5 The Union Budget, has proposed a 23% increase in outlay for infrastructure this year at Rs. two lakh crores. This will in turn give an impetus to the industrial machinery division.

8.6 The manufacturing sector is also expected to emerge from an almost stagnant state in recent years and head towards a path of growth. Industrial output in India increased 2 percent year on year in February 2016, the first gain in four months.

9. Company's financial performance

9.1 The gross revenue from operations under review decreased marginally to Rs.3,069 crores against Rs.3,129 crores in the previous year. Faced by stiff competition from domestic and Chinese steel makers, the Company was forced to reduce its selling prices which resulted in a decrease in the top line although there was an increase in the quantity of steel production and sales.

9.2 The production and sales of steel products could have been higher but for the planned shut down of both the furnace in Ginigera for 30 days cumulatively for relining which is required to be done every seven years. The poor state of the capital goods market that negatively impacted the Industrial Machinery division also affected the turnover of the Company.

9.3 The profit after tax stood at Rs.1.62 crore at a similar level as compared to Rs. 1.58 crore in the previous year.

9.4 The increase in interest cost was due to the maturing of concessional loans under CDR, from which your Company has successfully exited, but had to take fresh loans at higher interest rates which also had a negative impact on the net profit. The Company hopes that banks will reduce the interest rates on their lending corresponding to the reduction given in Repo Rate by RBI.

9.5 Exports of your Company declined during the year by 18.1% at Rs.104.85 crores, as against Rs.128.09 crores in the previous year. Your Company hopes for government intervention through duty draw back and refund of excess costs incurred due to administered prices of inputs.

10. Quality Management System

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

11. Human Resource Management

The Company has maintained good and cordial relations with all employees and continues to invest in the training and development of all. The Company celebrated national safety week, world environment day and also organized a sports week for its employees. The Company appreciates the dedication and commitment of the employees at all levels.

12. Awards Won

12.1 The Karnataka State Safety Institute awarded an appreciation certificate to the Company in the Best Safe Power Boiler category for adopting Best safe practices in the year 2015.

12.2 The Company also received a Business Excellence award for excellent performance in terms of delivery, quality and support for new product development from Varroc Group. Varroc is one of the leading global passenger car lighting supplier and 2- wheeler component supplier in India.

12.3 The quality circles of the Company continued to win laurels at different forums during the year under report.

13. Future sustainability

13.1 As mentioned earlier in this report, sustainability in doing business is the single most important aspect for the future. At Mukand sustainability involves, all departments working in cohesion to a common goal that includes energy efficiency, efficiency in utilizing natural resources, minimal or no damage to the environment, safety adherence and developing the community. The Company also lays emphasis on acting ethically in all aspects of business.

13.2 Shortage of power and water has been few of the major problems faced by the Indian industry. The steel industry traditionally consumes large amounts of power and water. Your Company has taken a series of steps to economize the consumption and use alternate sources.

13.3 32% of the 224 million Kwh of power that your Company consumes, is sourced from natural and regenerative sources, i.e., wind energy and by converting waste gases captured from the production line.

13.4 At the Dighe plant, the Company has taken several measures to conserve water, resulting in a 25% reduction in the last two years.

13.5 The Company lays great emphasis on occupational health and safety of its employees. The total number of reportable and non reportable accidents has reduced by 89% since FY 2010- 11.

13.6 The Company has taken several steps to recycle waste produced during the steel making processes. Grinding dust, sludge, mill scale and Gas Cleaning Plant (GCP) dust are all utilised by the Company by processing it in its sinter plant while the slag that is produced during steel making is processed further to recover most of the metal from it. These measures have also resulted in a reduction in the requirement of raw material thereby saving costs.

13.7 Over the years, the Company has taken several measures to reduce energy consumption which have now fructified. Annexure-6 of the Director's Report gives these details.

13.8 The other measures taken by the Company include replacing the triplex steel making process with the duplex process, increasing the quantity of stainless steel scrap in the scrap mix which resulted in lower nickel consumption and installing an electrode regulation system, scrap bundling unit and twister guides.

13.9 The Company also installed a coke drying system that reduces the moisture from the Coke resulting in the conserving the consumption of coke.

13.10 As always the Company continues to adapt to changing customer requirements and ensures stringent quality parameters in all its activities. While doing these, the Company will also ensure that future sustainability remains the basis for doing business.

13.11 Green growth, along with customer and stake holder satisfaction, will guide our activities in the years to come.

14. Cautionary Statement

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

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 23, 2016.



Corporate Governance Report

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

1. THE BOARD OF DIRECTORS:

1.1 Composition and size of the Board:

The Board at present consists of 10 directors, including the Executive Chairman. Out of these 10 Directors, 7 are Non-Executive Directors, which include 5 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, four Board Meetings were held on May 29, 2015; August 12, 2015; November 05, 2015 and February 11, 2016. 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 (AGM) along with details of number of other public limited companies and committees where he/she is a director and member/chairman respectively is tabulated below:

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

€ Ceased to be a director w.e.f. 25th November, 2015.

* Includes only Audit and Stakeholders Relationship Committee.

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

Shri Rajesh V. Shah and Shri 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 7 listed companies.

1.3 Information supplied to the Board

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

Shri Rajesh V. Shah and Shri Suketu V. Shah retire by rotation and are eligible for re-appointment. Their brief resumes are as under:-

Shri Rajesh V. Shah

Shri Rajesh V. Shah, 64, 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 was President of Confederation of Indian Industries (CII) for the year 1998-99. He has been a member of the International Young Presidents' Organization (YPO) and was on the International Board of Directors of YPO in 1996. He has sound knowledge of the steel industry, national & international markets, business process re-engineering / restructuring for diversification, expansion and new business forays.

He joined the services of the Company in 1977 as Sales Manager (Rolled products) and since then has 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. He is responsible for Strategic Planning, Direction, Production and Marketing.

He is Chairman and director of Mukand Engineers Ltd., a listed entity and is member of the Stakeholders' Relationship Committee of the said Company. He is related to Shri Suketu V. Shah, Joint Managing Director of the Company.

Shri Suketu V. Shah

Shri Suketu V. Shah, 61, is B.Com. (Hons.) and a MBA from Harvard Business School, U.S.A.. He is at present Chairman of Alloy Steel Producers Association of India and was past Chairman Confederation of Indian Industry (CII) – Western Region and Young Presidents' Organisation (YPO) – Mumbai Chapter. He has sound knowledge of the steel industry, technical processes & new economy areas.

He joined the services of the Company in December 1984 as Senior Manager and since then has held positions of General Manager (Commercial), Senior Vice- President. He was appointed as a President & Director on 10th August, 1994 and as Joint Managing Director w.e.f. July 14, 2007. At present he is responsible for Strategic Planning, Direction and Overseeing the operations of Ginigera Steel Plant and implementation of projects.

He is related to Shri Rajesh V. Shah, Co- Chairman & Managing Director of the Company.

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:

Late Dr. N. P. Jain, IFS (Retd.), was Chairman of the Audit Committee till his demise on 25th November, 2015. The Committee at present comprises of Shri Dhirajlal S. Mehta, Chairman, Shri N.C. Sharma and Shri Prakash V. Mehta all of whom are Independent Directors. Terms of Reference of the Audit Committee have been broadened by the Board and are as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 and other regulations of SEBI LODR, 2015.

During the year under review, four meetings of the Audit Committee were held on 29.05.2015, 12.08.2015, 05.11.2015 and 11.02.2016.

Name of the Member	Nature of Membership	Meeting details	
		Held	Attended
Dr. N. P. Jain*	Chairman	4	3
Dhirajlal S. Mehta	Member	4	4
N.C. Sharma	Member	4	4
Prakash V. Mehta	Member	4	4

* Dr. N.P. Jain, IFS (Retd.), who was ex-Chairman of the Audit Committee, passed away on 25th November, 2015.

The Chairman of the Audit Committee was present at the last AGM held on 12th August, 2015.

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

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

3. NOMINATION AND REMUNERATION COMMITTEE:

Terms of Reference:

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

Performance Evaluation:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees constituted as required by the provisions of the Companies Act, 2013 and regulations of 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 –

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

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

B. Managing Directors & Key Managerial Personnel & Other Employees

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

The Company has no stock 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.

Late Dr. N. P. Jain, IFS (Retd.) was Chairman of the Nomination & Remuneration Committee till his demise on 25th November, 2015. The Committee at present comprises of Shri Prakash V. Mehta, Chairman, Shri Dhirajlal S. Mehta and Shri N. C. Sharma as members, 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 29th May, 2015 and it was attended by all the members of Committee.

The details of remuneration of Shri Niraj Bajaj - Chairman & Managing Director, Shri Rajesh V. Shah - Co-Chairman & Managing Director and Shri Suketu V. Shah - Joint Managing Director paid for FY 2015-16 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	16.15	12.08	16.74
TOTAL	96.79	92.72	93.00

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, 2016 and the shares in the Company held by them as on March 31, 2016 are as under:-

Sr. No.	Name of the Director	Sitting Fees (Rs.)	Shareholding	
			Equity Shares (No.s)	0.01% Cumulative Redeemable Preference Shares (No.s)
1	Shri Dhirajlal S. Mehta	4,80,000	277	69
2	Shri Vinod S. Shah	2,40,000	6,032	464
3	Dr. N. P. Jain, IFS (Retd.)	3,40,000	40	10
4	Shri Narendra J. Shah	2,00,000	99,605	8,245
5	Shri N.C. Sharma	4,60,000	-	-
6	Shri Prakash V. Mehta	4,40,000	-	-
7	Shri Amit Yadav	2,20,000	200	-
8	Smt Bharti R Gandhi	2,20,000	-	-

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 11th February, 2016.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Stakeholders Relationship Committee consists of Shri N. C. Sharma -Chairman, Shri Dhirajlal S. Mehta and Shri Amit Yadav (w.e.f. 12th August, 2015) all of whom are Independent Directors, Late Dr. N. P. Jain, IFS (Retd.) was member of the Committee till his demise on 25th November, 2015. The meeting of the Committee was held on May 23, 2016, which was attended by all the committee members. As on March 31, 2016, no request for transfer of shares and for dematerialization/ rematerialisation of shares was pending for approval. Shri K. J. Mallya, Company Secretary is the Compliance Officer.

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

5. GENERAL BODY MEETINGS:

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

AGM	Date & Time	Venue
75th	August 13, 2013 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021
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

The Company has passed a Special Resolution in 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, 2016.

6. DISCLOSURES:

6.1. Related Party Transactions:

There were no materially significant related party transactions made by the Company with its promoters, directors or their relatives during the year, which may have potential conflict with the interest of the Company at large. The details of transactions with related parties are disclosed in the Accounts. 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 took various steps to substitute costly iron ore by replacing and processing cheaper and low fe content 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 stainless steel melting scrap, back to back contracts are entered with suppliers and customers. The Company has no hedging activities for commodities.

Foreign Exchange Risk:

The Company's annual net foreign exchange exposure is Rs.547.03 crores. The Company makes efforts to reduce its imports to bring down the net foreign exchange exposure. The Rupee Dollar rate has been volatile during last two years to the extent of 10% in each year. The Company keeps a close watch on the Dollar Rupee volatility and takes the Forward cover based on the future risks expectation.

6.5. OTHER DISCLOSURES

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 FY: 2015-16 as required under regulation 26(3) of SEBI LODR, 2015. A declaration to this effect signed by the Managing Director is given in this Annual Report.

8. CODE FOR PREVENTION OF INSIDER TRADING:

The Company 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 and Co-Chairman & Managing Director and CFO i.e., Chief Financial Officer have furnished the requisite certificates to the Board of Directors of the Company.

10. MEANS OF COMMUNICATION:

The quarterly un-audited and yearly audited financial results are published in English and regional language newspapers. The financial results, shareholding pattern and other corporate communication to stock exchanges are filed in compliance with Regulation 30 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 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, August 08, 2016
Time	4.00 p.m.
Venue	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021

11.2 Financial calendar:

Financial Year: April 1 to March 31

Consideration of Financial Results (tentative):

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

11.3 Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 30th July, 2016 to Monday, the 8th August, 2016 (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:

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

11.6 Stock Price Data:

Monthly highs and lows of the Company's Equity Share prices on the BSE and NSE in the year 2015-16 are given hereunder:

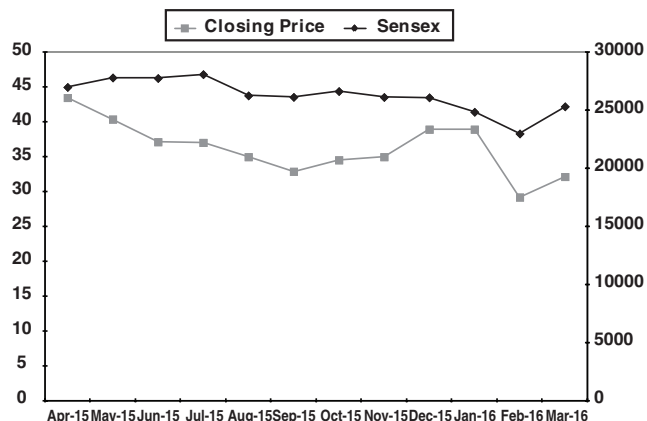
Rs. per share

Months	BSE		NSE	
	High	Low	High	Low
Year 2015				
April	54.40	43.25	53.80	43.10
May	50.00	37.00	47.25	39.30
June	41.75	31.05	41.80	34.20
July	40.75	35.25	40.60	36.30
August	43.95	33.50	44.00	33.50
September	38.00	30.30	35.50	31.25
October	40.00	32.10	39.50	32.00
November	35.65	31.00	35.90	31.00
December	40.90	35.50	55.70	34.55
Year 2016				
January	52.00	33.50	34.10	29.15
February	41.00	27.50	39.70	27.40
March	34.50	29.50	52.00	33.50

During the year, CRPS were traded on BSE at prices which ranged between Rs.3.37 and Rs. 6.00 per share and on NSE at prices which ranged between Rs. 2.00 and Rs.5.00 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., 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).

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, 3,843 Equity Shares and 966 CRPS were transferred in physical (non-dematerialized) form.

11.10 Distribution of Shareholding:

The Company had 42,635 Equity Shareholders and 41,605 CRPS holders as on March 31, 2016. 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	4,62,258	0.33	21,126	49.55
51 - 100	6,53,411	0.46	7,684	18.02
101 - 500	24,53,821	1.74	9,294	21.80
501 - 1,000	16,97,564	1.20	2,111	4.95
1,001 - 5,000	40,74,898	2.88	1,820	4.27
5,001 - 10,000	20,23,114	1.43	284	0.67
10,001 and above	13,00,40,795	91.96	316	0.74
Total	14,14,05,861	100.00	42,635	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	3,96,434	7.05	37,650	90.49
51 - 100	1,45,101	2.58	1,879	4.52
101 - 500	3,52,306	6.26	1,657	3.98
501 - 1,000	1,40,766	2.50	188	0.45
1,001 - 5,000	3,45,626	6.14	162	0.39
5,001 - 10,000	1,82,000	3.23	25	0.06
10,001 and above	40,64,087	72.23	44	0.11
Total	5,626,320	100.00	41,605	100.00



The shareholding pattern of Equity Shares as on March 31, 2016 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	2,125	0.00
3	Financial Institutions and Banks	1,00,294	0.07
4	Insurance Companies	72,44,583	5.12
5	Other Bodies Corporate	94,58,866	6.69
6	Foreign Institutional Investors	30,963	0.02
7	Non-Resident Indians/OCBs	5,40,070	0.38
8	Public and Others	2,26,64,966	16.03
	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, 18,743 Equity Shares and 2,406 CRPS were dematerialised in respect of 259 and 154 requests respectively. The dematerialisation level as on March 31, 2016 stood at 98.86% of total paid-up Equity Share capital and 92.53% of the total paid-up 0.01% Cumulative Redeemable Preference Share Capital. As on March 31, 2016, 26,395 Shareholders held 13,97,89,478 Equity Shares and 17,776 Shareholders held 52,06,269 CRPS in demat form.

11.12 Plant Locations:

Dighe, Thane, Maharashtra- 400 605

Giniger, Karnataka- 583 228

11.13 Address for Correspondence:

- (i) Physical Shares (Equity and Preference):
Share Transfer Agents:
M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli Financial District,
Nanakramguda, Hyderabad 500032
Tel: (040) 6716 2222
Fax: (040) 2300 1153
E-mail : mohsin.mohd@karvy.com
Website : www.karvycomputershare.com

- (ii) Demat Shares (Equity & Preference):
Respective Depository Participants of Shareholders
- (iii) Shares & Fixed Deposits:
Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai 400021
Tel: Shares: 022- 6121 6666 Fixed Deposits: 022 -6121 6629
Fax: 022-2202 1174
E-mail: Shares: investors@mukand.com
Fixed Deposits: fixeddeposit@mukand.com

12. ADOPTION OF MANDATORY & NON-MANDATORY REQUIREMENTS

Mandatory

The Company has fully adopted the mandatory requirements of 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 **Rajesh V. Shah**
Chairman & Managing Director **Co-Chairman & Managing Director**
Mumbai, May 23, 2016

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

Mukand Limited

We have examined the compliance of conditions of Corporate Governance by Mukand Limited ("the Company"), for the year ended on March 31, 2016, 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

Sumant Sakhardande
Membership No.: 034828

Place: Mumbai
Date: May 23, 2016

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

We, Niraj Bajaj, Chairman & Managing Director and Rajesh V. Shah, Co-Chairman & Managing Director of Mukand Ltd. hereby declare that all the Board Members and senior management personnel have affirmed for the year ended March 31, 2016 in compliance with the code of conduct as laid down by the Company.

Mumbai : May 23, 2016

Rajesh V. Shah
Co-Chairman & Managing Director

Niraj Bajaj
Chairman & Managing Director



Annexure to the Directors' Report

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

(As per Schedule II, Part B r/w Regulation 17(8) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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 31 March 2016 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.

Mumbai, May 23, 2016

S. B. Jhaveri
Chief Financial Officer

Rajesh V. Shah
Co-Chairman & Managing Director

Niraj Bajaj .
Chairman & Managing Director



Mukand Limited

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[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	57
2	Manufacture of Stainless Steel bars, rods, structurals, rails	27153	32

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 International FZE	Foreign Company	Subsidiary	100.00	2(87)
4	Mukand International Ltd.	Foreign Company	Subsidiary	100.00	2(87)
5	Mukand Sumi Metal Processing Ltd.	U27300MH2012PLC234000	Subsidiary	60.07	2(87)
6	Mukand Alloy Steels Pvt Ltd.	U27310MH2015PTC260936	Subsidiary	99.00	2(87)
7	Stainless India Ltd.	U27107RJ1995PLC010920	Associate	44.09	2(6)
8	Bombay Forgings Ltd.	U28910MH1966PLC013399	Associate	24.00	2(6)
9	Mukand Engineers Ltd.	L45200MH1987PLC042378	Associate	36.05	2(6)
10	Mukand Vini Mineral Ltd.	U14200MH2008PLC187216	Associate	49.02	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, 2015)				No. of shares held of the end of the year (31st March, 2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	37,320,648	-	37,320,648	26.39	34,797,853	-	34,797,853	24.61	-1.78
b. Central Govt.									-
c. State Govt.									-
d. Bodies Corp.	63,717,305	-	63,717,305	45.06	63,717,305	-	63,717,305	45.06	-
e. Bank/ FI									-
f. Any Other									-
Sub-Total (A)(1)	101,037,953	-	101,037,953	71.45	101,363,994	-	101,363,994	71.68	0.23
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)	101,037,953	-	101,037,953	71.45	101,363,994	-	101,363,994	71.68	0.23
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	5,006	1,001	6,007	0.00	1,124	1,001	2,125	0.00	-0.00
b. Bank/ FI	110,284	4,145	114,429	0.08	96,950	3,344	100,294	0.07	-0.01
c. Central Govt.									-
d. State Govt(s)									-
e. Venture Capital Funds									-
f. Insurance Companies	7,246,338		7,246,338	5.12	7,244,583	-	7,244,583	5.12	-0.00
g. FIs	-	30,963	30,963	0.02	-	30,963	30,963	0.02	-
h. Foreign Venture Capital									-
i. Others (specify)									-
Sub-Total (B)(1)	7,361,628	36,109	7,397,737	5.23	7,342,657	35,308	7,377,965	5.22	-0.01
2. Non- Institutions									
a. Body Corporate									-
i. Indian	9,363,728	442,863	9,806,591	6.94	9,015,926	442,940	9,458,866	6.69	-0.25
ii. Overseas									-
b. Individuals									-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	9,371,898	975,106	10,347,004	7.32	9,341,213	1,118,477	10,459,690	7.40	0.08
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	9,247,305	170,068	9,417,373	6.66	9,808,609	10,068	9,818,677	6.94	0.28
c. Others (specify)									-
i. Clearing members	66,997	-	66,997	0.05	19,585	-	19,585	0.01	-0.03
ii. NRIs	628,175	10,976	639,151	0.45	530,480	9,690	540,070	0.38	-0.07
iii. Trusts (Employee Welfare Funds)	2,367,014	-	2,367,014	1.67	2,367,014	-	2,367,014	1.67	-
iv. Non Promoter - Non Public Employee Welfare Funds	326,041	-	326,041	0.23	-	-	-	0.00	-0.23
Sub-Total -B-(2)	31,371,158	1,599,013	32,970,171	23.32	31,082,827	1,581,075	32,663,902	23.10	-0.22
Total Public Shareholding (B) = (B)(1) + (B)(2)	38,732,786	1,635,122	40,367,908	28.55	38,425,484	1,616,383	40,041,867	28.32	-0.23
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	139,770,739	1,635,122	141,405,861	100.00	139,789,478	1,616,383	141,405,861	100.00	-



ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of shares held of the beginning of the year (1st April, 2015)			No. of shares held of the end of the year (31st March, 2016)			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Shri Rahul Bajaj	712,044	0.50	0.00	712,044	0.50	-	0.00
2	Shri Niraj Bajaj	11,476,956	8.12	0.00	11,775,797	8.33	-	0.21
3	Shri Rajesh V Shah	7,200,842	5.09	2.58	7,200,842	5.09	3.72	0.00
4	Shri Suketu V Shah	7,319,018	5.18	2.17	4,497,382	3.18	3.16	-2.00
5	Shri Sanjivnayan Bajaj	1,787	0.00	0.00	1,787	0.00	-	0.00
6	Shri Shekhar Bajaj	733,000	0.52	0.00	733,000	0.52	-	0.00
7	Shri Madhur Bajaj	706,200	0.50	0.00	706,200	0.50	-	0.00
8	Shri Anant Bajaj	86,400	0.06	0.00	86,400	0.06	-	0.00
9	Smt Sunaina Kejriwal	1,363	0.00	0.00	1,363	0.00	-	0.00
10	Smt Suman Jain	3,744	0.00	0.00	3,744	0.00	-	0.00
11	Smt Anjana Viren Shah (Nee Anjana Munsif)	30,634	0.02	0.00	30,634	0.02	-	0.00
12	Shri Narendrakumar J Shah	99,605	0.07	0.00	99,605	0.07	-	0.00
13	Smt Jyoti Shah	21,117	0.01	0.00	21,117	0.01	-	0.00
14	Smt Bansri Rajesh Shah	3,431,542	2.43	0.44	3,431,542	2.43	2.38	0.00
15	Smt Czaee Sukumar Shah	4,057,212	2.87	0.00	4,057,212	2.87	2.48	0.00
16	Kum Priyadarshika Rajesh Shah	960,046	0.68	0.34	960,046	0.68	0.68	0.00
17	Shri Kautubh Rajesh Shah	96,000	0.07	0.03	96,000	0.07	0.07	0.00
18	Shri Rishabh Sukumar Vir	191,138	0.14	0.00	191,138	0.14	-	0.00
19	Smt Minal Bajaj	192,000	0.14	0.00	192,000	0.14	-	0.00
20	Shri Neelakantan K. Iyer (A/c Jadavdevi Suketu Trust)	-	0.00	0.00	2,821,636	2.00	-	2.00
21	Shri Niraj Bajaj (A/c Niravnayan Trust)	-	0.00	0.00	27,200	0.02	-	0.02
22	Bachhraj & Co Pvt Ltd.	3,350,692	2.37	0.00	3,350,692	2.37	-	0.00
23	Bachhraj Factories Pvt. Ltd.	1,378,168	0.97	0.00	1,378,168	0.97	-	0.00
24	Bajaj Holdings & Investment Ltd.	8,113,564	5.74	0.00	8,113,564	5.74	-	0.00
25	Bajaj Sevashram Pvt. Ltd.	2,500,160	1.77	0.00	2,500,160	1.77	-	0.00
26	Baroda Industries Pvt. Ltd.	15,726,616	11.12	0.00	15,726,616	11.12	0.48	0.00
27	Jamnalal Sons Pvt. Ltd.	26,293,322	18.59	2.74	26,293,322	18.59	-	0.00
28	Jeewan Ltd.	4,785,369	3.38	2.61	4,785,369	3.38	-	0.00
29	Mukand Engineers Ltd.	1,362,400	0.96	0.48	1,362,400	0.96	-	0.00
30	Niraj Holdings Pvt. Ltd.	8,000	0.01	0.00	8,000	0.01	-	0.00
31	Sidya Investments Ltd.	160,000	0.11	0.00	160,000	0.11	-	0.00
32	Valiant Investments & Trades Pvt. Ltd.	260	0.00	0.00	260	0.00	-	0.00
33	Akhil Investments & Traders Pvt. Ltd.	260	0.00	0.00	260	0.00	-	0.00
34	Kamalnayan Investment & Trading Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	-	0.00
35	Madhur Securities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	-	0.00
36	Rahul Securities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	-	0.00
37	Rupa Equities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	-	0.00
38	Sanraj Nayan Investments Pvt. Ltd.	3,494	0.00	0.00	3,494	0.00	-	0.00
39	Shekhar Holdings Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	-	0.00
	TOTAL	101,037,953	71.45	11.38	101,363,994	71.68	12.97	0.23



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

Sr. No.	Name	Shareholding at the beginning of the year (1st April, 2015) / at the end of the year (31st March, 2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	101,037,953	71.45		
	Date-wise increase/(decrease)				
1	Shri Niraj Bajaj				
	30-09-2015 - Purchase	326,041	0.23	101,363,994	71.68
	04-01-2016 - Re-classification	(27,200)	-0.02	101,336,794	71.66
2	Shri Suketu V Shah				
	31-12-2015 - Sale	(2,671,636)	-1.89	98,665,158	69.77
	29-03-2016 - Off Market Transfer	(150,000)	-0.11	98,515,158	69.67
3	Shri Neelakantan K. Iyer (A/c Jadavdevi Suketu Trust)				
	31-12-2015 - Purchase	2,671,636	1.89	101,186,794	71.56
	29-03-2016 - Off Market Acquisition	150,000	0.11	101,336,794	71.66
4	Shri Niraj Bajaj (A/c Niravnayan Trust)				
	04-01-2016 - Re-classification	27,200	0.02	101,363,994	71.68
	At the end of the year	101,363,994	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 (01.04.2015)	% 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	7,228,076	5.11		No Change		7,228,076	5.11
2	Shinano Retail Pvt. Ltd.	3,579,056	2.53		No Change		3,579,056	2.53
3	Mr Rakesh S Gupta	2,065,003	1.46	15/5/2015	5,000	Purchase	2,070,003	1.46
				5/6/2015	5,000	Purchase	2,075,003	1.47
				12/6/2015	1,522	Purchase	2,076,525	1.47
				19/6/2015	12,009	Purchase	2,088,534	1.48
				26/6/2015	6,941	Purchase	2,095,475	1.48
				3/7/2015	2,001	Purchase	2,097,476	1.48
				10/7/2015	5,000	Purchase	2,102,476	1.49
				9/11/2015	(10,000)	Sale	2,092,476	1.48
				16/11/2015	9,806	Purchase	2,102,282	1.49
				23/11/2015	22,758	Purchase	2,125,040	1.50
				30/11/2015	7,096	Purchase	2,132,136	1.51
				25/3/2016	20,000	Purchase	2,152,136	1.52
4	Fusion Investments and Financial Services Pvt Ltd.	806,180	0.57		No Change		806,180	0.57
5	Mr Dilipkumar Lakhi	614,880	0.43		No Change		614,880	0.43
6	Ms Jyoti R Gupta	484,862	0.34	18/03/2016	24,430	Purchase	509,292	0.36
				25/03/2016	25,929	Purchase	535,221	0.38
				31/03/2016	1,033	Purchase	536,254	0.38
7	Lineage Investments Pvt. Ltd.	427,880	0.30		No Change		427,880	0.30
8	Sikkim Janseva Pratishthan Pvt Ltd.	390,000	0.28		No Change		390,000	0.28
9	Econium Investments and Finance Pvt. Ltd.	345,760	0.24		No Change		345,760	0.24
10	Mr Deven M Doshi	260,000	0.18	26/02/2016	50,000	Purchase	310,000	0.22

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year (1st April, 2015) / at the end of the year (31st March, 2016)		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 Chairman & Managing Director	11,476,956	8.12	28/09/2015	326,041	Market Acquisition	11,802,997	8.35
				4/1/2016	(27,200)	Re-classification	11,775,797	8.33
		11,775,797	8.33	31/03/2016			11,775,797	8.33
		7,200,842	5.09	1/4/2015			7,200,842	5.09
2	Rajesh V Shah Co-Chairman & Managing Director				Nil movement during the year			
		7,200,842	5.09	31/03/2016			7,200,842	5.09
		7,319,018	5.18	31/12/2015	(2,671,636)	Market Sale	4,647,382	3.29
					(150,000)	Off Market Transfer	4,497,382	3.18
3	Suketu V Shah Jt. Managing Director	4,497,382	3.18	29/03/2016			4,497,382	3.18
				31/03/2016				





Sr. No.	Name	Shareholding at the beginning of the year (1st April, 2015) / at the end of the year (31st March, 2016)		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							
4	Dhirajal S. Mehta Director	277	0.00	1/4/2015			277	0.00
					Nil movement during the year			
5	N P Jain Director [€]	277 40	0.00 0.00	31/03/2016 1/4/2015			277 40	0.00 0.00
					Nil movement during the year			
6	Narendra J Shah Director	40 99,605	0.00 0.07	31/03/2016 1/4/2015			40 99,605	0.00 0.07
					Nil movement during the year			
7	Vinod S Shah Director	99,605 6,032	0.07 0.00	31/03/2016 1/4/2015			99,605 6,032	0.07 0.00
					Nil movement during the year			
8	Amit Yadav Director	6,032 200	0.00 0.00	31/03/2016 1/4/2015			6,032 200	0.00 0.00
					Nil movement during the year			
	Key Managerial Personnel							
1	S B Jhaveri Chief Financial Officer	200 3,680	0.00 0.00	31/03/2016 1/4/2015			200 3,680	0.00 0.00
					Nil movement during the year			
2	A M Kulkarni Chief Executive Officer	3,680 3,520	0.00 0.00	31/03/2016 1/4/2015			3,680 3,520	0.00 0.00
					Nil movement during the year			
3	K J Maliya Company Secretary	3,520 400	0.00 0.00	31/03/2016 1/4/2015			3,520 400	0.00 0.00
					Nil movement during the year			
		400	0.00	31/03/2016			400	0.00

[€] Ceased to be a director w.e.f. 25th November, 2015.

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	1,298.10	1,180.10	82.00	2,560.20
ii. Interest due but not paid	9.99	34.84	-	44.83
iii. Interest accrued but not due	3.16	-	5.84	9.00
Total (i+ii+iii)	1,311.25	1,214.94	87.84	2,614.03
Changes in indebtedness during the financial year				
• Addition	180.00	211.85	-	391.85
• Reduction	(207.81)	-	(8.73)	(216.54)
Net Change	(27.81)	211.85	(8.73)	175.31
INDEBTEDNESS AT THE END 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

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
		Shri Niraj Bajaj, Chairman & Managing Director	Shri Rajesh V Shah, Co-Chairman & Managing Director	Shri 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	0.01	0.12	0.17	0.30
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	TOTAL (A)	0.88	0.84	0.84	2.56
	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
		Shri Dhirajlal S Mehta	Dr. N P Jain, IFS(Retd.)	Shri N C Sharma	Shri Prakash V Mehta	Shri Amit Yadav	Smt Bharti R Gandhi	Shri Vinod Shah	
(Rs. in Crore)									
1	Independent Directors								
	Fee for attending board / committee meetings	0.05	0.03	0.05	0.04	0.02	0.02		0.22
	Commission								
	Others, please specify								
	TOTAL (1)	0.05	0.03	0.05	0.04	0.02	0.02	-	0.22
2	Other Non-Executive Directors								
	Fee for attending board / committee meetings							0.02	0.04
	Commission								
	Others, please specify								
	TOTAL (2)	0	0	0	0	0	0	0.02	0.04
	TOTAL (B) = (1+2)	0.05	0.03	0.05	0.04	0.02	0.02	0.02	0.26
	Total Managerial Remuneration								
	Overall Ceiling as per the Act	0.12	0.08	0.11	0.1	0.05	0.05	0.06	0.73



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

Sr. No.	Particulars Of Remuneration	Key Managerial Personnel			Total
		Shri S B Jhaveri CFO	Shri A M Kulkarni CEO	Shri K J Maliya Company Secretary	
(Rs. in Crore)					
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	0.56	0.54	0.28	1.38
	(b) Value of perquisites u/s. 17(2) of Income tax Act, 1961	-	0.01	-	0.01
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	TOTAL	0.56	0.55	0.28	1.39

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 23, 2016.



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) 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 member; and
 - b) a sitting fee of Rs.20,000 for every meeting of Committee of the Board other than that of Audit Committee Meeting.
- ii) **Managing Directors, Key Managerial Personnel & Other Employees**
The objective of the Remuneration Policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to Managing Directors shall take into account the Company's overall performance, their contribution for the same and trends in the industry in general, in a manner which will ensure and support high performance culture.
The Company do not have stock option plans and hence such instruments do not form part of the remuneration package.
Remuneration to Managing Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
The remuneration structure to other employees will have compensation policy so as to reward and retain talent.

III) Performance Evaluation of the Board, Committees and Directors

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 will be approved by the Audit Committee of the Board from time to time.

Consent of the Board and the Shareholders would be taken in respect of all RPTs, except in 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 website link on this 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: <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 will address the complaint to any member of the Enforcement Committee along with the available details and evidence to the extent possible. In case, the complaint is received by a person, other than a enforcement committee member, the same is required to be forwarded by him to the Enforcement Committee.

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

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

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

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

On behalf of the Board of Directors,

Niraj Bajaj

Chairman & Managing Director

Mumbai, May 23, 2016.

Rajesh V. Shah

Co-Chairman & Managing Director



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 upto 15 days.
(e)	Date(s) of approval by the Board, if any	In the quarterly meetings of the Audit Committee of the Board.
(f)	Amount paid as advances, if any:	---

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 23, 2016



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

A) Conservation of Energy

i) Energy Conservation Measures taken:

Steel Plant:

(a) For reduction in consumption of electrical energy:

- * UHPF Electrode regulation system with digital control commissioned and stabilised.
- * VVVF Drive commissioned for 90 KW pump motor at UHPF Pump House to optimize the supply
- * Economising on start up and shutdown losses during each campaign by shutting down cooling water pumps, auxiliaries and blowers.
- * Introduction of automation to switch off hydraulic motors & ventilation blower motor of WRM
- * Replaced High Power Mercury Vapour Lamps of 400 watts with LED lights of 110 watts.
- * Programme modified to shut off de-scaler pump whenever mill is not running.
- * VVVF Drives commissioned at Sinter Plant.

(b) **Fuel**

Steps taken to reduce Fuel Consumption.

- * Change in process of steel making from Triplex to Duplex, thereby eliminating use of either VOD or Converter in process.
- * New high temperature efficiency recuperator installed in WRM.
- * Waste Heat Recovery unit installed. Waste flue gasses from BRF used for preheating incoming furnace oil.
- * Use of steam from Power Plant/VD Boiler operation in VD process.

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

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

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

Sr. No.	Area of Capital Expenditure	Capital Expenditure (Rs.Crore)
1	UHPF Electrode Regulation System	1.53
2	Recuperator for Billet Reheating Furnace of Wire Rod Mill	0.34
3	Waste Heat Recovery Unit for BRF Oil Heating	0.21
4	DC Drive upgradation for Block Mill Motor	0.71
5	Steam Networking System	0.11

B) Technology, absorption, adoption and innovation

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

Steel Plant

- * Improvement in steel making and continuous casting practices for alloy and stainless steel with the help of Japanese steel making experts.
- * Standardization of conditions on heat treatment and carburization of boron micro alloyed steel to get desired impact strength in Bruggen test.
- * Grain refinement of ferritic stainless steels.
- * To increase capacity utilization of Blooming Mill at Dighe, Thane: (i) developed rolling facility for heavy Round Bar section sizes of dia in mm 190, 157 and 135 and (ii) developed Rolling of Section Sizes of dia in mm 70, 75 & 80 so as to release capacity of Bar Mill for thinner sections.
- * Developed rolling facility for new sections of dia in mm 6.7,

11.5, 12.5, 13.5, 14.5, 17 in Wire Rod Mill at Dighe, Thane.

- * Introduction of rolling facility for ribbed Bar(304 SS) and duplex grade for dia in mm 20, 25, 32, 40 in Bar Mill at Dighe, Thane.
- * Steel making process modified to minimize aluminum consumption.
- * Minimized the entrapment by revising the chemistry of silicon in CHQ steels.
- * Developed steel with oxygen at less than 8 ppm (parts per million).
- * Coke Drying System commissioned.
- * Pre screening of coke fines before crusher at Sinter Plant by reducing micro fines in coke fines.
- * Introduction of Double Foot Roll in Continuous Casting Machine for achieving acceptable micro hinge crack.
- * Introduction of self aligned roller for round to avoid "S Bend" in Continuous Casting Machine.
- * Development of software for measurement of high temperature grain size.
- * Fine tuning of Nozzlex Powder to improve the ladle free opening.
- * Introduction of uniform heating of blooms through Mill board between blooms during charging in pusher type Reheating Furnace.
- * Improvement in processes for cleaner steels.
- * Process of auto couplers spring standardised for effective purging in secondary steel making.
- * Minimisation of temperature loss during rolling.
- * Insulation of LPG pipeline for effective cutting of as cast blooms/billets.

ii) Benefits derived as a result of the above efforts

- * Improved market share and approval by Original Equipment Manufacturers for alloy steel grades.
- * Reduced cost of Stainless Steel products, making it more competitive and increase the market share.

iii) **Imported technology:**

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

iv) **Expenditure on R&D:**

Description	2015-16 Rs. Crore	2014-15 Rs.Crore
a) Capital	-	-
b) Recurring	1.08	1.26
Total	1.08	1.26
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 :**

Special and Alloy Steel

Steel for Automotive Springs, Crankshaft, Crankpin, Pinion, Fuel Injection Nozzle part, Chisel, Rings, Bearings, Gear Box, Hub Bearings, Transmission Gear, Roller for Bearings, Balls and Rollers, suspension springs for automobiles, rack bar for steering, seamless tubes.

Stainless Steel

For High Strength Fastener Application. Solenoid valve applications.

C) Foreign Exchange Earnings and Outgo:

Sr. No.	Description	2015-16 Rs. Crore
i.	Foreign Exchange Earnings	105.12
ii.	CIF value of imports	651.44
iii.	Expenditure in Foreign Currency	3.68

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 23, 2016



Form AOC-I

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

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

Part - "A" : Subsidiaries

Sr. No.	Description	Indian Subsidiaries				Foreign Subsidiaries	
		Mukand Global Finance Ltd.	Vidyavihar Containers Ltd.	Mukand Alloy Steels Pvt Ltd.	Mukand Sumi Metal Processing Ltd.	Mukand International Ltd.	Mukand International FZE
(Rs. in Crore)							
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1.4.2015 to 31.3.2016	1.4.2015 to 31.3.2016	1.4.2015 to 31.3.2016	1.4.2015 to 31.3.2016	1.4.2015 to 31.3.2016	1.4.2015 to 31.3.2016
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.66.2550)	USD (USD 1 = Rs.66.2550)
3.	Share Capital	11.75	119.77	0.01	27.30	0.01	9.03
4.	Reserves and Surplus	19.03	(245.56)	(0.04)	253.31	0.01	5.14
5.	Total Assets	144.73	67.76	(0.01)	330.04	0.02	52.38
6.	Total Liabilities	113.95	193.55	0.04	49.43	-	38.21
7.	Investments					-	
8.	Turnover*	13.24	4.13	-	541.77	-	190.66
9.	Profit before taxation*	(7.20)	(11.20)	(0.02)	6.47	-	1.15
10.	Provision for taxation*		(2.51)	-	2.29	-	-
11.	Profit after taxation*	(7.20)	(13.71)	(0.02)	4.18	-	1.15
12.	Proposed Dividend	-	-	-	-	-	0.56
13.	% of shareholding	100	100	99	60.07	100	100

* In case of foreign subsidiaries, translated at average Exchange Rate of USD 1 = Rs.65.583

Notes:

- Names of subsidiaries which are yet to commence operations. - Mukand Alloy Steels Pvt. Ltd.
- Names of subsidiaries which have been liquidated or sold during the year - Not Applicable.

Part "B": Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures	Mukand Vini Mineral Ltd. (MVML)	Mukand Engineers Ltd. (MEL)	Bombay Forgings Ltd. (BFL)	Stainless India Ltd. (SIL)	Hospet Steels Ltd. (HSL)
		Joint Venture	Associate	Associate	Associate	Associate
1.	Latest Audited Balance Sheet date	31.3.2016	31.3.2016	31.3.2015	31.3.2015	31.3.2016
2	Shares of Associates/Joint Ventures held by the Company on the year end					
	No.	852,800	4,539,781	28,800	6,097,200	70,004
	Amount of Investment in Associates/Joint Ventures (Rs. in Crore)	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 (Rs. in Crore)	0.85	18.85	0.48	Nil*	Nil*
6.	Profit/Loss for the year (Rs. in Crore)	-	(6.68)	(0.08)	2.53	(0.27) *
i.	Considered in Consolidation (Rs. in Crore)	Nil	(2.41)	(0.02)	--	--
ii.	Not Considered in Consolidation (Rs. in Crore)	Nil	--	--	1.11 *	--
* As provision for diminution in value of investment has been considered while consolidating the financial statements.						
1. Names of associates or joint ventures which are yet to commence operations - Mukand Vini Mineral Limited						
2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil.						



a)	Report on performance and financial position of each subsidiary, joint ventures, associates
1.	Mukand Global Finance Ltd. (MGFL):
	Revenue from Operations and other income is at Rs.13.24 Cr as compared to Rs.8.76 Cr in the previous year. Loss after tax is at Rs.7.20 Cr as compared to Rs. 2.03 Cr in the previous year. It has written off an amount of Rs.10.63 Cr due from an investment Company during the year under review which has been the main reason for the loss for the year.
2.	Vidyavihar Containers Ltd. (VCL):
	During the year under review, income from operations is Rs.4.13 Cr as compared to Rs.1.54 Cr in the previous year. Loss after tax is at Rs.13.71 Cr as compared to Rs.0.62 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.12.86 Cr due from an investment 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):
	Shareholders of Mukand Ltd., the holding Company by way of a postal ballot have approved the transfer of Alloy Steel business as a going concern on slump sale basis on February 18, 2015 to MASPL. Accordingly, MASPL has signed business transfer agreement dated March 14, 2015 for the transfer of said business with Mukand Ltd. This agreement has not come into effect for want of certain approvals/consents to be obtained by Mukand Ltd.
4.	Mukand Sumi Metal Processing Ltd. (MSMPL):
	MSMPL is a subsidiary formed under joint venture with Sumitomo Corporation, Japan to carry on the business of cold finished bars and wires. During the year under review, revenue from operations is Rs.541.77 Cr as compared to Rs.524.48 Cr in the previous year. Profit after tax is at Rs.4.18 Cr as compared to Rs.3.06 Cr in the previous year.
5.	Mukand International Ltd. (MIL):
	MIL, UK has ceased trading operations with effect from April 1, 2010.
6.	Mukand International FZE (MIFZE):
	MIFZE trades in steel products and inputs for manufacture of steel world wide. Turnover during the year is USD 2.91 Cr as compared to USD 3.20 Cr in the previous year. Net profit for the year is USD 0.02 Cr as compared to USD 0.01 Cr in the previous year. Its Board has proposed a dividend of USD 85,000 for the year under review.

7.	Mukand Vini Mineral Ltd. (MVML):
	Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India cancelled allotment of all coal blocks in the Writ Petitions before it, including the allotment received by Joint Venture Company, M/s. Mukand Vini Mineral Ltd.
8.	Mukand Engineers Ltd. (MEL):
	Mukand Engineers Ltd is engaged in the business of supply and erection of equipment for power plants, integrated steel/aluminium plants and hydro-carbon plants. It also undertakes engineering and project management services for steel and power plants. During the year under review, revenue from operations is Rs.111.12 Cr as compared to Rs.139.29 Cr in the previous year. Loss after Tax is Rs.6.68 Cr as compared to profit after tax of Rs.1.78 Cr in the previous year on account of lower turnover resulting in shortfall in the absorption of overheads.
9.	Bombay Forgings Ltd. (BFL):
	Revenue from operations is at Rs.52.87 Cr as compared to Rs.48.92 Cr in the previous year. Loss for the year was marginally lower at Rs. 0.08 Cr from that of Rs.0.17 Cr in the previous year. This was mainly on account of slump in the market for forgings.
10.	Stainless India Ltd. (SIL):
	SIL has ceased operation with effect from 27.10.2008. Building, Plant & Machinery and other assets have been disposed in the earlier years. MOU has been concluded with a buyer for transfer of free hold and lease hold land. State Government's permission for transfer of lease hold industrial land has been obtained and part of the said lease hold land has been transferred.
11.	Hospet Steels Ltd. (HSL):
	HSL is an outcome of a strategical alliance between Kalyani Steels Ltd. 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.116.80 Cr from the constituents and its loss for the year after tax was Rs.0.27 Cr.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 23, 2016.



FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2016, 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, 2016 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

OTHER APPLICABLE LAWS:

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE) and 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period:

1. There were no instances of :
 - a. Public/ Rights/ Preferential issue of shares/ debentures.
 - b. Redemption/ buyback of securities.
 - c. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
 - d. Merger/ amalgamation/ reconstruction etc.
 - e. Foreign Technical Collaborations

FOR ANANT B KHAMANKAR & CO.

ANANT KHAMANKAR

F.C.S. - 3198

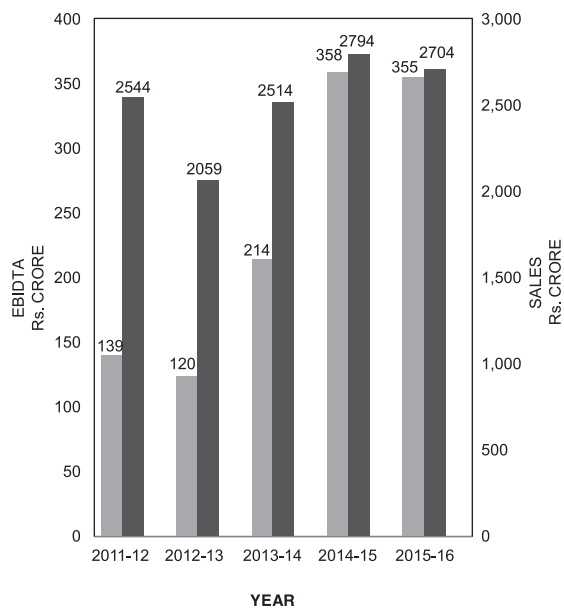
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DATE: 23 MAY, 2016

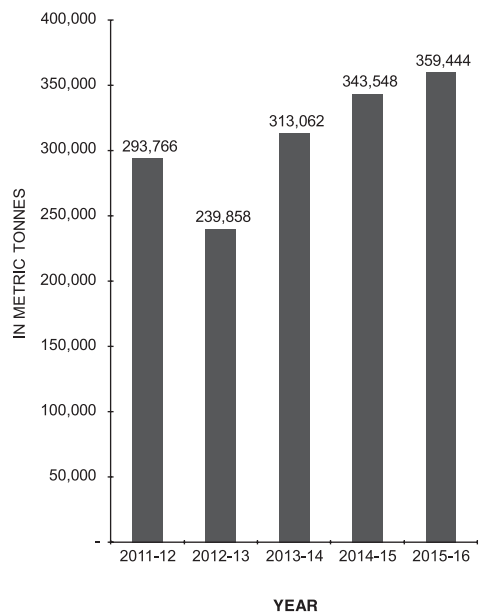
PLACE: Mumbai



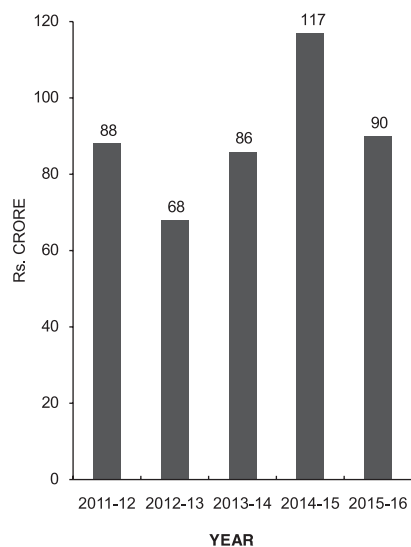
EBIDTA & SALES



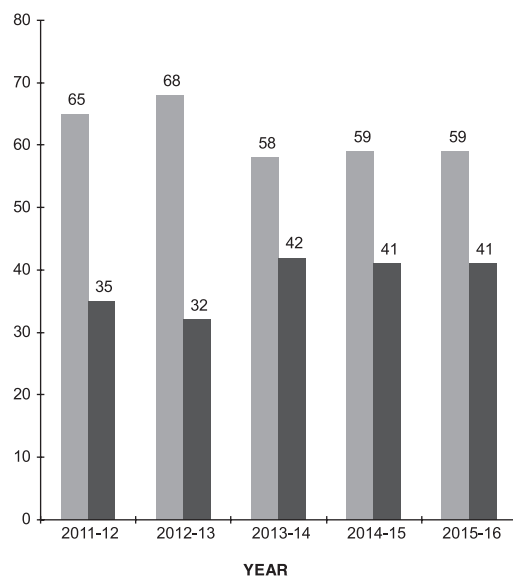
SALE OF STEEL-TONNES



EXPORTS (BILLETS, WIRE RODS & BARS)



SECURED LONG TERM DEBT: EQUITY RATIO



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, 2016, 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, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

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

- a) Note 18(a) to the Statement, relating to the Exposures in Bombay Forgings Limited (BFL) aggregating Rs. 78.28 crores as at March 31, 2016 (Rs. 81.73 crores as at March 31, 2015), 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, 2016 (Rs. 52.13 crores (net) as at March 31, 2015), where the management has, barring any significant uncertainties in future, relied upon the realizable values of financial assets of VCL to recover its Exposures.
- c) Note 18(c) to the Statement, relating to the Exposures in Stainless India Limited (SIL), an associate company, aggregating Rs. 7.31 crores as at March 31, 2016 (Rs. 7.31 crores as at March 31, 2015), where the net worth of SIL has been fully eroded and there are no significant activities being carried out by SIL. The management has, barring any significant uncertainties in future, relied upon the valuation of land held by SIL.
- d) Note 21(b) to the Statement, relating to the Exposures aggregating Rs. 120.00 crores as at March 31, 2016 (Rs. 126.80 crores as at March 31, 2015), in respect of road construction activity and our reliance on the management's expectation of its realisability.

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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.

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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 23, 2016



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, 2016]

- (i) (a) The Company has maintained the fixed assets register for quantitative details and situation of fixed assets. However, it is in the process of updating the same for accumulated depreciation and net block of the assets.
- (b) 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, according to the information and explanations given to us, an Order has been passed by the Company Law Board on the Company in respect of the aforesaid deposits which has been complied with by the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been delays in payment of income tax deducted at source, excise duty, service tax and value added tax and LBT which have not been regularly deposited and there have been delays in many cases.
- AND
- (a) 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 (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act	Income Tax	0.68	1992-93	High Court	
Income Tax Act	Income Tax	0.31	1997-98	High Court	

Name of the statute	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks
Wealth Tax Act	Wealth Tax	0.35	1998-99	High Court	
Income Tax Act	Income Tax	0.64	1998-99	High Court	
Income Tax Act	Income Tax	0.35	2008-09	High Court	
Income Tax Act	Income Tax	0.25	2009-10	High Court	
Income Tax Act	Income Tax	0.22	2010-11	High Court	
Trade tax & Entry Tax	UP Trade Tax, Entry Tax	0.13	2001-02	High Court	
Sales tax	Local Sales Tax, Central Sales Tax	0.02	1988-89, 1989-90	Tribunal	
Sales tax	Local Sales Tax, Central Sales Tax	0.02	1989-90, 1990-91, 1991-92, 1996-97, 1998-99	Deputy Commissioner - Appeals	
Entry Tax	Entry Tax	0.11	2002-03	Commissioner (Appeals)	
Trade Tax	UP Trade Tax	3.30	2002-03, 2003-04	Tribunal	

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, governments or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public issue offer / further public offer (including debt instruments). Further the Company has utilized the money raised by way of term loan during the year 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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 23, 2016



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, 2016]

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 ("the Company") as of March 31, 2016 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, 2016, 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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 23, 2016



Balance Sheet as at 31st March, 2016

	Note No.	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	147.05	147.05
(b) Reserves and surplus	2	1,971.02	1,973.79
		2,118.07	2,120.84
(2) Non Current Liabilities			
(a) Long-term borrowings	3	1,581.87	1,501.58
(b) Deferred tax liabilities (net)	4		
(c) Other long term liabilities	5	4.00	4.00
(d) Long-term provisions	6	43.40	39.31
		1,629.27	1,544.89
(3) Current Liabilities			
(a) Short-term borrowings	7	882.06	829.35
(b) Trade payables : due to	8		
i) Micro Enterprises and Small Enterprises		1.95	1.63
ii) Other than Micro Enterprises and Small Enterprises		835.84	866.63
Total		837.79	868.26
(c) Other current liabilities	9	483.82	427.56
(d) Short-term provisions	10	5.64	5.81
		2,209.31	2,130.98
Total		5,956.65	5,796.71
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	11		
(i) Tangible assets		2,406.73	2,447.41
(ii) Intangible assets		0.10	0.15
(iii) Capital work-in-progress		29.20	26.37
		2,436.03	2,473.93
(b) Non-current investments	12	250.87	251.00
(c) Deferred tax assets (net)	4	44.80	45.32
(d) Long-term loans and advances	13	116.39	115.75
(e) Other non-current assets	14	47.90	48.28
		459.96	460.35
(2) Current Assets			
(a) Inventories	15	1,462.25	1,423.58
(b) Trade receivables	16	1,116.18	986.50
(c) Cash and Bank Balances	17	65.26	79.87
(d) Short-term loans and advances	18	204.69	188.18
(e) Other Current Assets	19	212.28	184.30
		3,060.66	2,862.43
Total		5,956.65	5,796.71
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements			
	1 to 39		

As per our attached report of even date

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

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
Mumbai, May 23, 2016

S B Jhaveri
Chief Financial Officer

K J Mallia
Company Secretary

Mumbai, May 23, 2016



Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	2015-16 Rs in crore	2014-15 Rs in crore
I) Gross Revenue from Operations		3,068.93	3,128.58
Less Excise Duty		337.05	309.49
Net Revenue from Operations	21	2,731.88	2,819.09
II) Other Income	22	21.57	20.08
III) Total Revenue (I) + (II)		2,753.45	2,839.17
IV) Expenses			
a) Cost of Materials Consumed	23	1,203.92	1,384.24
b) Purchase of Stock in Trade		0.88	1.58
c) Changes in inventories of Finished Goods and Work-in-Progress / Contracts in Progress & Stock-in Trade	24	(71.08)	(137.32)
d) Employee benefits expense	25	171.26	159.01
e) Finance costs	26	278.91	266.08
f) Depreciation and amortization expense		73.99	74.97
g) Other expenses	27	1,095.78	1,078.47
Expenditure transferred to Capital Accounts/ Capital Work-in-Progress		(2.35)	(5.05)
Total Expenses		2,751.31	2,821.98
Profit/(Loss) before Exceptional items and tax		2.14	17.19
Add / (Less) :			
Exceptional Items (net)	28	-	(15.06)
V) Profit before tax (III) - (IV)		2.14	2.13
VI) Tax Expense:			
Deferred Tax (Charge) / Credit		(0.52)	(0.55)
Profit/ (Loss) for the year(V) - (VI)		1.62	1.58
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	0.11	0.11
Basic and diluted earnings per share excluding Exceptional Items (in Rs.)	30	0.11	1.18
Nominal value of share (in Rs.)		10.00	10.00
Statement of Significant Accounting			
Policies adopted by the Company and			
Notes forming part of the Financial Statements	1 to 39		

As per our attached report of even date

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

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
Mumbai, May 23, 2016

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 23, 2016



Cash Flow Statement for the year ended 31st March, 2016

	Rs. in crore					
	2015-16	2015-16	2015-16	2014-15	2014-15	2014-15
A Cash Flow arising from Operating Activities						
Profit / (Loss) before Tax & Exceptional items			2.14			17.19
Add back :						
(1) Depreciation		73.99			74.97	
(2) Other Non-cash Expenditure/(Income) -(net)		1.97			1.46	
(3) Interest / Lease Charges (net)		267.07			253.76	
			343.03			330.19
			345.17			347.38
Deduct :						
(1) Investment Income		0.20			0.64	
(2) Surplus/(Loss) on sale of assets -(net)		2.94			10.23	
			3.14			10.87
Operating Profit before Working Capital changes			342.03			336.51
Less : Working Capital Changes						
(1) Increase in Trade and Other Receivables	130.45			86.92		
(2) Increase in Other Current Assets	27.98			23.53		
(3) Increase in Long Term Loans & Advances	-			7.70		
(4) Increase in Short Term Loans & Advances	21.69			9.45		
(5) Increase in Margin Money	0.17			-		
(6) Increase in Inventories	38.68			188.41		
(7) Decrease in Trade Payables	27.76			-		
(8) Decrease in Other Current Liabilities	-			43.05		
(9) Decrease in Other Long Term Liabilities	-			9.86		
		246.73			368.92	
Less:						
(1) Decrease in Long Term Loans & Advances	7.57			-		
(2) Decrease in Margin Money	-			4.87		
(3) Increase in Trade Payables	-			21.77		
(4) Increase in Other Current Liabilities	22.16			-		
		29.73			26.64	
Net Working Capital changes			217.00			342.28
Cash Flow from Operations			125.03			(5.77)
Less : Direct taxes paid (net of refunds)			7.83			(17.53)
Net Cash Inflow/(Outflow) from Operating Activities			117.20			11.76
B Cash Flow arising from Investing Activities						
Inflow						
(1) Sale of Fixed Assets		1.96			10.79	
(2) Interest received on Loans to Subsidiaries and Other Companies		-			0.41	
(3) Dividends received		0.20			0.64	
(4) Decrease in Loans to Subsidiaries and Other Companies		5.00			15.00	
(5) Sale of Investments		0.13			0.01	
			7.29			26.85



Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

	Rs. in crore					
	2015-16	2015-16	2015-16	2014-15	2014-15	2014-15
Deduct Outflow						
(1) Acquisition of Fixed Assets		37.85			25.04	
(2) Acquisition of Investments		-			0.01	
			37.85			25.05
Net Cash Inflow/(Outflow) from Investing Activities			(30.56)			1.80
C Cash Flow arising from Financing Activities						
Inflow						
(1) Increase in Term Loans (net)		-			75.15	
(2) Increase in Other Unsecured Loans (net)		203.12			270.16	
			203.12			345.31
Deduct Outflow						
(1) Redemption of Debentures		-			19.82	
(2) Decrease in Term Loans - (net)		10.91			-	
(3) Decrease in Working Capital Loans from Banks - (net)		16.90			27.59	
(4) Dividends paid		0.05			0.05	
(5) Interest / Lease charges - (net)		276.68			311.51	
(6) Expenditure towards increase in Authorised Capital and Share Issue Expenses		-			0.05	
			304.54			359.02
Net Cash Inflow / (Outflow) from Financing Activities			(101.42)			(13.71)
Net Increase / (Decrease) in Cash/Cash Equivalents			(14.78)			(0.15)
Add : Balance at the beginning of the year			30.58			30.73
Cash/Cash Equivalents at the close of the year			15.80			30.58

Note : Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2016 - Rs 49.46 crores ; 31.03.2015 - Rs 49.29 crores; 31.03.2014 - Rs 54.16 crores .

As per our attached report of even date

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

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
Mumbai, May 23, 2016

S B Jhaveri
Chief Financial Officer

K J Malliya
Company Secretary

Mumbai, May 23, 2016



Notes

(1) SHARE CAPITAL

Authorised

153,000,000 (31 March 2015 : 153,000,000) Equity Shares of Rs.10/- each
7,000,000 (31 March 2015 : 7,000,000) Preference Shares of Rs.10/- each

Issued

146,273,934* (31 March 2015 : 146,273,934*) Equity Shares of Rs.10/- each
5,626,320 (31 March 2015 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each

Total issued share capital

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

Subscribed and fully paid up

141,405,861 (31 March 2015 : 141,405,861) Equity Shares of Rs.10/- each
5,626,320 (31 March 2015 : 5,626,320) 0.01% Cumulative Redeemable Preference Shares of Rs 10/- each

Add: Forfeited shares (amounts originally paid up)

Total subscribed and fully paid-up share capital

31st March, 2016 Rs. in crore	31st March, 2015 Rs. in crore
153.00	153.00
7.00	7.00
160.00	160.00
146.27	146.27
5.63	5.63
151.90	151.90
141.41	141.41
5.63	5.63
147.04	147.04
0.01	0.01
147.05	147.05

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

Equity shares

At the beginning of the period

Add : issued during the period

Less : bought back during the year

Outstanding at the end of the period

31-Mar-16		31-Mar-15	
Nos. in crore	Rs.in crore	Nos. in crore	Rs.in crore
14.14	141.41	14.14	141.41
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14.14	141.41	14.14	141.41

Preference shares (CRPS)

At the beginning of the period

Add : issued during the period

Less : bought back during the year

Outstanding at the end of the period

31-Mar-16		31-Mar-15	
Nos. in crore	Rs.in crore	Nos. in crore	Rs.in crore
0.56	5.63	0.56	5.63
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---	---	---	---
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 2016, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2015 : 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% 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.

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

Equity Shares of Rs. 10/- each fully paid	31st March, 2016		31st March, 2015	
	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	11,802,997	8.35	11,476,956	8.12
Rajesh V. Shah	7,200,842	5.09	7,200,842	5.09
Suketu V. Shah	4,497,382	3.18	7,319,018	5.18
CRPS of Rs. 10/- each fully paid				
Life Insurance Corporation of India	595,545	10.58	595,545	10.58
Jamnalal Sons Pvt. Ltd.	474,064	8.43	474,064	8.43



Notes (Contd.)

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

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

(2) RESERVES AND SURPLUS

	31st March, 2016 Rs in crore	31st March, 2015 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	299.69
Less : Share issue expenses		(0.06)
	299.63	299.63
Debenture Redemption Reserve :		
As per last Account	-	5.06
- Transferred to Surplus	-	(5.06)
	-	-
Revaluation Reserve:		
As per last Account	1,655.77	1,660.16
Less : Transferred to Statement of Profit & Loss	(4.39)	(4.39)
	1,651.38	1,655.77
General Reserve :		
As per last Account	234.78	238.03
Add / (Less)		
- Additional Depreciation (net of tax Rs 3.72 crore) pursuant to Schedule II to Companies Act. Refer Note 11(iii).	-	(8.31)
- Transferred from Surplus being write back of Debenture Redemption Reserve	-	5.06
	234.78	234.78
Surplus:		
As per last Account	(219.39)	(220.97)
Surplus / (Deficit) as per annexed Statement of Profit and Loss	1.62	1.58
Transferred from Debenture Redemption Reserve	-	5.06
Transferred to General Reserve being write back of Debenture Redemption Reserve	-	(5.06)
	(217.77)	(219.39)
	1,971.02	1,973.79

(3) LONG-TERM BORROWINGS

	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
I) SECURED LOANS		
a) Term Loans :		
- from Banks	240.27	206.99
- from Others	195.49	278.37
	435.76	485.36
Total Secured Loans	435.76	485.36
II) UNSECURED LOANS		
a) Fixed Deposits	30.11	42.47
b) Long term loans from Companies	1,116.00	973.29
c) Sales Tax Deferment Loan	-	0.46
Total Unsecured Loans	1,146.11	1,016.22
Total Long-term borrowings	1,581.87	1,501.58



Notes (Contd.)

Nature of Security & Terms of repayment for Long Term Borrowings

(I)	Nature of Security	Terms of Repayment
(i)	<p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50 crore) from a Bank :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50 crore) from a Bank :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50 crore) from a Bank :</p> <p>Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2016 - Rs.100.00 crore, Previous Year Rs.100 crore) from a Bank :</p> <p>are secured by way of first pari-passu charge against mortgage/ hypothecation of Company's freehold land, immovable and movable fixed assets both present and future of the Company at 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 (iv) and (x) below. These loans are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.</p>	<p>36 monthly installments commencing from November 2016.</p> <p>48 monthly installments commencing from August 2016.</p> <p>48 monthly installments commencing from September 2016</p> <p>Term Loan of Rs.50 crores is repayable in 42 monthly installments commencing from September 2016. Term Loan of Rs.50 crores is repayable in 42 monthly installments commencing from November 2016.</p>
(ii)	<p>Term Loans of Rs.100.00 crore (balance outstanding as at 31.03.2016 - Rs.25.62 crore, Previous Year Rs.65.93 crore) from HDFC Ltd. :</p> <p>Term Loans of Rs.75.00 crore (balance outstanding as at 31.03.2016 - Rs.36.88 crore, Previous Year Rs.64.55 crore) from HDFC Ltd.</p> <p>are secured against mortgage of 50 acres of lease hold land at Dighe, Thane</p>	<p>36 monthly installments commencing from November 2013 for a loan of Rs.50 crore and January 2014 for a loan of Rs.50 crore.</p> <p>36 monthly installments commencing from August 2014.</p>
(iii)	<p>Term Loan of Rs.60.00 crore (balance outstanding as at 31.03.2016 - Rs.51.53 crore, Previous Year Rs. 60.00 crore) from HDFC Ltd. :</p> <p>Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50.00 crore) from HDFC Ltd. :</p>	<p>36 monthly installments commencing from October 2015.</p> <p>13 monthly installments commencing from April 2016.</p>
	<p>Term Loan of Rs.75.00 crore (balance outstanding as at 31.03.2016 - Rs.75.00 crore, Previous Year Rs. Nil crore) from HDFC Ltd. :</p> <p>Term Loan of Rs.75.00 crore (balance outstanding as at 31.03.2016 - Rs.75.00 crore, Previous Year Rs.Nil crore) from HDFC Ltd. :</p> <p>are secured against mortgage of 50 acres of lease hold land at Dighe, Thane. Additional security is by way of mortgage of 43.14 acres of leasehold land at Sinnar, Dist - Nashik in the state of Maharashtra.</p>	<p>36 monthly installments commencing from July 2016.</p> <p>36 monthly installments commencing from April 2017.</p>
(iv)	Term Loan of Rs.35.00 crore (balance outstanding as at 31.03.2016 - Rs.6.99 crore, Previous Year Rs.15.16 crore) from a Bank is secured against plant and machinery and other moveable assets of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka.	60 equal monthly installments commencing from April 2012.
(v)	Loan of Rs.14.00 crore (balance outstanding as at 31.03.2016 - Rs.6.16 crore, Previous Year Rs.11.56 crore) from a company is secured against a residential premises at Delhi.	30 monthly installments commencing from October 2014.
(vi)	Loan of Rs.15.00 crore (balance outstanding as at 31.03.2016 - Rs.9.23 crore, Previous Year Rs.15.00 crore) from a company is secured against mortgage of 5 acres of leasehold land at Dighe Thane.	24 monthly installments commencing from June 2015.
(vii)	Loan of Rs.11.00 crore (balance outstanding as at 31.03.2016 - Rs.8.40 crore, Previous Year Rs.11.00 crore) from a company is secured against extension of mortgage of 5 acres Leasehold Land at Dighe Thane and residential premises at Delhi.	30 monthly installments commencing from August 2015.
(viii)	Loan of Rs.8.68 crore (balance outstanding as at 31.03.2016 - Rs.6.89 crore, Previous Year Rs.8.68 crore) from a company is secured by way of mortgage of residential premises at Mumbai.	30 monthly installments commencing from September 2015.
(ix)	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.15.32 crore, Previous Year Rs.28.42 crore) from a company is secured against various items of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at (i) & for working capital facilities.	58 monthly installments commencing from July 2012.
(x)	Term Loan of Rs.37.45 crore (balance outstanding as at 31.03.2016 - Rs.16.75 crore, Previous Year Rs.26.17 crore) from a company is secured against Plant & Machinery of Sinter Plant, Hot Blast Stoves and Pulverising Plant at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka.	58 monthly installments commencing from February 2013.



Notes (Contd.)

(I)	Nature of Security	Terms of Repayment
(xi)	Term Loan of Rs.30.00 crore (balance outstanding as at 31.03.2016 - Rs.30.00 crore, Previous Year Rs.Nil crore) from a Bank is to be secured against two residential premises at Mumbai.	60 monthly installments commencing from May 2016. First 24 Installments of Rs.0.25 crore, next 35 installments of Rs.0.67 crore and the last installment of Rs.0.55 crore.
(xii)	Term Loan of Rs.125.00 crore (balance outstanding as at 31.03.2016 - Rs.Nil crore, Previous Year Rs.48.61 crore) from a Bank is secured against mortgage of 50 acres of leasehold land at Dighe, Thane.	36 equal monthly installments commencing from April 2013.
(xiii)	Term Loan of Rs.62.50 crore (balance outstanding as at 31.03.2016 - Rs.Nil crores Previous Year Rs.19.56 crore) from a Bank was secured against two residential premises at Mumbai.	36 equal monthly installments commencing from March 2013.

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

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

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

	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
Deferred Tax Assets	163.60	166.22
Less : Deferred Tax Liabilities	118.80	120.90
	44.80	45.32
	44.80	45.32

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

	As at 31-Mar-15 Rs in crore	Charge / (Credit) for the year 2015-16 Rs in crore	As at 31-Mar-16 Rs in crore
Deferred Tax			
Deferred Tax Asset on account of :			
a) Employee benefits, etc	11.29	(1.60)	12.89
b) Taxes, Duties, Cess, Interest to Banks/FIs, etc	4.83	4.58	0.25
c) Provision for doubtful debts	0.09	-	0.09
d) Unabsorbed Depreciation/ Business Loss, etc	150.01	(0.36)	150.37
	166.22	2.62	163.60
Deferred Tax liability on account of :			
a) Depreciation	120.90	2.10	118.80
b) Others	-	-	-
	120.90	2.10	118.80
Net Deferred Tax Asset/(Liability) *	45.32	0.52	44.80

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

(5) OTHER LONG-TERM LIABILITIES

	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
Security Deposits	4.00	4.00
	4.00	4.00

(6) LONG-TERM PROVISIONS

for Employee Benefits	43.40	39.31
	43.40	39.31

(7) SHORT-TERM BORROWINGS

I) SECURED LOANS

Working Capital Loans from Banks	606.56	623.46
Total Secured Loans	606.56	623.46

II) UNSECURED LOANS

Short Term Loans from Companies	275.50	205.89
Total Unsecured Loans	275.50	205.89
Total Short-term borrowings	882.06	829.35



Notes (Contd.)

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 (i).

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) (ii), (iii), (iv), (vi) & (vii).

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) (iv).

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) (x).

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

(8) TRADE PAYABLES

	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
Dues to Micro Enterprises and Small Enterprises	1.95	1.63
Other than to Micro Enterprises and Small Enterprises		
Acceptances	374.45	456.34
Trade Payables	461.39	410.29
	835.84	866.63
	837.79	868.26

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 :

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
The principal amount and the interest due thereon remaining unpaid to suppliers		
a i) Principal	1.88	1.50
ii) Interest due thereon	0.07	-
b i) Interest actually paid under section 16 of the MSMEDA	-	-
b 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	0.07	-
d Amount of interest accrued and remaining unpaid	0.07	0.13
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 deductible 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

	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
Current Maturities of long-term debt	269.70	227.12
Interest accrued but not due on borrowings	45.66	8.99
Interest accrued and due on borrowings	-	44.83
Unpaid Dividends (represents amounts unclaimed)*	0.11	0.16
Unpaid matured deposits (represents amounts unclaimed)*	1.89	2.15
Liability towards Employee Benefits	8.76	8.56
Advances against Orders and Engineering Contracts	44.51	50.89
Statutory Liabilities	93.08	58.04
Acceptances / Payables for Capital Goods	17.99	26.75
Other Payables	2.12	0.07
	483.82	427.56

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



Notes (Contd.)

(10) SHORT-TERM PROVISIONS

for Employee Benefits
for Warranty Costs

31st March, 2016	31st March, 2015
Rs in crore	Rs in crore
5.37	5.20
0.27	0.61
5.64	5.81

(11) FIXED ASSETS (31st March, 2016)

Rs. in crore

	GROSS BLOCK (At Cost / Book Value)					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions/ Adjustments	Deductions/ Adjustments	Adjustments/ Additions/(Deductions) to Revalued Assets	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	
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 to date											29.20
											2,436.03

includes Rs 4.39 crore withdrawn from Revaluation Reserve

(11) FIXED ASSETS (31st March, 2015)

Rs. in crore

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

includes Rs 4.39 crore withdrawn from Revaluation Reserve

Fixed Assets :

(i) Revaluation :

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

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

(ii) Gross Block of Buildings as at 31st March, 2016 includes value of offices, residential flats and garages in co-operative societies/proposed co-operative societies/association of apartment owners aggregating Rs.6.34 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) Pursuant to the Companies Act, 2013 (the Act), becoming effective from 1st April 2014, the Company reworked depreciation with reference to estimated useful life of fixed assets prescribed under Schedule-II to the Act or useful life of fixed assets as per technical evaluation. As a result, the charge for depreciation was higher by Rs.4.36 crores for the year ended 31st March 2015. Further, based on transitional provision in Note 7 (b) of schedule-II, an amount of Rs.8.31 crores (net of deferred tax) was adjusted during the year 2014-15 against the retained earnings.
- (iv) Fixed assets include net book value of assets at Ginigera Steel Plant aggregating Rs.1.05 crore which have been retired from active use and are held for disposal as tabulated hereunder. The said net book value is on the basis of realisable value as per valuation report of an approved valuer.

Assets held for disposal

				Rs. in crore
		Accumulated Depreciation		Net Block
	as at	as at	Amount	as at
Description	1-Apr-15	31-Mar-16	written-off	31-Mar-16
Plant & Machinery	2.95	1.90	-	1.05

- (v) Fixed Assets include borrowing costs of Rs.1.64 crore capitalised during the year (Previous Year Rs.4.63 crore).

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

	Rs. in crore As at 31-Mar-16	Rs. in crore As at 31-Mar-15
1 For a period not later than one year.	2.10	1.97
2 For a period later than one year and not later than five years.	1.14	2.98
3 For a period later than five years.	-	-
Total	3.24	4.95

Lease rentals charged to revenue for the current year Rs.2.80 crore (Previous Year Rs. 2.71 crore).

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

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

	Rs. in crore As at 31-Mar-16	Rs. in crore As at 31-Mar-15
1 For a period not later than one year.	0.11	0.17
2 For a period later than one year and not later than five years.	0.21	0.04
3 For a period later than five years.	-	-
Total	0.32	0.21

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

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

Accumulated depreciation upto 31.03.2016: Rs.1.75 crore (Previous year Rs 1.67 crore)

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

(12) NON-CURRENT INVESTMENTS,

At Cost / Value after providing for diminution

I. Investments in Equity instruments :

A. In Subsidiary Companies (Trade / Unquoted) :

	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
(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		
9,900 Equity Shares of Rs 10/- each, fully paid up	0.01	0.01
Sub-total - Subsidiary Companies	229.98	229.98
B. Trade (Unquoted) :		



Notes (Contd.)

	31st March, 2016 Rs in crore	31st March, 2015 Rs in crore
In Associates :		
(i) Hospet Steels Ltd. 70,004 Equity Shares of Rs. 10/-each, fully paid up	0.07	0.07
In Others :		
In Joint Ventures		
(i) Mukand Vini Mineral Ltd (A Joint Venture Company) 852,800 (667,765) Equity Shares of Rs.10/-each, fully paid up (Refer Note 36)	0.85	0.67
Sub-total - Trade	0.92	0.74
C. Other than trade (Quoted) :		
In Associates		
(i) Mukand Engineers Ltd. 4,539,781 Equity Shares of Rs.10/-each, fully paid up	19.78	19.78
D. Other than trade (Unquoted) :		
a. In Associates		
(i) Stainless India Ltd. 6,097,200 Equity Shares of Rs.10/-each, fully paid up Less : Provision for diminution in the value of investments	13.09 13.09	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 Nil]		
(v) Mukand Vijaynagar Steel Ltd. 13,999 Equity Share of Rs.10/-each, fully paid up Less : Provision for diminution in the value of investments	0.01 0.01	0.01 0.01
Sub-total - Others		
	250.87	250.69
II. Share Application Money : Mukand Vini Mineral Ltd (A Joint Venture Company) (Refer Note 36)		0.31
	250.87	251.00
Book Value		
Quoted Investments	19.78	19.78
Unquoted Investments	231.09	231.22
	250.87	251.00
Market Value		
Quoted Investments	11.26	12.14

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



Notes (Contd.)

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

	31st March, 2016	31st March, 2015
	Rs in crore	Rs in crore
Other Loans and Advances	0.04	0.13
Advances recoverable in cash or in kind or for value to be received	39.69	44.68
Capital Advances	8.31	9.43
Advance payment of Income-tax (net)	38.29	30.09
Deposits with --		
Central Excise, etc.	12.53	11.12
Others \$	17.53	20.30
	30.06	31.42
	116.39	115.75

\$ Includes National Savings Certificates of the cost of Rs 44,000/-. (Previous year Rs. 74,000/-) deposited with government departments.

(14) OTHER NON-CURRENT ASSETS

MAT Entitlement Credit	47.90	48.28
	47.90	48.28

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

Raw Materials	60.19	127.91
Materials in Transit	51.34	41.29
Total Raw Materials	111.53	169.20
Work-in-Progress	130.68	254.09
Contracts in Progress [Refer Note No. 32 (8) (v) and Note No. 21]	303.39	294.59
Finished Goods	855.59	645.05
Stores, Spares, Components and Engineering Construction Materials	49.46	51.22
Materials in Transit	10.41	8.00
Total Stores, Spares, Components and Engineering Construction Materials	59.87	59.22
Fuel	1.11	1.34
Loose Tools	0.08	0.09
	1,462.25	1,423.58

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	489.14	349.11
Other Trade Receivables :		
Considered Good	627.04	637.39
	1,116.18	986.50



Notes (Contd.)

(17) CASH AND BANK BALANCES

	31st March, 2016	31st March, 2015
	Rs in crore	Rs in crore
Cash on hand (including cheques on hand Rs. 0.40 crore Previous year Rs. 3.48 crore and stamp papers on hand Rs. 0.06 crore Previous year Rs. 0.06 crore)	0.50	3.67
Balances with Banks :		
(i) In Current Accounts	5.09	9.07
(ii) In Unpaid Dividend Accounts	0.11	0.16
(iii) In Margin Money Accounts #	49.46	49.29
(iv) In Deposit Accounts	0.56	1.11
	55.22	59.63
Remittances-in-Transit	9.54	16.57
	65.26	79.87
# under lien with Banks		

(18) SHORT-TERM LOANS AND ADVANCES Unsecured, considered good, unless otherwise specified

Loans to Subsidiaries :		
Vidyavihar Containers Ltd.	13.23	18.23
Other Loans and Advances	13.47	5.08
Advances recoverable in cash or in kind or for value to be received	173.07	154.42
Considered Doubtful	0.23	0.29
Less : Provision	(0.23)	(0.29)
	173.07	154.42
Balances, etc. with --		
Central Excise	4.74	10.27
Others	0.18	0.18
	4.92	10.45
	204.69	188.18

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.78.09 crore as at 31.03.2016 (Previous Year Rs.81.54 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered fixed assets of BFL as at 31st March, 2015 which was at Rs.66.94 crore, value of current assets aggregating Rs.48.98 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. 18.23 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.13.09 crore (Previous Year Rs.13.09 crore) in equity shares of Stainless India Limited (SIL). The management has recognised the diminution in value of investments. It has trade receivables recoverable Rs.1.23 crore (Previous Year Rs. 1.23 crore) and has trade advances, aggregating Rs. 6.08 crore (Previous Year Rs.6.08 crore).
- The management has recognised the diminution in the value of investments. The management, relies upon realisation from sale proceeds of land of SIL. The management considers the balance exposures aggregating Rs.7.31 crore to be "Good" at the close of the year and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.
- (d) The Company has an investment of Rs.26.25 crore (Previous Year Rs.26.25 crore) in equity shares of Mukand Global Finance Limited (MGFL), a wholly owned subsidiary, whose recovery is dependent upon realisation of the financial assets that MGFL stands invested into at the close of the year. The management considers the 'Exposure' to be 'Good' and adequately covered. Ultimate shortfall, if any, in the realization is not determinable at present.
- (e) For details of loans and advances given to related parties, please refer Note No. 34



Notes (Contd.)

- (f) 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			
	Name of the Party	Outstanding amount		Maximum amount during the year	
		As at 31-Mar-16	As at 31-Mar-15	2015-16	2014-15
i]	Subsidiaries:				
	Vidyavihar Containers Ltd. – interest waived.	13.23	18.23	18.23	33.23

(19) OTHER CURRENT ASSETS

Interest Receivable on Book debts

31st March, 2016	31st March, 2015
Rs in crore	Rs in crore
212.28	184.30
212.28	184.30

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

- (i) Disputed matters in appeal/contested in respect of:
- Income Tax *
 - Excise Duty, Customs Duty, etc.
 - Sales Tax, Works Contract Tax, etc. **
 - Other matters

* 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.
- 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

- (v) Bonds / Undertakings given by the Company under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)

- (vi) Arrears of dividend on preference shares for FY 2015-16 Rs.5,627/- and FY 2014-15 Rs. 5,627/- in view of amendment 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 FY2015-16. 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.



Notes (Contd.)

		Rs. in crore	
(b) COMMITMENTS		31-Mar-16	31-Mar-15
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for -	11.93	13.36
ii)	Commitments in respect of derivative instruments:		
	Derivative instruments outstanding:		Amount in crore
		As at 31-Mar-16	As at 31-Mar-15
		USD	Rs
		EURO	Rs
For Imports		1.576	107.83
		-	-
For Exports		0.15	10.39
		0.09	7.17
		0.08	5.23
		0.15	9.98

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.	Total
USD	-	-	3.79	241.62	-	-	0.02	0.96	0.08	5.13	3.89
	(0.16)	(9.97)	(5.95)	(372.18)	-	-	-	-	(0.26)	(16.44)	(6.38)
EURO	-	-	0.11	8.03	-	-	0.005	0.38	0.02	1.51	0.14
	(0.04)	(2.76)	(0.08)	(5.49)	-	-	-	-	(0.13)	(8.81)	(0.25)
AUD	-	-	0.0002	0.01	-	-	-	-	-	-	0.0002
	-	-	(0.0002)	(0.01)	-	-	-	-	-	-	(0.0002)
CHF	-	-	0.001	0.09	-	-	-	-	-	-	0.001
	-	-	(0.01)	(0.85)	-	-	-	-	-	-	(0.01)
SEK	-	-	0.04	0.34	-	-	-	-	-	-	0.04
	-	-	(0.18)	(1.31)	-	-	-	-	-	-	(0.18)

(21) REVENUE FROM OPERATIONS

Sale of Products and Services

	2015-16	2014-15
	Rs in crore	Rs in crore
1. Special Alloy Steel Products	1,720.42	1,772.50
2. Stainless Steel Products	986.53	983.73
3. Engineering Contracts & Job Work	331.82	344.47
4. Others	2.70	2.90

Total

Less : Excise Duty

	3,041.47	3,103.60
	337.05	309.49

Net Sale of Products and Services

	2,704.42	2,794.11
--	-----------------	----------

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

Other Operating Revenues

a) Sale of Scrap and Sundries	10.17	7.90
b) Sales-tax/VAT Refunds	0.58	0.59
c) Interest Received - From Banks	4.15	4.55
d) Insurance Claims etc.	4.98	
e) Credit balances appropriated	0.12	1.50
g) Other Miscellaneous receipts	4.17	8.15
h) Excess provisions written back (net)	2.58	2.25
i) Surplus on account of sale of assets	0.71	0.04

Total Other Operating Revenues

Total Sales and Services and Other Operating Revenues

	27.46	24.98
	2,731.88	2,819.09
(a) Disclosure regarding Income from Engineering Contracts – Road Construction Division:		
(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	54.82	61.62



Notes (Contd.)

- (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.17.56 crore (including interest) was realised towards various claims. The exposure on this account as at the end of the financial year aggregate Rs.120.00 crore (Previous Year: Rs.126.80 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 reliable 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 31.03.2016 aggregate Rs.298.93 crore (Previous Year: Rs.223.36 crore). Bulk of these claims are now being processed at the level of Tribunal as against the level of consulting engineers in the previous year. It is the opinion of the management that in view of the substantially large claims for incremental jobs executed, escalations and time over-runs to be settled progressively over a period of 2 to 3 years, losses currently expected are already recognized till the close of the year. Since realization of these amounts is a judgmental matter, the auditors have placed reliance on the Management's judgment of the losses currently expected in the contract considering reliability of amounts.
- (c) Disclosure regarding Income from Contracts of Industrial Machinery Division to which Accounting Standard 7 applies :

	2015-16 Rs in crore	2014-15 Rs in crore
The amount of Contract revenue recognised as revenue during the year.	166.67	121.39
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto 31.03.2016.	1,646.64	1,479.97
The amount of advances received (Gross)	13.67	15.65
The amount of retentions (included in sundry debtors) (net balance)	70.70	54.07
Amount due to customers	-	-
Amount due from customers	231.75	195.70

(22) OTHER INCOME

a) Rent received	1.24	1.17
b) Additional compensation on acquisition of Land in earlier years	2.49	-
c) Surplus on account of sale of Premises	-	10.49
d) Delay Payment Charges Received	9.95	-
e) Interest Received - From Others	7.69	7.78
f) Dividends (Gross) :		
from Subsidiary	0.20	0.19
from Trade Investments	-	0.45
	0.20	0.64
Total Other Income	21.57	20.08

(23) RAW MATERIALS CONSUMED

Opening Stocks	127.91	74.39
Add : Purchases	1,137.84	1,438.11
Add / Less : Materials on loan / (Sales) [net]	(1.64)	(0.35)
	1,264.11	1,512.15
Less : Closing Stocks	60.19	127.91
	1,203.92	1,384.24

Details of Imported and Indigenous Materials Consumed

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

Important basic raw materials:		
Coke including Coke Fines	271.28	302.79
Iron Ore including Iron Ore Fines *	153.28	244.63
Scrap & Pig Iron #	460.60	454.00
Ferro Alloys	307.34	368.97
Structural & other Steel @	11.42	13.85
Other raw materials	-	-
	1,203.92	1,384.24

	2015-16		2014-15	
	% of total Consumption	Amount Rs.in crore	% of total Consumption	Amount Rs.in crore
Imported	51.43%	619.15	39.87%	551.84
Indigenous	48.57%	584.77	60.13%	832.40
	100.00%	1,203.92	100.00%	1,384.24

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

Excludes Internal Arisings

@ Includes for Capital jobs



Notes (Contd.)

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

	2015-16 Rs in crore	2014-15 Rs in crore
Opening Stocks	1,193.73	1,049.54
Less :		
Closing Stocks	1,289.66	1,193.73
Variation in Stocks	(95.93)	(144.19)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	24.85	6.87
(Increase)/Decrease in Stocks	(71.08)	(137.32)

(25) EMPLOYEE BENEFITS EXPENSE

	2015-16 Rs in crore	2014-15 Rs in crore
Salaries, Wages, Bonus, Compensation and Other Payments	137.34	126.04
Contribution towards Employees' State Insurance, Provident and Other Funds	20.35	18.43
Welfare Expenses	13.57	14.54
	171.26	159.01

(26) FINANCE COSTS

Interest Expense (net) (Refer Note below)	275.98	267.31
Less :		
Interest Capitalised	1.64	4.63
	274.34	262.68
Other borrowing costs	4.57	3.40
	278.91	266.08

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 129.26 crores (Previous year Rs 112.14 crores) is netted against same source of interest expense under finance costs.

(27) OTHER EXPENSES :

Stores, Spares, Components, Tools, etc. consumed (a)	445.54	441.95
Power and Fuel consumed	197.32	193.55
Machining and Processing charges	174.00	190.47
Sub-contracting expenses	49.32	45.02
Other Manufacturing expenses	57.69	58.47
Rent (net)	0.60	0.61
Repairs:		
to Buildings	2.89	2.02
to Plant and Machinery (b)	7.43	7.64
to Other assets	2.17	1.37
	12.49	11.03
Rates and Taxes	3.68	3.55
Insurance	1.17	1.06
Commission	6.01	4.29
Freight, Forwarding and Warehousing (net)	73.20	69.00
Directors' Fees and Travelling Expenses	0.28	0.35
Bad Debts, debit balances and claims written off	0.83	0.23
Less : Doubtful debts provided in earlier years	(0.07)	
	0.76	0.23
Loss on assets sold	0.12	0.03
Loss on assets discarded / impaired	0.14	0.28



Notes (Contd.)

	2015-16	2014-15
	Rs in crore	Rs in crore
Loss on Sale of Investments	-	0.05
Loss on variation in foreign exchange rates (net)	24.25	10.81
Miscellaneous Expenses (c)	49.21	47.72
	1,095.78	1,078.47

(a) After adjusting sales/material on loan Rs 2.17 crore (Previous year Rs 2.24 crore).

(b) Excludes spares consumed for repairs.

(c) Includes non-recoverable excise duty Rs 0.04 crore and sales tax Rs 0.29 crore on sales (Previous year Rs 0.11 crore and Rs. 0.50 crore respectively).

(28) EXCEPTIONAL ITEMS (NET) INCLUDE:

	2015-16	2014-15
	Rs in crore	Rs in crore
i) Ad hoc amount & differential interest paid to CDR Lenders	-	(12.45)
ii) Bad debts written off	-	(2.66)
iii) Write back of provision made for diminution in value of investments	-	0.05
	-	(15.06)

(29) EARNINGS IN FOREIGN EXCHANGE

Exports (F.O.B. Value)	104.85	128.09
Dividend	0.20	0.19
Income from Engineering Contracts	0.07	0.03
Others (represents Management fees)	-	0.19
	105.12	128.50

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

Net Profit/(Loss) after Taxation as per Statement of Profit & Loss	1.62	1.58
Less : Dividends and tax thereon		
Net Profit/(Loss) for calculation of basic / diluted EPS [including Exceptional Items (net)]	1.62	1.58
Net Profit/(Loss) for calculation of basic / diluted EPS [excluding Exceptional Items (net)]	1.62	16.64
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)	0.11	0.11
Excluding Exceptional items (net)	0.11	1.18

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

	2015-16		2014-15	
	% of total Consumption	Amount Rs.in crore	% of total Consumption	Amount Rs.in crore
i) Stores, Spares, etc.				
- Imported	21.21%	94.23	16.12%	69.90
- Indigenous	78.79%	350.03	83.88%	363.78
	100.00%	444.26	100.00%	433.68
ii) Components				
- Imported	-	-	10.52%	0.87
- Indigenous	100.00%	1.28	89.48%	7.40
	100.00%	1.28	100.00%	8.27
		445.54		441.95

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

	2015-16	2014-15
	Rs. in crore	Rs. in crore
Raw Materials	570.93	507.97
Stores, Spare Parts, Components and Fuel	75.50	62.72
Goods for trade	-	-
Capital goods	5.01	3.72
	651.44	574.41



Notes (Contd.)

(c) Expenditure in Foreign Currency

(Including amounts capitalised and amounts recovered)

	2015-16 Rs. in crore	2014-15 Rs. in crore
Interest and Bank charges (Net of tax)	2.69	2.50
Technical Consultancy / Services (Net of tax)	0.16	-
Foreign Travel	0.18	0.16
Legal and Professional fees	-	-
Other matters	0.65	0.35
	3.68	3.01

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

	Op. Bal. as at 1-Apr-15	Provided during the year	Utilised during the year	Reversed/ Short provision during the year	Rs. in crore Closing Balance as at 31-Mar-16
	0.61	0.27	0.45	0.16	0.27

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

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

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

(f) Payment to Auditors

- (i) As Auditors
(ii) For Taxation Matters
(iii) For other services
(iv) For reimbursement of expenses

	2015-16 Rs.in crore	2014-15 Rs.in crore
(i) As Auditors	0.39	0.36
(ii) For Taxation Matters	0.04	0.04
(iii) For other services	0.16	0.23
(iv) For reimbursement of expenses	0.02	0.03
	0.61	0.66

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

(1) Basis of preparation:

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

(2) Use of Estimates:

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

(3) Fixed Assets:

(a) Tangible Assets

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

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

(b) Intangible Assets

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

(c) Depreciation / Amortisation

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



Notes (Contd.)

- (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



Notes (Contd.)

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 reflect 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.



Notes (Contd.)

(16) Cash Flow Statement :

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

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

(33) DISCLOSURES UNDER ACCOUNTING STANDARD 15 ON EMPLOYEE BENEFITS

		2015-16	2014-15
		Rs.in crore	Rs.in crore
(a)	(i) Details in respect of gratuity are as under :		
	<u>Liability to be recognised in Balance Sheet</u>		
	Present Value of Funded Obligations	41.34	39.79
	Fair Value of Plan Assets	12.86	10.61
	Net Liability	28.48	29.18
	<u>Change in Plan Assets (Reconciliation of Opening & Closing Balances)</u>		
	Fair Value of Plan Assets as at beginning of the year	10.61	10.89
	Expected Return on Plan Assets	0.85	0.96
	Actuarial Gain / (Losses)	(0.03)	(0.06)
	Contributions	4.39	2.54
	Benefits Paid	(2.96)	(3.72)
	Fair Value of Plan Assets as at the close of the year	12.86	10.61
	<u>Reconciliation of Opening and Closing Balances of obligation</u>		
	Change in defined Benefit Obligation		
	Obligation as at beginning of the year	39.79	34.62
	Current Service Cost	2.21	1.82
	Interest Cost	2.33	3.12
	Actuarial Losses / (Gain)	(0.03)	3.95
	Benefits Paid	(2.96)	(3.72)
	Obligation as at the close of the year	41.34	39.79
	<u>Expenditure to be recognised during the year</u>		
	Current Service cost	2.21	1.82
	Interest Cost	2.33	3.12
	Expected Return on Plan Assets	(0.85)	(0.96)
	Net Actuarial Losses / (Gains) Recognised during the year	4.81	4.01
	Total Expenditure included in "Employees' Emoluments"	8.50	7.99
	<u>Assumptions</u>		
	Discount Rate (per annum)	8.04%	7.99%
	Expected rate of Return on Assets (per annum)	8.04%	7.99%
	Salary Escalation Rate	5.75%	5.75%
(ii)	The Company expects to contribute Rs.4.34 crore (Previous year Rs.4.16 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	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of Funded Obligations.	41.34	39.79	34.62	32.87	31.49
Fair Value of Plan Assets	12.86	10.61	10.89	12.46	12.27
Net Liability	28.48	29.18	23.73	20.41	19.22
Experience Adjustments on Plan					
Liabilities Loss / (Gain)	1.15	1.57	0.71	0.32	0.06
Experience on Plan Assets—Loss / (Gain)	0.03	0.06	---	---	---

- (b) In terms of the strategic alliance with Kalyani Steels Limited, the Company has accounted for its share towards gratuity in respect of employees of Hospet Steels Ltd. amounting to Rs.1.01 crore (Previous Year Rs.0.57 crore) on the basis of an actuarial valuation. This is under a funded plan with LIC.



Notes (Contd.)

- (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, 2016, since the projects are for shorter duration. Such liability as at 31st March, 2016 (including Rs.0.0004 crore for the year) aggregate Rs.0.0004 crore (Previous Year Rs.0.004 crore)
- (d) An amount of Rs.7.48 crore (Previous year Rs.6.84 crore) as contribution towards defined contribution plans [including Rs.0.93 crore (Previous year Rs.0.66 crore) in terms of strategic alliance referred in (b) above] is recognised as expense in the Statement of Profit and Loss.

(34) RELATED PARTY DISCLOSURES

(a) Relationship :

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

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

(Rs.in crore)

	Nature of transactions	Related parties as referred in					Total
		a (i) above	a (ii) above	a (iii) above	a (iv) above	a (v) above	
1	Purchase of Goods	61.37	2.40				63.77
		55.01	3.07				58.08
2	Sale of Goods	364.18	15.64				379.82
		395.54	18.14				413.68
3	Transfer of Fixed Assets				0.02		0.02
					0.01		0.01
4	Services Received	8.34	65.08				73.42
		8.21	60.40				68.61
5	Services Rendered	34.17	29.22				63.39
		34.34	70.32				104.66
6	Remuneration to Key Management Personnel				2.83		2.83
					2.77		2.77
7	Interest / Dividend Paid / (Received) Net	1.43	0.59			49.79	51.81
		0.40	1.34			42.13	43.87
8	Reimbursement of Expenses - Payments		0.02				0.02
			-				-
9	Reimbursement of Expenses - Receipts	0.04					0.04
		2.13					2.13
10	Finance taken including equity / (re-payment of loans & advances) - Net	5.00				191.41	196.41
		20.00				102.75	122.75
11	Finance given including equity / (re-payment of loans & advances) - Net	-	-				-
		5.00	5.00				10.00
12	Bad debts / Advances written off		-				-
			2.66				2.66
13	Balances at the close of the year:						
	i) Amount Receivable	10.43	85.99			0.26	96.68
		26.46	98.14			0.23	124.83
	ii) Amount Payable	29.04	8.43		0.11		37.58
		37.58	11.94		0.20		49.72
	iii) Amount Receivable in respect of loans & advances	13.26	18.85	0.56			32.67
		18.53	11.68	0.56			30.77
	iv) Amount Payable in respect of loans & advances					507.16	507.16
						314.45	314.45
	v) Property deposit taken		0.07				0.07
			0.07				0.07
14	Guarantees given by the Company	36.08	115.00				151.08
		34.03	85.00				119.03
15	Counter Guarantees given on behalf of the Company						
16	Collateral given on behalf of the Company				#	##	
					#	##	

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

3,869,089 Equity Shares of the Company.



Notes (Contd.)

ii) Details in respect of material transactions with related parties

(Rs.in crore)

Purchase of Goods:	
Mukand International FZE	42.68
	36.28
Mukand Sumi Metal Processing Ltd	18.69
	18.73
Bombay Forgings Ltd	2.40
	3.07
Sale of Goods:	
Mukand International FZE	76.23
	94.34
Bombay Forgings Ltd	15.64
	18.14
Mukand Sumi Metal Processing Ltd	287.95
	301.20
Stainless India Ltd.	-
	-
Transfer of Fixed Assets / Business	
To a Managing Director / Joint Managing Director	0.02
	0.01
Services Received:	
Hospet Steels Ltd	49.76
	42.60
Mukand Engineers Ltd	15.30
	17.77
Stainless India Ltd.	0.02
	0.03
Mukand Global Finance Ltd	0.20
	0.36
Mukand Sumi Metal Processing Ltd	8.14
	7.85
Remuneration to Key Management Personnel	2.83
	2.77
Services Rendered:	
Mukand Alloy Steels Pvt. Ltd.	0.01
	0.01
Mukand International FZE	-
	0.19
Mukand Engineers Ltd	29.22
	70.32
Mukand Sumi Metal Processing Ltd	34.14
	34.07
Mukand Global Finance Ltd	0.02
	0.07
Interest / Dividend Paid / (Received) Net	
Mukand International FZE	(0.20)
	(0.19)

Mukand Engineers Ltd	0.59
	1.34
Jamnallal Sons Pvt Ltd	49.49
	41.83
Adonis Laboratories Pvt Ltd	0.30
	0.30
Mukand Global Finance Ltd	-
	0.41
Mukand Sumi Metal Processing Ltd	1.63
	0.18
Bad debts written off	
Bombay Forgings Ltd	-
	2.66
Reimbursement of Expenses - Payments	
Mukand Engineers Ltd	0.02
	-
Reimbursement of Expenses - Receipts	
Mukand International FZE	0.04
	2.13
Finance taken including equity / (re-payment of loans & advances)- Net	
Jamnallal Sons Pvt Ltd	191.41
	102.75
Vidyavihar Containers Ltd	(5.00)
	(15.00)
Mukand Global Finance Ltd.	-
	5.00
Finance given including equity / (re-payment of loans & advances)- Net	
Mukand Engineers Ltd	-
	(5.00)
Mukand Global Finance Ltd	-
	5.00
Balances at the close of the year:	
i) Amount Receivable	
Mukand International FZE	9.73
	24.17
Bombay Forgings Ltd	65.32
	75.94
Stainless India Ltd.	1.23
	1.23
Mukand Sumi Metal Processing Ltd	0.70
	2.29
Mukand Engineers Ltd	19.44
	20.97
Kalyani Mukand Ltd	0.26
	0.23



Notes (Contd.)

ii) Amount Payable	
Mukand International FZE	27.48
	36.31
Mukand Engineers Ltd	2.05
	9.78
Hospet Steels Ltd	6.38
	2.16
Mukand Sumi Metal Processing Ltd	1.56
	1.27
Remuneration to Key Management Personnel	0.11
	0.20
iii) Amount Receivable in respect of loans & advances	
Vidyavihar Containers Ltd@	13.23
	18.23
Stainless India Ltd.	6.08
	6.08
Bombay Forgings Ltd	12.77
	5.60
Mukand Vini Mineral Ltd	0.56
	0.56
Mukand Sumi Metal Processing Ltd	-
	0.25

Mukand Global Finance Ltd	-
	0.04
Mukand Alloy Steels Pvt. Ltd.	0.03
	0.01
iv) Amount Payable in respect of loans & advances	
Jamnallal Sons Pvt Ltd	505.16
	312.45
Adonis Laboratories Pvt Ltd	2.00
	2.00
v) Property Deposit taken	
Mukand Engineers Ltd	0.07
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	115.00
	85.00
Mukand International FZE	36.08
	34.03

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

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

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

i) Loans:	Purpose
Name of the Party	
Vidyavihar Containers Ltd.	To be utilized for its business
Adore Builders Ltd.	To be utilized for its business
High Seas Vyapar Pvt. Ltd.	To be utilized for its business
India Thermal Power Ltd.	To be utilized for its business
ii) Guarantees:	
Name of the Party	
Mukand International FZE	For its banking facilities
Mukand Engineers Ltd.	For its banking facilities
iii) Investments:	
For details please refer note no. 12 to the accounts	

Rs. in crore Amount as at 31.03.2016	Rs. in crore Amount as at 31.03.2015
13.23	18.23
5.00	5.00
0.08	0.08
7.50	-
36.08	34.03
115.00	85.00

(36) INFORMATION ON JOINT VENTURES :

Mukand Vini Mineral Ltd.

i) Jointly controlled entity – Mukand Vini Mineral Ltd.	
Country of incorporation	: India
Percentage of ownership interest	: 49.01%.



	As at 31-Mar-16 Un-Audited	As at 31-Mar-15 Audited
ii) Contingent liabilities in respect of Joint Venture.		
a) Directly incurred by the Company.	-	-
b) Share of the Company in contingent liabilities incurred by jointly controlled entity (to the extent ascertainable)	-	-
iii) Capital commitments in respect of Joint Venture.		
a) Direct capital commitments by the Company.	-	-
b) Share of the Company in capital commitments of the jointly controlled entity	-	-
iv) Interest in the assets, liabilities, income and expenses with respect to jointly controlled entity.		
A Assets:		
a) Fixed Assets (Net Block) Capital Work in progress		-
b) Investments		-
c) Current Assets, Loans and Advances		-
Inventories		
Sundry Debtors		
Cash and Bank Balances	-	-
Loans and Advances		
Other Current Assets		
d) Preliminary expenses		
e) Other Non-current Assets	0.02	0.02
f) Pre-operative expenses	1.43	1.40
B Liabilities		
a) Loan Funds		
Secured Loans	-	-
Unsecured Loans	0.25	0.22
b) Current Liabilities and Provisions		
Liabilities	0.35	0.34
Provisions	-	-
c) Deferred Tax Liability		-
C Income	-	-
D Expenses	-	-
E Tax		

Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India 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.

- (37) As reported last year, 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. The Management is presently reviewing the proposal and may consider restructuring of the proposal. In view of this, no further disclosures are deemed necessary in terms of Accounting Standard - 24 Discontinued Operations.
- (38) In accordance with Accounting Standard – 17 “Segment Reporting”, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these financial statements.
- (39) Previous year figures have been regrouped / recast wherever necessary.

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W

Sumant Sakhardande

Partner
Membership No. 034828
Mumbai, May 23, 2016

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 23, 2016



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 entity, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at 31st March, 2016, 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 Consolidated Financial Statement, relating to the Exposures in Bombay Forgings Limited (BFL) aggregating Rs. 78.28 crores as at March 31, 2016 (Rs. 81.73 crores as at March 31, 2015), 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 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, 2016 (Rs. 24.51 crores at March 31, 2015) and the reliance upon amount realisable from the financial assets of these companies.
- c. Note 18(d) to the Consolidated Financial Statement, relating to the Exposures in Stainless India Limited (SIL), an associate company, aggregating Rs. 16.44 crores as at March 31, 2016 [Rs. 16.44 crores as at March 31, 2015], where the net worth of SIL has been fully eroded and there are no significant activities being carried out by SIL. The management has, barring any significant uncertainties in future, relied upon the valuation of land held by SIL.
- d. The auditors of the Associate Company have expressed Emphasis of Matter in their audit report regarding Note 18(f) to the Consolidated Financial Statements, the Exposures towards overdue loans aggregating Rs. 5.88 crores as at March 31, 2016 (March 31, 2015 Rs. 8.05 crores) and interest receivable thereon aggregating Rs. 2.92 crores as at March 31, 2016 (March 31, 2015 Rs. 4.30 crores) 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. 3.18 crores as at March 31, 2016 (March 31, 2015 Rs. 4.46 crores).
- e. Note 21(b) to the Consolidated Financial Statement, relating to the Exposures aggregating Rs. 120.00 crores as at March 31, 2016 (Rs. 126.80 crores as at March 31, 2015), in respect of road construction activity and our reliance on the management's expectation of its realisability.
- f. The auditor of the Joint Venture entity have expressed Emphasis of Matter in their audit report regarding Note 34(vi) to the Consolidated Financial Statement, relating to de-allocation of coal block allocated to the Joint venture and its ability to continue its business.

Our opinion is not modified in respect of these matters.

Other Matter

- (a) We did not audit the financial statements of five subsidiaries and one joint controlled entity, whose financial statements reflects total assets of Rs. 245.23 crores as at March 31, 2016, total revenues of Rs. 208.14 crores and net cash flows amounting to Rs. (0.04) 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. 2.41 crores for the year ended March 31, 2016, 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 entity and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entity and associates, 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. 1.20 crores for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, associate companies, 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, 2016 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 Group, its associates and jointly controlled entity and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity – Refer Note 20 to the consolidated financial statements;
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies, associate companies and jointly controlled entity incorporated in India.

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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 23, 2016



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, 2016]

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, 2016, We have audited the internal financial controls over financial reporting of the Group, its associate companies and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group, its associate companies and jointly controlled company, 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 company, 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, 2016, 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.

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 six 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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 23, 2016



Consolidated Balance Sheet as at 31st March, 2016

	Note No.	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	147.05	147.05
(b) Reserves and Surplus	2	1,714.25	1,725.10
		1,861.30	1,872.15
(2) Minority Interest		111.70	110.03
(3) Non-Current Liabilities			
(a) Long Term Borrowings	3	1,636.54	1,546.32
(b) Deferred Tax Liabilities (net)	4	4.04	1.75
(c) Other Long Term Liabilities	5	4.00	4.00
(d) Long Term Provisions	6	43.91	39.69
		1,688.49	1,591.76
(4) Current Liabilities			
(a) Short Term Borrowings	7	933.68	841.54
(b) Trade Payables: due to	8		
(i) Micro Enterprises and Small Enterprises		1.95	1.63
(ii) Other than Micro Enterprises and Small Enterprises		852.17	879.77
		854.12	881.40
(c) Other Current Liabilities	9	635.62	560.44
(d) Short Term Provisions	10	6.02	7.14
		2,429.44	2,290.52
Total		6,090.93	5,864.46
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		2,427.85	2,460.54
(ii) Intangible Assets		1.00	0.15
(iii) Capital Work-in-Progress		30.88	37.76
		2,459.73	2,498.45
(b) Non Current Investments	12	35.87	38.30
(c) Deferred Tax Asset (net)	4	44.81	45.34
(d) Long Term Loans and Advances	13	132.46	131.42
(e) Other Non Current Assets	14	50.64	49.80
		263.78	264.86
(2) Current Assets			
(a) Inventories	15	1,496.57	1,458.80
(b) Trade Receivables	16	1,157.53	1,009.75
(c) Cash and Bank Balances	17	95.57	90.02
(d) Short Term Loans and Advances	18	394.04	351.75
(e) Other Current Assets	19	223.71	190.83
		3,367.42	3,101.15
Total		6,090.93	5,864.46
Notes forming part of the Consolidated Financial Statements	1-35		

Consolidated Statement of Profit and Loss

	Note No.	2015-16 Rs.in crore	2014-15 Rs.in crore
For the year ended 31st March, 2016			
I) Gross Revenue from Operations	21	3,307.91	3,332.12
Less : Excise Duty		355.47	326.72
Net Revenue from Operations		2,952.44	3,005.40
II) Other Income	22	23.25	18.80
III) Total Revenue (I) + (II)		2,975.69	3,024.20
IV) Expenses			
a) Cost of Materials Consumed	23	1,369.80	1,541.96
b) Purchases of Stock-in-Trade		4.86	5.80
c) Changes in Inventories of finished goods, work- in-progress/contracts in progress and stock in trade	24	(65.04)	(147.01)
d) Employee Benefit Expense	25	172.91	160.46
e) Finance Costs	26	290.59	275.72
f) Depreciation and Amortization Expense (including share of Joint Ventures)		77.02	76.49
g) Other Expenses	27	1,113.14	1,087.35
Expenditure transferred to Capital Accounts/ Capital Work-in-Progress		(2.35)	(5.05)
IV) Total Expenses		2,960.93	2,995.72
V) Profit / (Loss) for the year before Exceptional Items & tax (III) - (IV)		14.76	28.48
Add / (Less) :			
Exceptional items - Expenditure	28	(12.86)	(15.11)
Profit / (Loss) before tax		1.90	13.37
(Less) :			
VI) Tax Expense :			
Net Current Tax		-	(0.15)
Net Deferred Tax Charge		(2.81)	(1.59)
Excess / (Short) provision for tax in respect of earlier years		(2.51)	0.13
Profit / (Loss) for the year before share of profits of associates (V) - (VI)		(3.42)	11.76
(Less) :			
Share of Profit in Associates (net)		(2.43)	0.60
Minority Interest		(1.67)	(1.22)
Profit / (Loss) for the year		(7.52)	11.14
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	(0.53)	0.79
Basic and diluted earnings per share excluding Exceptional Items (in Rs.)	29	0.38	1.86
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 and on behalf of Board of Directors

For HARIBHAKTI & CO. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

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
Mumbai, May 23, 2016

S B Jhaveri

Chief Financial Officer

K J Malliya

Company Secretary

Mumbai, May 23, 2016

As per our attached report of even date

For and on behalf of Board of Directors

For HARIBHAKTI & CO. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Niraj Bajaj

Chairman & Managing Director
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
Mumbai, May 23, 2016

S B Jhaveri

Chief Financial Officer

K J Malliya

Company Secretary

Mumbai, May 23, 2016



Consolidated Cash Flow Statement for the year ended 31st March, 2016

						Rs.in crore
	2015-16	2015-16	2015-16	2014-15	2014-15	2014-15
A Cash Flow arising from Operating Activities						
Profit/(Loss) before Tax and Exceptional Items			14.76			28.48
Add back :						
a) Depreciation		77.02			76.49	
b) Other Non-cash Expenditure / (Income) - (Net)		2.22			4.72	
c) Finance and Lease Charges - (Net)		269.31			257.04	
			348.55			338.25
			363.31			366.73
Deduct :						
a) Investment Income		0.01			0.46	
b) Surplus/(Loss) on sale of assets - (Net)		2.94			10.23	
			2.95			10.69
Operating Profit before Working Capital changes			360.36			356.04
Less : Working Capital Changes						
a) Increase in Trade and Other Receivables	180.94			79.55		
b) Increase in Other Current Assets	32.88			20.22		
c) Increase in Long Term Loans & Advances	-			3.08		
d) Increase in Short Term Loans & Advances	26.00			19.79		
e) Increase in Margin Money / Escrow Balance	0.20			-		
f) Increase in Inventories	37.78			199.68		
g) Decrease in Trade Payables	24.57			-		
h) Decrease in Other Current Liabilities	-			48.49		
i) Decrease in Other Long Term Liabilities	-			18.62		
		302.37			389.43	
Less :						
a) Decrease in Long Term Loans & Advances	7.91			-		
b) Decrease in Other Non Current Assets				0.11		
c) Decrease in Margin Money / Escrow Balance	0.11			4.82		
d) Increase in Trade Payables	-			30.63		
e) Increase in Other Current Liabilities	71.20			-		
f) Increase in Other Long Term Liabilities	9.93			-		
		89.25			35.56	
Net Working Capital Changes			(213.12)			(353.87)
Cash Flow from Operations			147.24			2.17
Less : Direct taxes paid (net of refunds)			12.40			(16.37)
Net Cash Inflow / (Outflow) from Operating Activities			134.84			18.54
B Cash Flow arising from Investing Activities						
Inflow						
a) Sale of Fixed Assets		3.51			10.79	
b) Dividends received		0.01			0.46	
c) Decrease in Loans to Companies		3.07			12.26	
d) Sale of Investments - (Net)		-			0.01	
			6.59			23.52
Deduct Outflow						
a) Acquisition of fixed assets		41.61			34.86	
			41.61			34.86
Net Cash Inflow / (Outflow) from Investing Activities			(35.02)			(11.34)



Consolidated Cash Flow Statement for the year ended 31st March, 2016 (contd.)

				Rs.in crore		
	2015-16	2015-16	2015-16	2014-15	2014-15	2014-15
C Cash Flow arising from Financing Activities						
Inflow						
a) Increase in Term Loans - (Net)		-			75.15	
a) Increase in Working Capital Loans from Banks - (Net)		6.55			6.17	
c) Increase in Other Unsecured Loans - (Net)		205.61			270.17	
			212.16			351.49
Deduct Outflow						
a) Redemption of Debentures		-			19.82	
b) Decrease in Term Loans - (Net)		10.91			-	
c) Decrease in Working Capital Loans from Banks - (Net)		16.90			27.59	
d) Dividend paid		0.05			0.05	
e) Finance and Lease Charges - (Net)		278.66			314.38	
f) Expenditure towards Share Issue Expenses		-			0.05	
			306.52			361.89
Net Cash Inflow / (Outflow) from Financing Activities			(94.36)			(10.40)
Net Increase / (Decrease) in Cash/Cash Equivalents			5.46			(3.20)
Add : Balance at the beginning of the year			40.23			43.43
Cash/Cash Equivalents at the close of the year			45.69			40.23

Note :

- 1) 1) Cash / Cash Equivalents exclude balances with banks in Margin Money Accounts : 31.03.2016 - Rs.49.84 Crores; 31.03.2015 - Rs.49.64 Crores; 31.03.2014 - Rs.54.24 crore; and in Escrow Account : 31.03.2016 - Rs.0.04 Crore; 31.03.2015 - Rs.0.15 crores; 31.03.2014 - Rs.0.37 crore

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No.034828
Mumbai, May 23, 2016

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 23, 2016



Notes

1. SHARE CAPITAL

Authorised :

7,000,000 (31 March 2015 : 7,000,000)
 Preference Shares of Rs.10/- each
 153,000,000 (31 March 2015 : 153,000,000)
 Equity Shares of Rs.10/- each

Issued :

5,626,320 (31 March 2015 : 5,626,320)
 0.01% Cumulative Redeemable
 Preference Shares of Rs.10/- each
 146,273,934 (31 March 2015 : 146,273,934)
 * Equity Shares of Rs.10/- each
 * Includes 28,031 Equity Shares which
 have been kept in abeyance by the Stock
 Exchange Authorities

Subscribed and fully paid up :

5,626,320 (31st March 2015 :
 5,626,320) 0.01% Cumulative Redeemable
 Preference Shares of Rs.10/- each, fully
 paid up
 141,405,861 (31 March 2015 : 141,405,861)
 Equity Shares of Rs.10/- each, fully paid up
 Add :
 Forfeited Shares, amounts originally paid up

31st March, 2016	31st March, 2015
Rs.in crore	Rs.in crore
7.00	7.00
153.00	153.00
160.00	160.00
5.63	5.63
146.27	146.27
151.90	151.90
141.41	141.41
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

	31 Mar 2016		31 Mar 2015	
	Nos. in crore	Rs.in crore	Nos. in crore	Rs. in crore
Equity shares				
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)				
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 2016, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2015 : 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 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 2016		31 Mar 2015	
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	11,802,997	8.35	11,476,956	8.12
Rajesh V. Shah	7,200,842	5.09	7,200,842	5.09
Suketu V. Shah	4,497,382	3.18	7,319,018	5.18
CRPS of Rs. 10/- each fully paid				
Life Insurance Corporation of India	595,545	10.58	595,545	10.58
Jamnalal Sons Pvt. Ltd.	474,064	8.43	474,064	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

Capital Reserve :

As per last Account
 Add: On consolidation

Capital Redemption Reserve:

As per last Account

Securities Premium Account :

As per last Account
 Add / (Less): Additions during the year
 Share issue expenses

Debenture Redemption Reserve :

As per last Account
 Add / (Less) : Transferred to Surplus

Revaluation Reserve:

As per last Account
 Less: Transferred to Consolidated Statement of Profit and Loss

31st March, 2016	31st March, 2015
Rs. in crore	Rs. in crore
0.50	0.50
-	-
0.50	0.50
3.00	3.00
299.63	299.69
-	-
-	(0.06)
299.63	299.63
-	-
-	5.06
-	(5.06)
-	-
1,655.77	1,660.16
(4.39)	(4.39)
1,651.38	1,655.77



Notes (contd.)

Reserve Fund :

As per last Account

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

Currency Fluctuation Reserve - On Consolidation

As per last Account

Add / (Less):

Increase / (Decrease) for the year on consolidation

General Reserve:

As per last Account

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

Transferred from Surplus being write back of Debenture Redemption Reserve

Surplus

As per last Account

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

Consequent to Sale of Shares of Subsidiary

Transferred from Debenture Redemption Reserve

Transferred to General Reserve being write back of Debenture Redemption Reserve

31st March, 2016 Rs. in crore	31st March, 2015 Rs. in crore
2.77	2.77
-	-
2.77	2.77
(1.45)	(1.85)
1.06	0.40
(0.39)	(1.45)
172.85	176.10
-	(8.31)
-	5.06
172.85	172.85
(407.97)	(419.09)
(7.52)	11.14
-	(0.02)
-	5.06
-	(5.06)
(415.49)	(407.97)
1,714.25	1,725.10

3. LONG TERM BORROWINGS

I. SECURED LOANS

Term Loans :

- Banks

- Others

Total Secured Loans

II. UNSECURED LOANS

Fixed Deposits

Long Term Loans from Companies

Sales Tax Deferment Loan

Total Unsecured Loans

TOTAL LONG TERM BORROWINGS

240.27	206.99
195.49	278.37
435.76	485.36
435.76	485.36
30.11	42.47
1,170.67	1,018.03
-	0.46
1,200.78	1,060.96
1,636.54	1,546.32

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

	Nature of Security	Terms of Repayment
(i)	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50.00 crore) from a Bank :	36 monthly installments commencing from November 2016.
	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50.00 crore) from a Bank :	48 monthly installments commencing from August 2016.
	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50.00 crore) from a Bank :	48 monthly installments commencing from September 2016
	Term Loan of Rs.100.00 crore (balance outstanding as at 31.03.2016 - Rs.100.00 crore, Previous Year Rs.100.00 crore) from a Bank :	Term Loan of Rs.50 crores is repayable in 42 monthly installments commencing from September 2016. Term Loan of Rs.50 crores is repayable in 42 monthly installments commencing from November 2016.

	Nature of Security	Terms of Repayment
	are secured by way of first pari-passu charge against mortgage/ hypothecation of Mukand's freehold land, immovable and movable fixed assets both present and future of Mukand at 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 (iv) and (x) 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)	Term Loans of Rs.100.00 crore (balance outstanding as at 31.03.2016 - Rs.25.62 crore, Previous Year Rs.65.93 crore) from HDFC Ltd. : Term Loans of Rs.75.00 crore (balance outstanding as at 31.03.2016 - Rs.36.88 crore, Previous Year Rs.64.55 crore) from HDFC Ltd. are secured against mortgage of 50 acres of lease hold land at Dighe, Thane	36 monthly installments commencing from November 2013 for a loan of Rs.50 crore and January 2014 for a loan of Rs.50 crore. 36 monthly installments commencing from August 2014.
(iii)	Term Loan of Rs.60.00 crore (balance outstanding as at 31.03.2016 - Rs.51.53 crore, Previous Year Rs. 60.00 crore) from HDFC Ltd. : Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.50.00 crore, Previous Year Rs.50.00 crore) from HDFC Ltd. : Term Loan of Rs.75.00 crore (balance outstanding as at 31.03.2016 - Rs.75.00 crore, Previous Year Rs. Nil crore) from HDFC Ltd. : Term Loan of Rs.75.00 crore (balance outstanding as at 31.03.2016 - Rs.75.00 crore, Previous Year Rs.Nil crore) from HDFC Ltd. : are secured against mortgage of 50 acres of lease hold land at Dighe, Thane. Additional security is by way of mortgage of 43.14 acres of leasehold land at Sinnar Dist - Nashik in the state of Maharashtra.	36 monthly installments commencing from October 2015. 13 monthly installments commencing from April 2016. 36 monthly installments commencing from July 2016. 36 monthly installments commencing from April 2017.
(iv)	Term Loan of Rs.35.00 crore (balance outstanding as at 31.03.2016 - Rs.6.99 crore, Previous Year Rs.15.16 crore) from a Bank is secured against plant and machinery and other moveable assets of Captive Power Plant at Ginigera / Kankapura, District Ginigera in the State of Karnataka.	60 equal monthly installments commencing from April 2012.
(v)	Loan of Rs.14.00 crore (balance outstanding as at 31.03.2016 - Rs.6.16 crore, Previous Year Rs.11.56 crore) from a company is secured against a residential premises at Delhi.	30 monthly installments commencing from October 2014.



Notes (contd.)

	Nature of Security	Terms of Repayment
(vi)	Loan of Rs.15.00 crore (balance outstanding as at 31.03.2016 - Rs.9.23 crore, Previous Year Rs.15.00 crore) from a company is secured against mortgage of 5 acres of leasehold land at Dighe Thane.	24 monthly installments commencing from June 2015.
(vii)	Loan of Rs.11.00 crore (balance outstanding as at 31.03.2016 - Rs.8.40 crore, Previous Year Rs.11.00 crore) from a company is secured against extension of mortgage of 5 acres of Leasehold Land at Dighe Thane and residential premises at Delhi.	30 monthly installments commencing from August 2015.
(viii)	Loan of Rs.8.68 crore (balance outstanding as at 31.03.2016 - Rs.6.89 crore, Previous Year Rs.8.68 crore) from a company is secured against by way of mortgage of residential premises at Mumbai.	30 monthly installments commencing from September 2015.
(ix)	Term Loan of Rs.50.00 crore (balance outstanding as at 31.03.2016 - Rs.15.32 crore, Previous Year Rs.28.42 crore) from a company is secured against various items of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at (i) & for working capital facilities.	58 monthly installments commencing from July 2012.
(x)	Term Loan of Rs.37.45 crore (balance outstanding as at 31.03.2016 - Rs.16.75 crore, Previous Year Rs.26.17 crore) from a company is secured against Plant & Machinery at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka of Sinter Plant, Hot Blast Stoves and Pulverising Plant.	58 monthly installments commencing from February 2013.
(xi)	Term Loan of Rs.30.00 crore (balance outstanding as at 31.03.2016 - Rs.30.00 crore, Previous Year Rs.Nil crore) from a Bank is to be secured against two residential premises at Mumbai.	60 monthly installments commencing from May 2016. First 24 Installments of Rs.0.25 crore, next 35 installments of Rs.0.67 crore and the last installment of Rs.0.55 crore.
(xii)	Term Loan of Rs.125.00 crore (balance outstanding as at 31.03.2016 - Rs.Nil crore, Previous Year Rs.48.61 crore) from a Bank is secured against mortgage of 50 acres of leasehold land at Dighe, Thane.	36 equal monthly installments commencing from April 2013.
(xiii)	Term Loan of Rs.62.50 crore (balance outstanding as at 31.03.2016 - Rs.Nil crores Previous Year Rs.19.56 crore) from a Bank was secured against two residential premises at Mumbai.	36 equal monthly installments commencing from March 2013.

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

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

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

	31st March, 2016 Rs. in crore	31st March, 2015 Rs. in crore
Deferred Tax Asset (net)		
Deferred Tax Asset	163.61	166.24
Less : Deferred Tax Liability	118.80	120.90
	44.81	45.34
	44.81	45.34
Deferred Tax Liability (net)		
Deferred Tax Asset	22.86	18.28
Less : Deferred Tax Liability	26.90	20.03
	(4.04)	(1.75)
	(4.04)	(1.75)

a) Mukand :

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

Deferred Tax Asset on account of :

As at 31.03.2015	Charge/ (Credit) for the year 2015-16	As at 31.03.2016
Employee benefits, etc	(1.60)	12.89
Taxes, Duties, Cess, Interest to Banks/Fls', etc	4.58	0.25
Provision for doubtful debts	-	0.09
Unabsorbed Depreciation/ Business Loss, etc	(0.36)	150.37
	2.62	163.60
Deferred Tax liability on account of :		
Depreciation	2.10	118.80
Others	-	-
	2.10	118.80
Net Deferred Tax Asset/(Liability) \$	0.52	44.80

\$ 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

As at 31.03.2015	Charge/ (Credit) for the year 2015-16	As at 31.03.2016
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

As at 31.03.2015	Charge/ (Credit) for the year 2015-16	As at 31.03.2016
Deferred Tax Assets on account of :		
Unabsorbed Depreciation / Business Loss	(4.58)	22.86
	(4.58)	22.86
Deferred Tax Liability on account of :		
Depreciation	6.87	26.90
	6.87	26.90
Net Deferred Tax Asset	2.29	(4.04)

d) VCL

Deferred tax asset aggregating Rs.0.36 crore (Previous year 0.61 crore) has not been recognised by way of prudence in accordance with Accounting Standard AS-22 – Accounting for taxes on income.

5. OTHER LONG TERM LIABILITIES

31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Acceptances / Payables for Capital Goods	-
Other Liabilities	4.00
	4.00

6. LONG TERM PROVISIONS

31st March, 2016	31st March, 2015
for Employee Benefits	39.69
	39.69



Notes (contd.)

7. SHORT TERM BORROWINGS

	31st March, 2016	31st March, 2015
	Rs.in crore	Rs.in crore
I. SECURED LOANS		
Working Capital Loans from Banks	619.28	629.63
II. UNSECURED LOANS		
Short Term Loans from Companies	314.39	211.89
Share of Joint Ventures	0.01	0.02
	933.68	841.54

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 (i).

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

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

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

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

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) (iv).

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) (x).

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, 2016	31st March, 2015
	Rs.in crore	Rs.in crore
Sundry Creditors		
Dues to Micro Enterprises and Small Enterprises	1.95	1.63
Other than to Micro Enterprises and Small Enterprises	477.72	423.43
Acceptances	374.45	456.34
	854.12	881.40

9. OTHER CURRENT LIABILITIES

	31st March, 2016	31st March, 2015
	Rs.in crore	Rs.in crore
Current Maturities of Long Term Debt	269.70	227.12
Interest accrued but not due on borrowings	49.38	8.83
Interest accrued and due on borrowings	1.70	45.40
Unpaid Dividends (represents amounts unclaimed) #	0.11	0.16
Unpaid matured deposits (represents amount unclaimed) #	1.89	2.15
Liability towards Employee Benefits	8.76	8.56
Advances against Orders and Engineering Contracts	39.99	29.90
Liabilities for Property Development (Refer Note below)	142.57	142.38
Statutory Liabilities	97.73	62.05
Acceptance / Payables for Capital Expenditure	20.57	33.23
Others	2.90	0.35
Share of Joint Ventures	0.32	0.31
# No amounts are due & outstanding, to be credited to Investor Education and Protection Fund	635.62	560.44

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.117.14 crore (excluding compensation for TDR) (Previous Year Rs.117.10 crore) have been included in other current liabilities under the head "Advance Towards Property Development". As per the accounting policy on recognition of income consistently followed by VCL, the consideration will be accounted for in the year in which the possession of constructed flats is handed over and the sale of land is completed.

10. SHORT TERM PROVISIONS

	31st March, 2016	31st March, 2015
	Rs.in crore	Rs.in crore
for Employee Benefits	5.41	5.24
for NPA as per RBI Prudential Norms	-	1.06
for Standard Assets as per RBI Prudential Norms	0.34	0.23
for Warranty Costs	0.27	0.61
	6.02	7.14

11. 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
(iii) b) Capital Work-in-Progress, Share of Joint Ventures										1.33
Total (iii)										30.88
										2,459.73

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



Notes (contd.)

11. FIXED ASSETS (31st March, 2015)

Rs.in crore

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

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

a) Revaluation:

Mukand :

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

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

- b) Gross Block of buildings as at 31st March, 2016 includes value of offices, residential flats and garages in co-operative societies/ proposed co-operative societies/ association of apartment owners aggregating Rs.6.31 crore at cost (Previous Year Rs.6.31 crore) [including cost of shares in co-operative societies Rs.7,000/- (Previous Year Rs.7,000/-)].
- c) Pursuant to the Companies Act, 2013 (the Act), becoming effective from 1st April 2014, Mukand reworked depreciation with reference to estimated useful life of fixed assets prescribed under schedule-II to the Act or useful life of fixed assets as per technical evaluation. As a result, the charge for depreciation was higher by Rs.4.36 crore for the year ended 31st March 2015. Further, based on transitional provision in Note 7 (b) of schedule-II, an amount of Rs.8.31 crore (net of deferred tax Rs.3.72 crore) was adjusted during the year 2014-15 against the retained earnings. In case of MSMPL, the charge for depreciation is higher by Rs.0.67 crore.
- d) Fixed assets include net book value of assets at Ginigera Steel Plant of Mukand aggregating Rs.1.05 crore which have been retired from active use and are held for disposal as tabulated hereunder. The said net book value is on the basis of realisable value as per valuation report of an approved valuer.

Assets held for disposal

Rs. in crore

Description	As at 01.04.2015	Accumulated Depreciation as at 31.03.2016	Amount written-off	Net Block as at 31.03.2016
Plant & Machinery	2.95	1.90	-	1.05

- e) Fixed Assets include borrowing costs of Rs.1.64 crore capitalised during the year (Previous year Rs.4.63 crore)
- f) As Lessee: Future Rental obligations in respect of premises taken on lease by Mukand – Operating Lease.

	As at 31.3.2016	Rs. in crore As at 31.3.2015
For a period not later than one year.	2.10	1.97
For a period later than one year and not later than five years.	1.14	2.98
For a period later than five years.	-	-
Total	3.24	4.95

Lease rental charged to revenue for the current year Rs.2.80 crore (Previous Year Rs.2.71 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.

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

	As at 31.3.2016	As at 31.3.2015
For a period not later than one year.	0.11	0.12
For a period later than one year and not later than five years.	0.21	0.04
For a period later than five years.	-	-
Total	0.32	0.16

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

Gross carrying amount of assets: Rs.3.07 crore (Previous year Rs.3.13 crore).
Accumulated depreciation upto 31.03.2016: Rs.0.96 crore (Previous year Rs. 0.97 crore). Depreciation for the year: Rs.0.05 crore (Previous year Rs. 0.05 crore).



Notes (contd.)

12. NON-CURRENT INVESTMENTS

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

	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
A. Trade (Unquoted)	-	-
B. Others (Quoted)	30.47	32.88
C. Others (Unquoted)	16.58	16.59
Less : Provision for diminution in the value of investments	11.18	11.17
	5.40	5.42
	35.87	38.30

	Book Value as at		Market Value as at	
	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Quoted Investments	30.47	32.88	12.53	12.53
Unquoted Investments	5.40	5.42		
	35.87	38.30		

Investments in Equity Shares of Associates / Joint Ventures.

		Rs. in crore	
Name of the Associate		As at 31st March 2016	As at 31st March 2015
(i)	Mukand Engineers Limited including Goodwill of Rs.7.99 crore	19.78	19.78
	Share of post acquisition accumulated Profits/Reserves	13.03	12.39
	Share of current Profit	(2.41)	0.64
		30.40	32.81
(ii)	Stainless India Limited including Goodwill of Rs.7.02 crore.	13.68	13.68
	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	8.28	8.32
	Share of current Profit / (Loss)	(0.02)	(0.04)
	Less: Provision for diminution in value of investments.	(7.85)	(7.85)
		0.60	0.62
(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, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Loans and Advances	0.04	0.59
Advances recoverable in cash or in kind or for value to be received	39.76	44.68
Capital Advances	8.31	9.43
Advance payment of Income-tax (net)	53.26	44.37
Balances, etc. with -		
Port Trust, Central Excise, etc.	12.66	11.24
Others	18.43	21.11
	31.09	32.35
	132.46	131.42

14. OTHER NON-CURRENT ASSETS

	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
MAT Entitlement Credit	50.52	49.58
Others	0.12	0.22
	50.64	49.80

15. INVENTORIES

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

	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Raw Materials	83.62	146.94
Raw Materials in Transit	50.22	38.53
Total Raw Materials	133.84	185.47
Work-in-Process	130.68	254.09
Contracts in Progress [Refer Note No. 30 H (v) and Note 21]	303.39	294.59
Finished Goods	867.62	663.97
Stores, Spares, Fuel, Components and Engineering Construction Materials	49.46	51.22
Stores in Transit	10.30	7.94
Total Stores, Spares, Fuel, Components and Engineering Construction Materials	59.76	59.16
Fuel	1.11	1.34
Loose Tools	0.08	0.09
Stock-in-trade of Property Development business	0.09	0.09
	1,496.57	1,458.80

16. TRADE RECEIVABLES, (Unsecured)

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

More than six months from the due date of payment :		
Considered good	489.36	349.15
Considered doubtful	-	-
Less : Provision	-	-
	489.36	349.15
Others :		
Considered good	668.17	660.60
	1,157.53	1,009.75

17. CASH AND BANK BALANCES

	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Cash on hand (including cheques on hand Rs.0.40 crore; Previous year Rs.3.48 crore and stamp papers on hand Rs.0.06 crore Previous year Rs.0.06 crore)	0.56	3.69
Balances with Banks :		
(i) In Current Accounts	29.23	13.04
(ii) In Unpaid Dividend Accounts	0.11	0.16
(iii) In Escrow Account	0.04	0.15
(iv) In Margin Money Accounts #	49.84	49.64
(v) In Deposit Accounts	6.25	6.77
	85.47	69.76
Remittances-in-Transit	9.54	16.57
Share of Joint Ventures	-	-
	95.57	90.02
# under lien with Banks		

18. SHORT TERM LOANS AND ADVANCES

Unsecured, considered good, unless otherwise specified

	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Loans and Advances	152.64	127.65
Considered doubtful	27.50	27.50
Less: Provision	(27.50)	(27.50)
	-	-
	152.64	127.65
Advances recoverable in cash or in kind or for value to be received	211.68	190.60
Considered doubtful	0.23	0.29
Less : Provision	(0.23)	(0.29)
	-	-
	211.68	190.60



Notes (contd.)

	31st March, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Balances, etc. with --		
Port Trust, Central Excise, etc.	29.54	33.19
Others	0.18	0.18
	29.72	33.37
Share of Joint Ventures	-	0.13
	394.04	351.75

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.78.09 crore as at 31st March 2016 (Previous Year Rs.81.54 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered assets of BFL as at 31st March, 2015 which is at Rs.66.94 crore (Previous Year Rs.66.94 crore), value of current assets aggregating Rs.48.98 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.78.01 crore (Previous year Rs.59.49 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 Rs.10.63 crore as bad debt and written back provision of Rs.1.06 crore in respect of an investment Company as per Non-Systemically Important Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2015.

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. 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.24.51 crore) recoverable from certain investment companies. An amount of Rs.12.86 crore due from an investment company has been written off during the year. 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) Mukand / MGFL has an investment of Rs.13.68 crore (Previous Year Rs.13.68 crore) in equity shares of Stainless India Limited (SIL). For the purpose of Consolidation of Accounts, the said value of investment has been reduced to Rs. Nil by accounting for share of post acquisition losses.

VCL has loans aggregating Rs.39.13 crore (Previous Year Rs.39.13 crore). VCL has provided during FY 2010-11 an amount of Rs.9.13 crore and Rs.7.31 crore during the year 2013-14 as doubtful of recovery against these loans. VCL has not provided for interest on these loans as a matter of financial prudence for FY2007-08 to FY 2015-16. SIL has not adhered to repayment of the loan as agreed in the undertaking given by SIL to pay the amount of loan as per the repayment schedule.

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

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

- (e) 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).

Name of the Party	Rs. in crore			
	Outstanding Amount		Maximum Amount during the year	
	As at	As at	2015-16	2014-15
	31.03.16	31.03.15	2015-16	2014-15
Stainless India Ltd. (Net of provisions)	9.13	9.13	9.13	9.13

- (f) MEL has, as at 31st March, 2016 loans including interest aggregating Rs.8.80 crore (Previous Year Rs.12.35 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, 2016 Rs.in crore	31st March, 2015 Rs.in crore
Interest receivable [Refer Note 18 (b) & 26]	223.71	190.83
	223.71	190.83

20. (a) CONTINGENT LIABILITIES NOT PROVIDED FOR :

	31.3.2016 Rs. in crore	31.3.2015 Rs. in crore
(i) Disputed matters in appeal/contested in respect of:		
- Income Tax *	37.19	38.91
- Excise Duty, Customs Duty etc.	4.55	3.89
- Sales Tax, Works Contract Tax etc. **	4.90	4.90
- Other matters	3.95	0.59
* included in this amount (not provided in the Accounts) is the liability under Sec 115JB of the Income Tax Act, 1961 for Assessment Year 2005-06 as Mukand's appeal is pending disposal. Mukand places reliance on certain judicial pronouncements and has also obtained a legal opinion on the matter.		
** In the matter of certain ex-parte assessments completed by Commercial Tax Officer in the State of Uttar Pradesh, Mukand is advised that liability if any, that may arise will be determined after the matter is remanded to the Assessing Officer and on completion of reassessment proceedings and therefore, the same is not included herein.		
(ii) Claims against the Company not acknowledged as debt	13.96	16.93
(iii) Bills discounted with the Bankers and others		
Sale Bills discounted	-	1.53
(iv) Guarantees and Counter guarantees given on behalf of :-		
- Associates	115.00	85.00
- Others	-	-
(v) Bonds / Undertakings given by Mukand/ MSMPL under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	0.84	0.93
(vi) Bonds given by Mukand/ MSMPL against import of machinery under EPCG Scheme	-	6.30
(vii) Share in the contingent liabilities of Associates	2.05	1.92
(viii) Arrears of dividend on preference shares for FY 2015-16 Rs.5,627/- and FY 2014-15 Rs. 5,627/- in view of amendment to section 123 of the Companies Act, 2013.		
(ix) Share in the contingent liabilities of Joint Ventures	-	-
(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		



Notes (contd.)

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 FY2015-16. 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 31.3.2016	31.3.2015
b) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	12.48	13.46

21. REVENUE FROM OPERATIONS

i) REVENUE FROM OPERATIONS

	2015-16 Rs. in crore	2014-15 Rs. in crore
(a) Sale of Products and Services		
1. Steel Products	2,965.20	2,983.90
2. Engineering Contracts and Job Work	302.04	314.28
3. Others	0.25	0.21
Total	3,267.49	3,298.39
Less : Excise Duty	355.47	326.72
Net Sales	2,912.02	2,971.67

(b) Interest from Financing Activities

11.26 7.69

(c) Income from Property

Development Activities

1.52 1.54

(i) Total Revenue from Operations

2,924.80 2,980.90

ii) Other Operating Revenues

a) Sale of Scrap and Sundries	9.27	7.00
b) Sales-tax / VAT Refunds	0.58	0.59
c) Interest Received from Banks	4.15	4.55
d) Insurance Claims etc.	4.98	-
e) Credit balances appropriated	0.12	1.50
f) Other Miscellaneous receipts	4.17	8.15
g) Bad debts recovered	-	-
h) Excess provisions written back (net) (Including for Non Performing Assets)	3.66	2.67
i) Surplus on account of sale of Assets	0.71	0.04
(ii) Total Other Operating Revenues	27.64	24.50

Total Sales and Services and Other Operating Revenues

2,952.44 3,005.40

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

	FY2015-16	Rs. in crore FY2014-15
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	54.82	61.62

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.17.56 crore (including interest) was realised towards various claims. The exposure on this account as at the end of the financial year aggregate Rs.120.00 crore (Previous Year: Rs.126.80 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.298.93 crore (Previous Year: Rs.223.36 crore). Bulk of these claims are now being processed at the level of Tribunal as against the level of consulting engineers in the previous year.

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

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

	2015-16	2014-15
The amount of Contract revenue recognised as revenue during the year.	166.67	121.39
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	1,646.46	1,479.97
The amount of advances received (Gross)	13.67	15.65
The amount of retentions (included in sundry debtors) (net balance)	70.70	54.07
Amount due to customers	-	-
Amount due from customers	231.75	195.70

22. OTHER INCOME

	2015-16 Rs. in crore	2014-15 Rs. in crore
a) Rent received	0.47	0.46
b) Additional compensation on acquisition of land in earlier years	2.49	-
c) Surplus on sale of premises	-	10.49
d) Delay payment charges received	9.95	-
e) Interest Received from Others	10.33	7.39
f) Dividends (Gross) :		
from Trade Investments (long term)	-	0.46
from Other Investments (short term)	0.01	-
Total Other Income	23.25	18.80



Notes (contd.)

23. RAW MATERIALS CONSUMED

	2015-16 Rs. in crore	2014-15 Rs. in crore
Opening Stocks	146.94	90.78
Add : Purchases	1,308.12	1,598.47
Less : Sales / Materials given on loan	1.64	0.35
	1,453.42	1,688.90
Less :Closing Stocks	83.62	146.94
	1,369.80	1,541.96

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

Opening Stocks	1,212.74	1,057.46
Less : Closing Stocks	1,301.78	1,212.74
Variation in Stocks	(89.04)	(155.28)
Variation in Excise Duty on Opening & Closing Stocks of Finished Goods	24.00	8.27
(Increase) /Decrease in Stocks	(65.04)	(147.01)

25. EMPLOYEE BENEFIT EXPENSE

Salaries,Wages,Bonus,Compensation and Other Payments	138.88	127.39
Contribution towards Employees' State Insurance, Provident and Other Funds	20.35	18.43
Welfare Expenses	13.68	14.64
	172.91	160.46

26. FINANCE COSTS

Interest Expenses (Net) (Refer Note below)	287.66	276.95
Less : Interest Capitalised	1.64	4.63
	286.02	272.32
Other Borrowing Costs	4.57	3.40
	290.59	275.72

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 / MSMP L sell goods on credit on interest to customers to compensate it for such finance costs. Interest income generated from book debts amounting to Rs.129.59 crore (previous year Rs.112.36 crore) is netted against same source of interest expense under finance costs.

27. OTHER EXPENSES

	2015-16 Rs. in crore	2014-15 Rs. in crore
Stores, Spares, Components, Tools, etc. consumed	445.66	442.27
Power and Fuel consumed	198.15	194.08
Machining and Processing charges	167.03	183.07
Sub-contracting expenses	49.32	45.02
Other Manufacturing expenses	57.77	58.68
Property Development Expenses	1.52	1.54
Rent (net)	1.04	1.17
Repairs:		
to Buildings	2.96	2.07
to Plant and Machinery	7.53	7.76
to Other assets	2.17	1.38
	12.66	11.21
Rates and Taxes	3.68	3.55
Insurance	1.36	1.22
Commission	7.00	5.45
Freight, Forwarding & Warehousing (net)	78.58	72.70
Directors' Fees and Travelling Expenses	0.32	0.35

	2015-16 Rs. in crore	2014-15 Rs. in crore
Bad Debts,debit balances & claims written off	11.46	1.16
Less : Doubtful debts provided in earlier years	(0.07)	-
	11.39	1.16
Provision for doubtful debts / advances	0.12	-
Provision for Non-Performing Assets	-	1.06
Provision for diminution in value of Investments	-	1.59
Loss on assets discarded / impaired	0.14	0.28
Loss on assets sold (net)	0.12	0.03
Loss on variation in foreign exchange rates(net)	24.52	11.95
Miscellaneous Expenses	52.76	50.97
	1,113.14	1,087.35

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

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

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

28. EXCEPTIONAL ITEMS (NET) INCLUDE:

i) Ad hoc amount paid to CDR Lenders by Mukand	-	(12.45)
ii) Bad debts written off	(12.86)	(2.66)
iii) Share of Associates	-	-
	(12.86)	(15.11)

29. COMPUTATION OF PROFIT FOR EARNINGS PER SHARE :

Net Profit /(Loss) after taxation as per Statement of Profit & Loss	(7.52)	11.14
Less : Dividends and tax thereon	-	-
Net Profit /(Loss) for calculation of basic/diluted EPS [including exceptional items]	(7.52)	11.14
Net Profit /(Loss) for calculation of basic/diluted EPS [excluding exceptional items]	5.34	26.25
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]	(0.53)	0.79
Basic and diluted EPS in Rs (Face Value Rs.10 per share) [excluding exceptional items]	0.38	1.86

30. BASIS AND PRINCIPLES OF CONSOLIDATION

- The consolidated financial statements of the group have been prepared based on a line-by-line consolidation of the financial statements of Mukand Limited and its subsidiaries using uniform accounting policies for like transactions and other events in similar circumstances except for the changes in accounting policy discussed more fully below. All material inter-company balances and transactions are eliminated on consolidation. Mukand Limited and all the subsidiaries have closed books of accounts as at March 31, 2016 as year-end for the purpose of preparing the consolidated financial statements of the group.
- Investment of the Company in associates is accounted as per the equity method prescribed under notified Accounting Standard 23 – "Accounting for Investment in Associates in Consolidated Financial Statements" under Company Accounting Standard Rules 2006 and the relevant provisions of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. These standards shall be deemed to be accounting standards until accounting standards are specified by the Central Government under section 133.
- Interest in Jointly Controlled Entity is accounted as per the Proportionate Consolidation Method prescribed under Notified Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements' under Companies Accounting Standard Rules, 2006 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



Notes (contd.)

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.1.06 crore (Previous Year Rs.0.40 crore) has been adjusted to Reserves.
- (e) Accordingly, the Consolidated Financial Statements (CFS) includes the results of four wholly owned subsidiaries, two subsidiaries, one joint venture and four associates. The names, country of incorporation and proportion of ownership is given hereunder :

Name of the Company	Country of Incorporation	Percentage of shareholding	Consolidated as
Mukand Global Finance Ltd. (MGFL)	India	100.00	Subsidiary
Vidyavihar Containers Ltd. (VCL)	India	100.00	Subsidiary
Mukand International Ltd. (MIL)	UK	100.00	Subsidiary
Mukand International FZE (MIFZE)	UAE	100.00	Subsidiary
Mukand Sumi Metal Processing Ltd. (MSMPL)	India	60.07	Subsidiary
Mukand Alloy Steels Pvt. Ltd. (MASPL)	India	99.00	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 differ from those estimated and actual materialized results and estimates are recognized in the period, in which the results are known.

C] Fixed Assets:

a) Tangible Assets:

- Fixed Assets except leasehold land are stated at cost of acquisition or construction. However, fixed assets, which are revalued are stated at their revalued book values.
- 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:

- The Company provides depreciation on all its assets on the "Straight Line Method" in accordance with the provisions of Section 123 (2) of the Companies Act, 2013 which was made effective from 01.04.2014. Company has reworked depreciation with reference to the estimated useful life of fixed assets as prescribed under schedule II to the act or useful life of fixed assets as per technical evaluation.
- Software is amortised over a period of 3 years. At MEL ERP Software is amortised over a period of 5 years.
- Depreciation in respect of assets used for long term engineering contracts is provided on the estimated useful life of the assets.
- Assets costing less than Rs.5,000/- are fully depreciated at the rate of 100% in the year of purchase.
- 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.
- Cost of Leasehold land is amortized over the period of lease.
- Technical know-how is amortised over the period of agreement or six years, whichever is lower.
- 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



Notes (contd.)

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



Notes (contd.)

certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

Foreign Subsidiaries

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

M] Segment Reporting Policies :

Identification of segments:

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

Inter segment Transfers:

The Company generally accounts for inter segment transfers at cost. However, in case of Mukand's Captive Power Plant of Steel Division at Ginigera, Karnataka, the inter-segment transfers 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	
	2015-16	2014-15
Liability to be recognised in Balance Sheet		
Present Value of Funded Obligations	44.07	42.20
Fair Value of Plan Assets	15.09	12.51
Net Liability	28.98	29.69

Rs. in crore

	2015-16	2014-15
Change in Plan Assets (Reconciliation of opening & Closing Balances)		
Fair Value of Plan Assets as at beginning of the year	12.52	12.65
Expected Return on Plan Assets	1.01	1.10
Actuarial (Gain) / Losses	(0.05)	(0.06)
Contributions	4.98	2.89
Benefits Paid	(3.37)	(4.07)
Fair Value of Plan Assets as at the close of the year	15.09	12.51
Reconciliation of Opening and Closing Balances of obligation		
Change in defined Benefit Obligation		
Obligation as at beginning of the year	42.21	36.71
Current Service Cost	2.76	2.17
Interest Cost	2.53	3.30
Actuarial Losses / (Gain)	(0.06)	4.09
Benefits Paid	(3.37)	(4.07)
Obligation as at the close of the year	44.07	42.20
Expenditure to be recognised during the year		
Current Service cost	2.49	2.11
Interest Cost	2.49	3.28
Expected Return on Plan Assets	(0.97)	(1.10)
Net Actuarial Losses / (Gains) Recognised during the year	4.80	4.15
Total Expenditure included in "Employees' Emoluments"	8.81	8.44
Assumptions		
Discount Rate (per annum) %	8.04	7.87 to 7.99
Expected rate of Return on Assets (per annum) %	8.04	7.99 to 8.00
Salary Escalation Rate %	5.75	5.75 to 6.50

- (ii) Mukand expects to contribute Rs.4.34 crore (Previous Rs.4.16 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	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of Funded Obligations.	41.34	39.79	34.62	32.87	31.49
Fair Value of Plan Assets.	12.86	10.61	10.89	12.46	12.27
Net Liability.	28.48	29.18	23.73	20.41	19.22
Experience Adjustments on Plan Liabilities					
Loss / (Gain)	1.15	1.57	0.71	0.32	0.06
Experience on Plan Assets-Loss / (Gain)	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, 2016. Similarly, In respect of employees of Bombay Forgings Limited and Stainless India Limited, liability for gratuity is provided at actuals on the basis of amount due as at 31st March, 2016.
- (vii) An amount of Rs.7.48 crore (Previous year Rs.6.84 crore) as contribution towards defined contribution plans including Rs.0.93 crore (Previous year Rs.0.66 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, 2016

A. Business Segment

Rs. in Crore							
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 :

- Finance and Lease Charges excludes interest charged to Segment Results (net of eliminations) Rs.13.01 crore.
- Segment Result is after adjusting prior period items.
- Share of Profit in Associates is after considering prior period items.

B. Geographical Segment :

Rs. in Crore			
Particulars	India	Rest of the World	Total
Segment Revenue	3,156.85	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

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

A. Business Segment

Rs. in Crore							
Particulars	Steel	Industrial Machinery	Road Construction	Power Plant	Others	Eliminations	Total
Segment Revenue :							
External Revenue	3,148.19	173.37	1.28	-	9.28	-	3,332.12
Inter-Segment Revenue	-	2.05	-	36.74	0.63	(39.42)	-
Total Revenue	3,148.19	175.42	1.28	36.74	9.91	(39.42)	3,332.12
Less : Excise Duty							326.72
Net Revenue							3005.40
Segment Results before interest and tax :							
	243.01	15.42	(1.40)	30.44	(2.62)		284.85
Inter-Segment Margin		0.21	-	-	0.58	(0.79)	-
Minority Interest	1.22						1.22
Total Segment Results before interest and tax :	241.79	15.63	(1.40)	30.44	(2.04)	(0.79)	(283.63)
Add : Unallocated Income (net of Expenses)							9.53
Add : Share of Profit in Associates							0.60
Less : Finance and Lease Charges							(285.90)
Less : Exceptional Items (net) (Including share in Associates)							(15.11)
Less : Tax Expense (net)							(1.74)
Add : Excess Provision for tax							0.13
Net Loss							11.14
Other Information							
Segment Assets	4,682.51	602.80	128.45	43.71	137.32	(6.05)	5,588.74
Un-allocated Assets							275.72
Total Assets							5,864.46
Segment Liabilities	949.93	81.97	0.02	0.88	213.13	(16.48)	1,229.45
Minority Interest	110.03						110.03
Un-allocated Liabilities (Including loan funds)							2,652.83
Total Liabilities							3,992.31
Capital Expenditure							
Segment Capital Expenditure	34.08	3.04	-	-	-	-	37.12
Un-allocated Capital Expenditure							2.37
Total Capital Expenditure							39.49
Depreciation & Amortisation							
Segment Depreciation & Amortisation	70.50	2.22	-	3.21	0.15	-	76.08
Un-allocated Depreciation & Amortisation							0.41
Total Depreciation & Amortisation							76.49
Significant Non-Cash Expenditure							
Segment Non-Cash Expenditure	0.04	0.19	-	-	3.58	-	3.81
Un-allocated Non-Cash Expenditure							-
Total Significant Non-Cash Expenditure							3.81

Notes :

- Finance and Lease Charges excludes interest charged to Segment Results (net of eliminations) Rs.9.82 crore.
- Segment Result is after adjusting prior period items.
- Share of Profit in Associates is after considering prior period items.

B. Geographical Segment :

Rs. in Crore			
Particulars	India	Rest of the World	Total
Segment Revenue	3,168.66	163.46	3,332.12
Carrying cost of Segment Assets	5,569.58	19.16	5,588.74
Additions to Fixed Assets & Intangible Assets	37.12	-	37.12



Notes (contd.)

(C) Other Disclosures :

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

Business segment has been disclosed as primary segment.

Types of products and services in each business segment:

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

Power Generation for captive use.

Industrial Machinery and Engineering 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.

33. RELATED PARTY DISCLOSURES

(a) Relationship :

(i) Other related parties where control exists :

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

(ii) Joint Ventures :

Mukand Vini Mineral Ltd. (MVML).

(iii) Key Management Personnel

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

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

Kalyani Mukand Ltd., Jamnalal Sons Pvt. Ltd. (JSPL), Adonis Laboratories Pvt Ltd. (ALPL), Sumitomo Corporation, Japan, Sumitomo Corporation 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	2.40				2.40
	3.07				3.07
2. Purchase of Fixed Assets				0.30	0.30
				6.92	6.92
3. Sale of Goods	15.64			0.01	15.65
	18.14			0.03	18.17
4. Transfer of Fixed Assets			0.02		0.02
			0.01		0.01
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	65.08			0.08	65.16
	60.43			-	60.43
8. Services Rendered	29.24			0.24	29.48
	70.35			0.21	70.56
9. Remuneration to MDs			2.83		2.83
			2.77		2.77
10. Interest / Dividend Paid / (Received) Net	0.59	0.05		49.92	50.56
	1.34	0.05		42.16	43.55
11. Reimbursement of Expenses - Payment	0.02			0.07	0.09
	-			0.05	0.05
12. Finance taken including equity / (re-payment of loans & advances) - Net	-		-	191.41	191.41
	-		-	102.75	102.75
13. Finance given including equity / (re-payment of loans & advances)- Net	-	0.05		-	0.05
	5.00	0.04		-	5.04
13 a. Bad debts / Advances written off	-				-
	2.66				2.66
13 b. Provision for doubtful recovery of loans	-				-
	-				-
14. Balances at the close of the year					
i) Amount Receivable	86.00			0.50	86.50
	98.14			0.44	98.58
	8.43		0.11	2.31	10.85
ii) Amount Payable	11.94		0.20	6.15	18.29
iii) Amount Receivable in respect of loans & advances	27.98	1.11			29.09
	20.81	1.05			21.86
iv) Amount Payable in respect of loans & advances				507.16	507.16
				314.45	314.45
v) Property Deposit taken	0.07				0.07
	0.07				0.07

(Rs.in crore)

Nature of transactions	a (i) above	a (ii) above	a (iii) above	a (iv) above	Total
15. Guarantees given by the Company	115.00				115.00
	85.00				85.00
16. Counter Guarantees given on behalf of the Company	-				-
	-				-
17. Collateral given on behalf of the Company			#	##	

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

3,869,089 Equity Shares of the Company.

ii) Details in respect of material transactions with related parties

(Rs. in Crore)

Purchase of Goods:	
Bombay Forgings Ltd	2.40
	3.07
Purchase of Fixed Assets:	
Sumitomo Corporation, Japan	0.30
	-
Sale of Goods:	
Bombay Forgings Ltd	15.64
	18.14
Sumitomo Corporation, Japan	0.01
	-
Transfer of Fixed Assets	
To a Managing Director / Joint Managing Director	0.02
	0.01
Services Received:	
Hospet Steels Ltd	49.76
	42.60
Mukand Engineers Ltd	15.30
	17.77
Stainless India Ltd.	0.02
	0.06
Sumitomo Corporation, Japan	0.08
	-
Services Rendered:	
Mukand Engineers Ltd	29.24
	70.35
Sumitomo Corporation, Japan	0.24
	-
Interest / Dividend Paid / (Received) Net	
Mukand Vini Mineral Ltd.	0.05
	0.05
Mukand Engineers Ltd	0.59
	1.34
Jamnalal Sons Pvt Ltd	49.49
	41.83
Adonis Laboratories Pvt Ltd	0.30
	0.30
Sumitomo Corporation, Japan	0.13
	-
Bad Debts / Advances Written Off	
Bombay Forgings Ltd	-
	2.66
Reimbursement of Expenses - Payment	
Mukand Engineers Ltd	0.02
	-
Sumitomo Corporation, Japan	0.07
	-
Finance taken including equity / (re-payment of loans & advances)- Net	
Jamnalal Sons Pvt Ltd	191.41
	102.75
Finance given including equity / (re-payment of loans & advances)- Net	
Mukand Engineers Ltd	-
	(5.00)
Mukand Vini Mineral Ltd.	0.05
	0.04



Notes (contd.)

(Rs. in Crore)	
Balances at the close of the year:	
i) Amount Receivable	
Bombay Forgings Ltd	65.32
	75.94
Stainless India Ltd.	1.23
	1.23
Mukand Engineers Ltd	19.45
	20.97
Kalyani Mukand Ltd	0.26
	0.23
Sumitomo Corporation, Japan	0.24
	-
ii) Amount Payable	
Remuneration to MDs	0.11
	0.20
Mukand Engineers Ltd	2.05
	9.78
Hospet Steels Ltd	6.38
	2.16
Sumitomo Corporation, Japan	2.31
	-
iii) Amount Receivable in respect of loans & advances	
Stainless India Ltd. (Net of Provisions)	15.21
	15.21
Bombay Forgings Ltd	12.77
	5.60
Mukand Vini Minerals Ltd	1.11
	1.05
iv) Amount Payable in respect of loans & advances	
Jamnalal Sons Pvt Ltd	505.16
	312.45
Adonis Laboratories Pvt Ltd	2.00
	2.00
v) Property Deposit taken	
Mukand Engineers Ltd	0.07
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	115.00
	85.00

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

34. OTHER NOTES OF SUBSIDIARIES / ASSOCIATES

i) Statement of Net Assets and Profit or Loss Attributable To Owners and Minority Interest

Name of the entity	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	91.35	2,118.08	9.87	1.62
Indian Subsidiaries				
Mukand Global Finance Ltd. (MGFL)	1.33	30.78	(43.88)	(7.20)
Vidyavihar Containers Ltd. (VCL)	(5.43)	(125.79)	(83.55)	(13.71)
Mukand Sumi Metal Processing Ltd. (MSMPL)	12.10	280.61	25.47	4.18
Mukand Alloy Steels Private Ltd. (MASPL)	-	(0.03)	(0.12)	(0.02)
Foreign Subsidiaries				
Mukand International Ltd. (MIL)	-	0.02		-
Mukand International FZE (MIFZE)	0.61	14.17	7.01	1.15
Indian Joint Ventures				

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 Vini Mineral Ltd. (MVML)	0.04	0.85		-
Associates				
Mukand Engineers Ltd. (MEL)			(14.69)	(2.41)
Bombay Forgings Ltd. (BFL)			(0.12)	(0.02)
Stainless India Ltd. (SIL)				
Hospet Steels Ltd. (HSL)				
TOTAL	100.00	2,318.69	100.00	(16.41)
a) Adjustments arising out of consolidation		345.69		10.56
b) Minority Interest				
Indian Subsidiaries - MSMPL		111.70		1.67
Foreign Subsidiaries		-		-
TOTAL		457.39		12.23
Consolidated Net Assets/ Profit after tax		1,861.30		(7.52)

- 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, 2015. MGFL has also made provision on Standard Assets as on 31st March, 2016 as prescribed by Reserve Bank of India (RBI) in their Notifications No. DNBS. 222 CGM(US)2011 and No. DNBS. 223 CGM (US) 2011 both dated January 17, 2011. Various Returns required to be filed with RBI have been filed with RBI in time.
- iii) Since the assets size of MGFL is less than Rs.500 crore, it is exempted from compliance of Credit Concentration Norms of Reserve Bank of India circular No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10/11/2014. As a matter of prudent practice, MGFL continued the disclosure in respect of CRAR, Exposure to Real Estate Sector, Leverage Ratio and Maturity Pattern of certain items of Assets and Liabilities.
- iv) SIL's operations have been suspended w.e.f. 27.10.2008. For past several years SIL's net worth has been fully eroded. The accounts have however been prepared under going concern assumption.
- v) The management of VCL plans to, and is hopeful of, reviving in the foreseeable future, economically viable non-industrial commercial activity. The accounts of VCL have been drawn up based on the going concern assumption based on the VCL management's perception of the future of VCL.
- vi) Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India 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) As reported last year, 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. The Management is presently reviewing the proposal and may consider restructuring of the proposal. In view of this, no further disclosures are deemed necessary in terms of Accounting Standard - 24 Discontinued Operations.
35. Previous year figures have been regrouped / recast wherever necessary

As per our attached report of even date

For and on behalf of Board of Directors

For HARIBHAKTI & CO. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W

Niraj Bajaj

Chairman & Managing Director
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
Mumbai, May 23, 2016

S B Jhaveri

Chief Financial Officer

K J Malliya

Company Secretary

Mumbai, May 23, 2016



Financial Highlights - 1999-00 to 2015-16

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
2011-2012	2,593.6	(42.7)	(93.5)	(27.8)	-	-
2012-2013	2,137.1	16.5	(39.5)	24.7	-	-
2013-2014	2,812.2	(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	-	-

CAPITAL ACCOUNTS

Accounting year	Net fixed assets	Total assets	Share capital	Net worth
1999-2000	604.6 *	1,265.0	30.7	395.8 *
2004-2005	823.7 *	1,610.9	78.8	506.0 *
2009-2010	2,147.8 *	3,529.5	78.8	1,847.6 *
2011-2012	2,494.3 *	4,957.3	78.8	2,125.8 *
2012-2013	2,553.6 *	5,163.5	78.8	2,082.0 *
2013-2014	2,536.2 *	5,578.9	147.0	2,132.0 *
2014-2015	2,473.9 *	5,796.7	147.0	2,120.8 *
2015-2016	2,436.0 *	5,956.7	147.0	2,118.1 *

* Including effect of revaluation.

+ Dividend on preference shares including tax thereon.

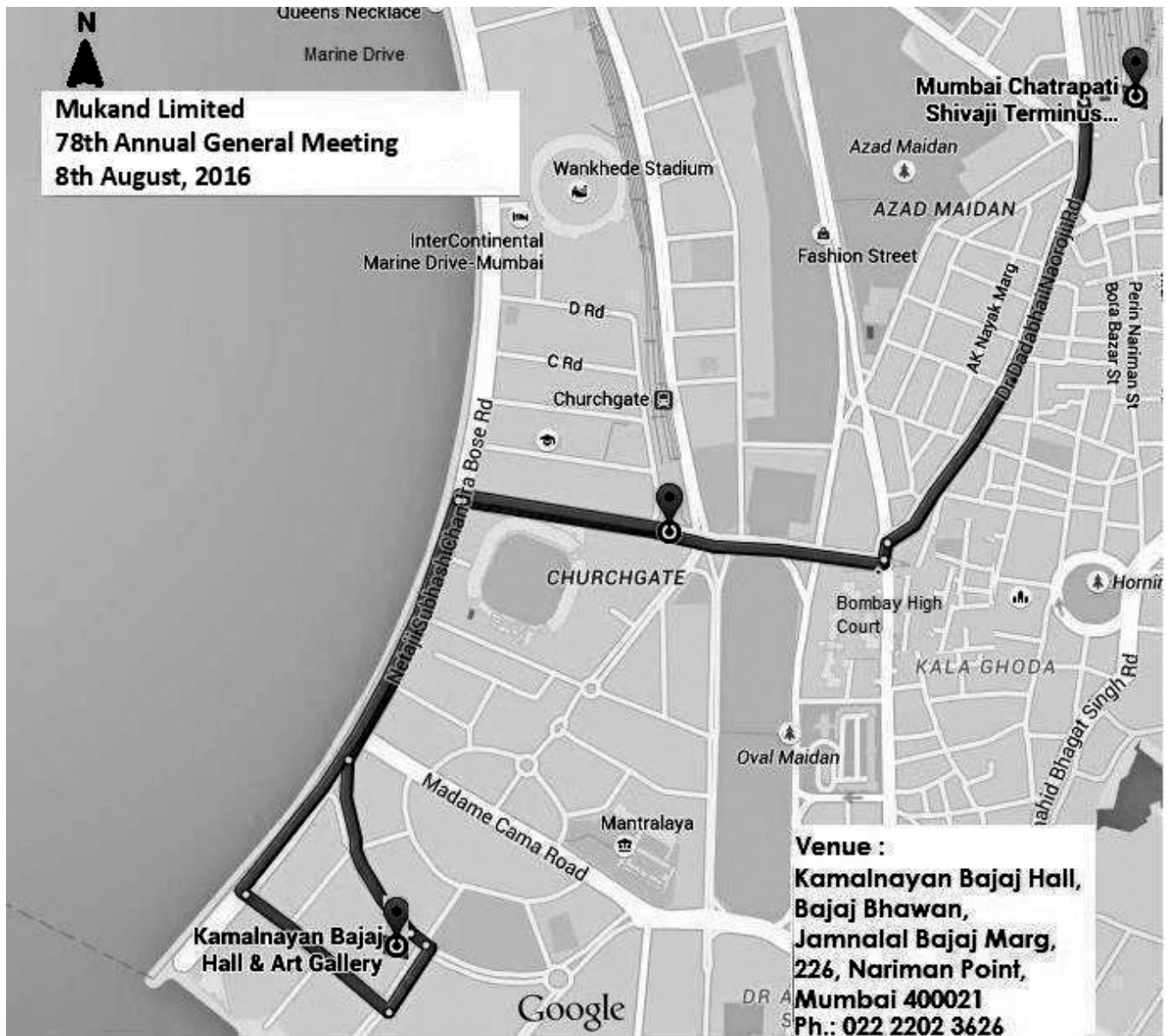
++ Dividend on equity/preference shares including tax thereon.



NOTES

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VENUE OF AGM - ROUTE MAP





MUKAND LIMITED

(CIN No.: L99999MH1937PLC002726)

Registered Office: Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021
Tel: 022-61216666, Fax: 022-22021174, E-mail: investors@mukand.com, Website: www.mukand.com

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L99999MH1937PLC002726

Name of the company : MUKAND LIMITED

Registered office : Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai 400021
Tel: 022-61216666, Fax: 022-22021174,
E-mail: investors@mukand.com, Website: www.mukand.com

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id /DP Id :

I/We, being the member (s) of shares of Mukand Ltd. hereby appoint:

1. Name :	Address:	
E-mail Id:	Signature:	or failing him/her
2. Name :	Address:	
E-mail Id:	Signature:	or failing him/her
3. Name :	Address:	
E-mail Id:	Signature:	

as my/our proxy to attend and vote for me/us and on my/our behalf at the 78th Annual General Meeting of the Company, to be held on the Monday, August 8, 2016 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

- Adoption of audited standalone financial statements and audited consolidated financial statements for the year ended 31st March, 2016 and the Reports of Directors' and Auditors' thereon.
- Re-appointment of Shri Rajesh V. Shah (DIN: 00033371) as Director, who retires by rotation.
- Re-appointment of Shri Suketu V. Shah (DIN: 00033407) as Director, who retires by rotation.
- Ratification of appointment of M/s. Haribhakti & Co., LLP, Chartered Accountants (Registration No. 103523W), as Statutory Auditors and fixing their remuneration.

Special Business

- Ratification of remuneration to Cost Auditor.
- Approval of Material Related Party Transactions.

Signed this day of 2016.

Affix
Re. 1/-
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:
This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



MUKAND LIMITED

(CIN No.: L99999MH1937PLC002726)

Registered Office: Bajaj Bhawan, 3rd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021
Tel: 022-61216666, Fax: 022-22021174, E-mail: investors@mukand.com, Website: www.mukand.com

ATTENDANCE SLIP

Serial No.

1. Folio No./DP ID No. /Client ID No. :
2. Name of the Shareholder :
3. Address of the sole/first named Shareholder :

4. Name of the Joint Shareholder – 1 :
Name of the Joint Shareholder – 2 :
5. Number of equity shares held :
6. Number of CRPS* held :

We/I hereby record our/my presence at the **78th Annual General Meeting of the Company** held on Monday, August 8, 2016 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021.

* 0.01 % Cumulative Redeemable Preference Shares

Signature of the Shareholder/Proxy/Representative

Note: Please bring this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

E-VOTING PARTICULARS

[Equity shareholders who wish to opt for e-voting may use the following login credentials]

EVEN (e-Voting Event No.)	User ID	Password

Note: Please follow steps for e-voting procedure as given in the Notice of AGM or as available on <https://evoting.karvy.com>.



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